ANNUAL REPORT

20

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INTRODUCTION

Orascom Construction PLC is a leading global engineering and construction contractor with operations covering the infrastructure, industrial and commercial sectors and a footprint primarily spanning the Middle East, Africa, and the United States.

East Port Said Seawater Treatment Plant

At a Glance

Orascom Construction PLC is a leading global engineering and construction contractor with a footprint covering the Middle East, Africa and the United States and operations encompassing the infrastructure, industrial, and commercial sectors. The Group develops and invests in infrastructure opportunities and holds a building materials and facilities management portfolio.

Orascom Construction PLC (Orascom or “the Group”) was launched in 1950 as a local contractor based in Upper Egypt. Since then, it has grown into a leading global engineering and construction group with a reputation for excellence across its footprint. Its core operations include infrastructure, industrial, and high-end commercial projects. The Group operates through Orascom Construction in the MEA region, while in the US it works through two subsidiaries – Contrack Watts and The Weitz Company, which were consolidated under a single management arm in 2018.

Orascom also owns a 50% stake in the Belgium-based BESIX Group and has investments in infrastructure and concession projects. Additionally, it maintains a portfolio of subsidiaries and affiliates operating in industries adjacent to construction. The Group is dual-listed on NASDAQ Dubai and the EGX, and as of 31 December 2020 holds a total pro forma backlog of USD 8.04 billion.

70
Years of contracting experience

10
Countries where Orascom is currently executing projects

64K
Employees

8.04 USD/BN
Pro forma backlog as of FY 2020

3.37 USD/BN
Revenues for FY 2020

4.24 USD/BN
Pro forma new awards FY 2020

Central Bank of Egypt Rennovation - New Cairo

Note from the CEO

"Orascom Construction continued to demonstrate leadership in its markets, as evidenced by several new high-quality contracts and our ability to maintain our backlog at USD 5.4 billion as of 31 December 2020."

Osama Bishai
Chief Executive Officer

Dear shareholders and partners,

FY 2020 brought unprecedented challenges not only to our Company, but also to the entire industry and the world. Our priority has always been the health and safety of our people, and I would like to thank our employees for their tireless efforts throughout this year. Our success and ability to traverse this challenging year is a direct result of their strength and commitment.

At the onset of COVID-19, a taskforce was immediately established to assess the impact and create a proactive plan to tackle the pandemic. This task force continuously evaluated developments and adapted to them, with health and safety as the top priority. These initiatives proved effective, and despite initial stoppage to ensure adequate safety measures were in place, our sites operated on a full-fledged basis. We also reached multiple HSE achievements, including low Lost Time Injury (LTI) rates at several projects, including our mega water projects in Egypt and commercial projects in the US.

Our operations teams managed to maintain full execution on our project sites and adapt to additional safety measures. We also accomplished a number of key milestones, such as handing over critical projects including the Cairo Metro Line 3 Phase 4B, East Port Said Desalination Plant and Walideya Power Plant in Egypt, and consecutive phases of data center projects in the US. Additionally, we initiated work on large infrastructure projects such as the world's longest monorail system in Egypt and additional scopes in the data center sector in the US.

2020 also marked another year during which Orascom Construction continued to demonstrate leadership in its markets, as evidenced by several new high-quality contracts and our ability to maintain our backlog at USD 5.4 billion as of 31 December 2020. Key new awards included the Cairo Metro Line 4 and new data center work both in Egypt and the US. It is important to note that our backlog quality and size allows us to continue to implement our strategy of selectively pursuing projects in sectors in which we have a competitive edge.

We are excited to make progress on our growing recurring income business. This year marks the first full year of operation for our 250 MW wind farm in Ras Ghareb. This project is Egypt's first renewable energy project of its kind, and complements our existing wastewater treatment plant investment in New Cairo. We continue to evaluate new, similar opportunities that allow us to build, operate and own assets, while our efforts to grow our operation and maintenance business remain on track. This encompasses our existing facilities management business, Contrack FM, and the start of the Operation & Maintenance (O&M) scope on water projects in Egypt.

We continue to partner with BESIX on existing projects such as the Grand Egyptian Museum, the largest archaeological museum in the world, and on new potential opportunities. Including our 50% share in BESIX, our pro forma backlog stood at USD 8.0 billion.

Financials

The Group's steady performance is reflected in our 2020 financial results.

Revenues increased 5.9% y-o-y in FY 2020, as our projects operated on a full-fledged basis despite additional challenges on the health, safety, and business fronts. The Middle East and Africa segment accounted for 63% of total revenues, while the US business comprised the balance. The Group also generated positive operating cash flow and maintained a net cash position, reflecting healthy operations and our successful collection and working capital efforts.

Net income attributable to shareholders stood at USD 90.9 million in FY 2020. Excluding contribution from BESIX, net income stood at USD 97.1 million, in line with the level generated in FY 2019. BESIX ended FY 2020 with a profitable second half and a solid backlog of EUR 4.2 billion, indicating its ability to overcome challenges encountered across certain projects during H1 2020. It is also worth noting that BESIX distributed to OC a dividend of EUR 10 million in June 2020 for our 50% share.

Dividend

In 2020, we reiterated our commitment to generating returns for our shareholders, distributing a total dividend of USD 0.42 per share on FY 2019 earnings in two equal installments in August 2020 and January 2021, representing a 40% payout ratio. This is a testament to the positive operational and financial health of the Group. We elected to take a prudent approach by distributing the dividend in two tranches, at the beginning and end of the year once the board and management confirmed the positive trajectory of our profitability and cash flow.

Looking ahead

While we are pleased with our performance, operational excellence, and results this year, we remain vigilant and focused on key elements of our business such as HSE, project execution and controls, cash preservation and collection, and cost optimization. We also continue to pursue an active bidding pipeline in existing and new markets, and remain focused on growing our recurring income business.

Osama Bishai
Chief Executive Officer

International Shooting Club - New Capital

Highlights of 2020

Despite the unprecedented circumstances of 2020, Orascom Construction PLC continued to cement its leading market position, expand its geographic footprint, and grow its infrastructure investments and Operation & Maintenance (O&M) business.

Health and Safety

Orascom Construction PLC has always prioritized the health and safety of all employees. This was amplified during the COVID-19 pandemic, which brought about a new set of challenges. The Company took immediate proactive measures, establishing a taskforce as the virus became a more imminent threat to assess the impact of and create a proactive plan. This task force continuously evaluates developments and takes relevant action, with health and safety as its top priority.

The Company's HSE statistics were also successful this year, with almost all the measured parameters showing a positive trend. Several of Orascom Construction PLC's projects reached millions of hours without LTI, such as the Abu Rawash Wastewater Treatment Plant and the Grand Egyptian Museum, reaching 15 million hours each, while Bahr el Baqr reached 12 million hours.

Backlog

2020 saw Orascom Construction PLC maintain a healthy backlog, reflecting the Group's successful efforts to add high-quality projects. The Group pursued a number of projects aiming to enhance the lives of the communities in which it operates, covering in all major segments of the construction industry including, but not limited to, transportation, water treatment, healthcare, logistics, and data centers.

Operational Excellence

Strong Execution

The Group maintained its upward trajectory, with infrastructure projects making up the lion's share of the Company's portfolio. Orascom Construction PLC continued its work on a number of large-scale projects in the water and wastewater, transportation, and energy fields, as well as construction of new cities throughout Egypt. In the US, new project awards and work at ongoing projects continued during 2020. Throughout the year, the Group placed significant emphasis on project execution and controls, cash preservation and collection, and cost optimization. Most of the Group's sites continued works uninterrupted, with additional precautionary measures in place in light of the pandemic.

Completed Projects in 2020

2020 saw Orascom Construction finalize a number of key projects in various sectors. The Company continued to focus on water and wastewater projects throughout year. Work pressed on at a number of key water infrastructure projects in the Middle East, and the Company successfully completed the design, supply, installation, commissioning, startup, operation, and maintenance of the East Port Said 150,000 m^3 per day Seawater Desalination Plant (extendable to 250,000 m^3 per day). Towards the end of the

New Cairo Wastewater Treatment Plant

year, Orascom Construction also finalized work on the 6th of October City Treated Water Booster & Pipelines facility.

2020 saw Orascom Construction continue its commitment to developing energy and renewable energy projects. The Company delivered the 650 MW Walideya Supercritical Power Plant as scheduled in 4Q20.

Transportation and road projects remained an area of focus for Orascom Construction during the year, given the sector's vital contribution to Egypt's national development. Works on Phase 4B of the Greater Cairo Metro Line III were completed on schedule during the year as well as several road projects across Egypt.

In the US, the Company successfully delivered a number of its projects on schedule, including the Phoenix Sky Train Stage 2 – Maintenance & Storage Facility (MSF) in Phoenix, Arizona, and the six-story Sammons Financial Group Corporate Headquarters in West Des Moines. The Group also completed Tyson Foods, Inc.'s design-build contract for a state-of the-art feed processing facility in Tennessee. In September 2020, The Weitz Company also completed works on 6900 Layton, a sleek, Class AA design-build office tower.

Ongoing Projects

Despite the challenges faced during 2020, works continued at the Group's infrastructure, industrial, and commercial projects. Orascom Construction continued its work on the Monorail project in Egypt throughout the year to design and build two new Monorail lines in Egypt, with the scope including EPC works and 30 years of O&M once completed.

EPC works are also ongoing at the Abu Rawash Wastewater Treatment Plant as part of a joint venture with Aqualia, with a capacity of 1.6 million m^3 per day. The plant is scheduled for completion in 2021.

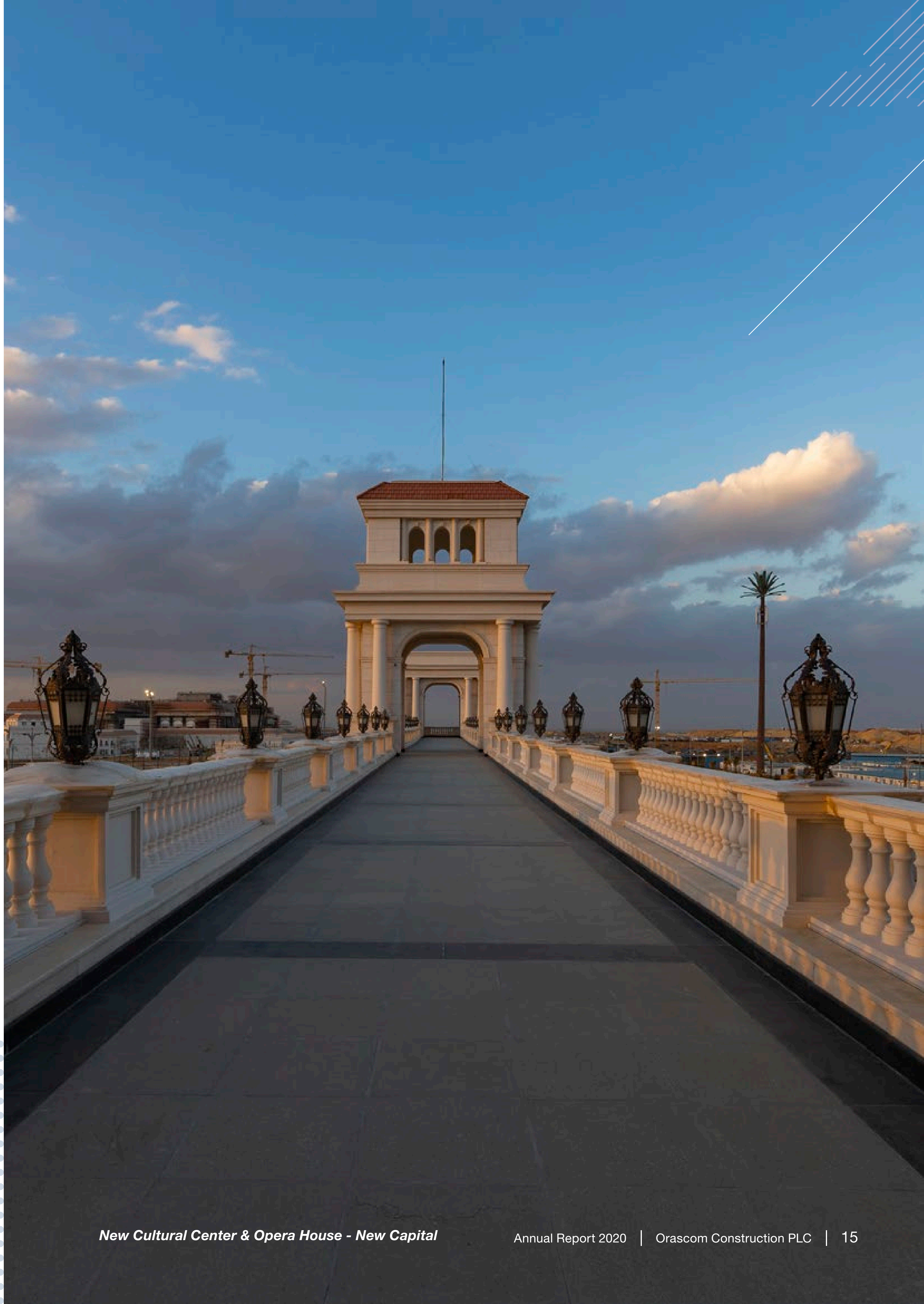
Orascom Construction's EPC work on the Bahr El Bakar Wastewater Treatment Plant continued throughout 2020, expected to be concluded in 2021.

Phase 1A of ZED Towers in Sheikh Zayed City, awarded to Orascom Construction in 2Q20, are progressing as scheduled. Orascom Construction's scope includes construction and finishing works, as well as testing and commissioning. The project is scheduled to be completed by 2023.

Outside of Egypt, the Group broke ground on the construction works of the Jiji and Muluembue Hydropower Plants in Burundi, with a combined capacity of about 51 MW. In the US, The Weitz Company began construction on two hyperscale data centers in West Des Moines, Iowa, and Goodyear, Arizona, and kicked off works at the Florida Atlantic University (FAU)'s MacArthur campus, constructing a new residence hall that will house 165 beds.

Dividends

Since the onset of 2020, Orascom Construction PLC implemented a prudent dividend approach, distributing a dividend of USD 0.42/share, USD 49 million in total, representing a 40% y-o-y increase in payout. This demonstrated the Group's ability to manage the challenges emanating from the COVID-19 pandemic.



New Cultural Center & Opera House - New Capital

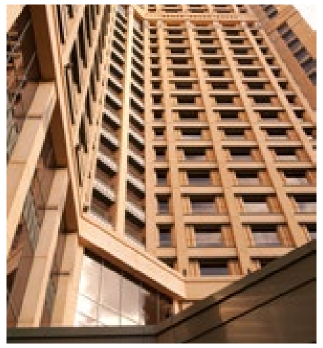
GROUP OVERVIEW

From 1950 to today, Orascom Construction PLC has grown from a family-owned local contractor to an industry leader with a worldwide footprint.

New Alamein Towers

Our History

Nile City Towers



1950 1985

- **1950:** Onsi Sawiris establishes a construction company in Upper Egypt.
- **1976:** Orascom Onsi Sawiris & Co. (OOSC) is founded as a general contractor and trading company.
- **1985:** OOSC establishes its first overseas company, Contrack International LLC (Contrack) in Virginia, US.

1998 1999

- **1998:** OOSC is converted from a limited partnership into a joint-stock company and renamed Orascom Construction Industries S.A.E. (OCI S.A.E.).
- **1999:**
  - OCI S.A.E. IPOs on the Egyptian Exchange (EGX) at a value of c. USD 600 million and becomes the largest company on the EGX.
  - OCI S.A.E.'s first cement subsidiary, the Egyptian Cement Company (ECC), commences operations with a total annual capacity of 1.5 million tons.

ECC

EFC

2002 2008

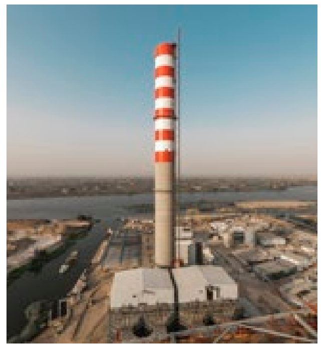
- **2002:** OCI S.A.E. announces the 50-05 Action Plan aimed at having 50% of consolidated revenue generated from outside Egypt by 2005.
- **2004:** OCI S.A.E. acquires a 50% shareholding in the BESIX Group, adding significant exposure to the European and Gulf construction markets.
- **2007:** OCI S.A.E. divests its cement group to Lafarge SA at an enterprise value of USD 15 billion.
- **2008:** Proceeds from the cement divestment are allocated to grow OCI's fertilizer investments.

2010 2016

- **2010:** OCI S.A.E. founds Orascom Saudi Limited (OSL), targeting infrastructure and industrial projects in the Kingdom of Saudi Arabia.
- **2012:** OCI S.A.E. acquires The Weitz Company (Weitz) and establishes a strong presence in the US construction market.
- **2013:** Watts Constructors, a former Weitz wholly owned subsidiary, is consolidated into Contrack — forming Contrack Watts.
- **2015:** Orascom Construction Limited is demerged from OCI N.V. and dual-listed on NASDAQ Dubai and the EGX.
- **2016:**
  - Sets the global benchmark for fast-tracked execution of power projects.
  - Records the Group's first post-demerger profit.

Grand Egyptian Museum

Walideya Supercritical Power Plant



2017 2018

- **2017:** The Group builds on its strategy of expanding in the concession business and enters into an agreement to develop a 250 MW wind farm in Ras Ghareb, Egypt.
- **2018**:
  - Commissioning of the Natgasoline project in Beaumont, Texas, the world's largest methanol production facility on a nameplate capacity basis.
  - Orascom inaugurates ahead of schedule two of the largest power plants in the world, each with a generation capacity of 4,800 MW.

2019 2020

- **2019:**
  - The Group further diversifies its revenue streams by expanding its O&M business, adding three new projects in Egypt, including two water treatment plants and the monorail for the New Administrative Capital.
  - Orascom Construction solidifies its status as a renewable energy leader by completing 45 days ahead of schedule the largest windfarm in Egypt with a 262.5 MW capacity.
- **2020:** Orascom Construction PLC achieves health and safety and operational milestones across the Group. Despite a challenging environment impacted by COVID-19, projects remained active with enhanced safety precautions.

Ras Ghareb Wind Farm

Our Strategy

Our strategy is guided by four key pillars, aimed at delivering top and bottom line shareholder value, driven by a commitment to excellence, safety, and the environment.

Strengthen Construction Market Leadership

Expanding market presence as an EPC contractor across our core markets in the Middle East, Africa, and the USA and strengthening our capabilities across new and existing sectors. We focus on pursuing well-funded projects where we hold a competitive edge, and capitalize on our proven financing track record across various industries.

Leverage Strategic Partnerships

We continue to develop strategic partnerships with industry leaders and repeat clients to complement and expand our capabilities. Such relationships have enabled us to execute some of the most challenging projects in our markets and pursue a pipeline of projects unmatched by others in the industry.

Grow Investments and O&M Business

Our entrepreneurial drive has led to the creation of new business lines alongside our core EPC activities. Capitalizing on our success in cement, fertilizers and ports, we are now focused on growing a portfolio of infrastructure investments and Operation and Maintenance (O&M) projects to create a sustainable business. Our opportunities are wide-ranging and cover sectors such as water treatment, renewable energy, and transportation.

Commitment to Sustainable Growth

We firmly believe that integrating our commitment to safety, the environment, and ethical business practices into every aspect of our business model is key to our success. We are deeply engaged in our communities and create a safe and healthy workplace for all our employees.

Delivering Shareholder Value

Orascom Construction PLC's adherence to its strategic pillars has enabled it to continue delivering shareholder value, a commitment it has followed since inception in the 1950s. Its operational success as a leading private sector contractor and incubator of new businesses is guided by the Group's entrepreneurial drive. Our founding shareholders and current management embody this commitment as they navigate the Group's sustainable growth journey.

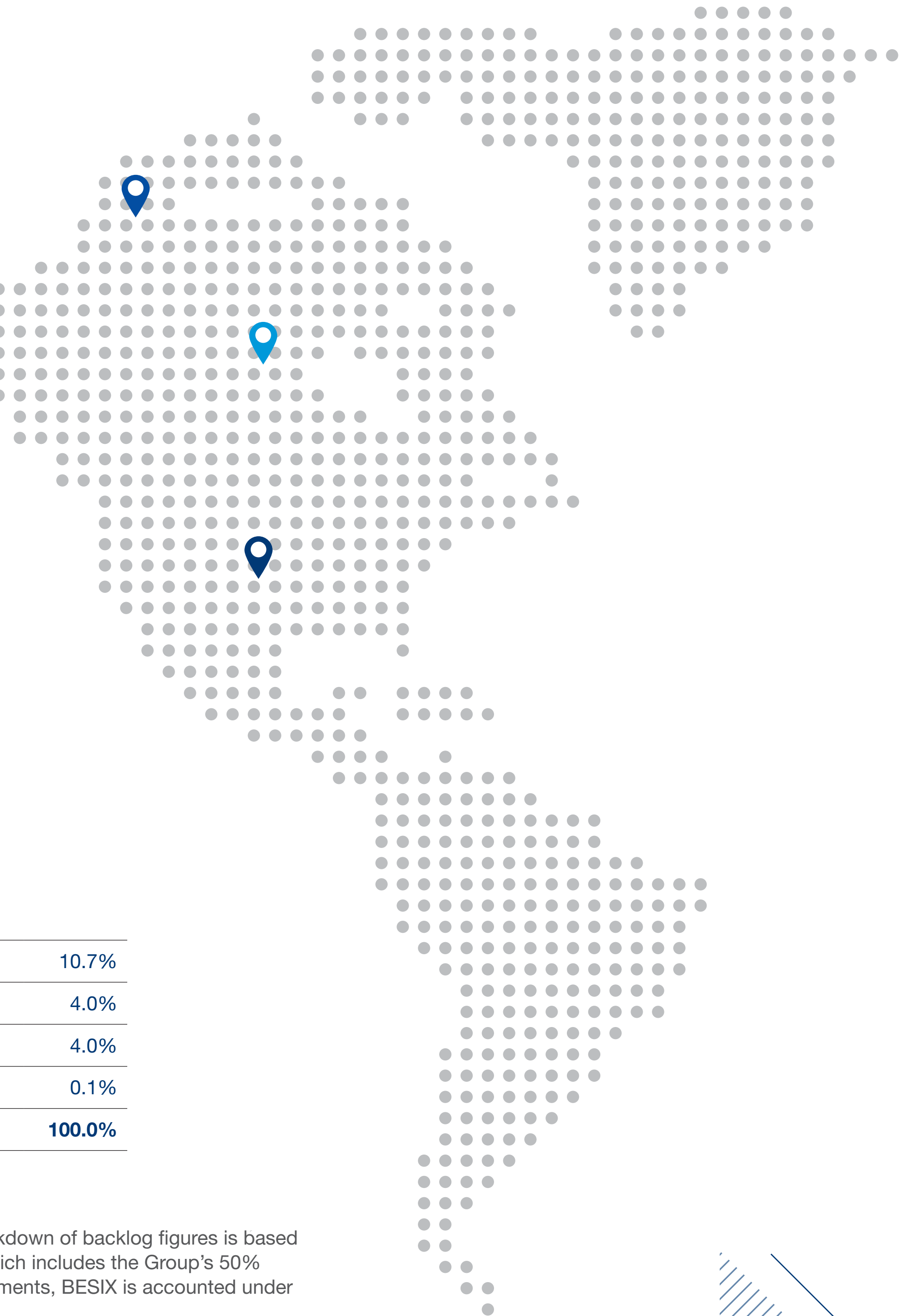
Assiut Walideya Supercritical Power Plant

Our Footprint

Orascom Construction PLC, through its two main subsidiaries and 50% stake in the BESIX Group, has one of the most expanding footprints in the world.

● Orascom Construction	68%
● BESIX	32%
Total	**100%**

● Egypt	52.1%	● USA	10.7%
● KSA	2.5%	● Australia	4.0%
● UAE	5.2%	● Africa	4.0%
● Other MEA	1.2%	● Other	0.1%
● Europe	20.1%	**Total**	**100.0%**



* This map depicts the main countries of operation. Breakdown of backlog figures is based on Orascom Construction PLC's pro forma backlog, which includes the Group's 50% stake in BESIX. On the Group's statutory financial statements, BESIX is accounted under the equity method.

Our Brands

OC PLC’s construction arm is comprised of two distinct brands each focusing on a geographic market. Orascom Construction operates in the Middle East and Africa, and Orascom Construction USA operates in the US market through its two operational subsidiaries – Contrack Watts and The Weitz Company. These companies, along with a 50% stake in the Belgium-based BESIX Group, encompass a strong and diverse expertise in the construction field worldwide.

Orascom Construction

Ownership

100%

Core Markets

Egypt, Algeria, UAE, Saudi Arabia, and Africa

Expertise

Infrastructure, industrial, and high-end commercial projects.

Orascom Construction USA (Contrack Watts, Weitz)

Ownership

100%

Core Markets

USA (including the Pacific Rim) and MEA

Expertise

Infrastructure, including EPC services and facilities maintenance for federal projects, as well as commercial, industrial and plant services projects, registered in all 50 states and Washington DC.

BESIX

Ownership

50%

Core Markets

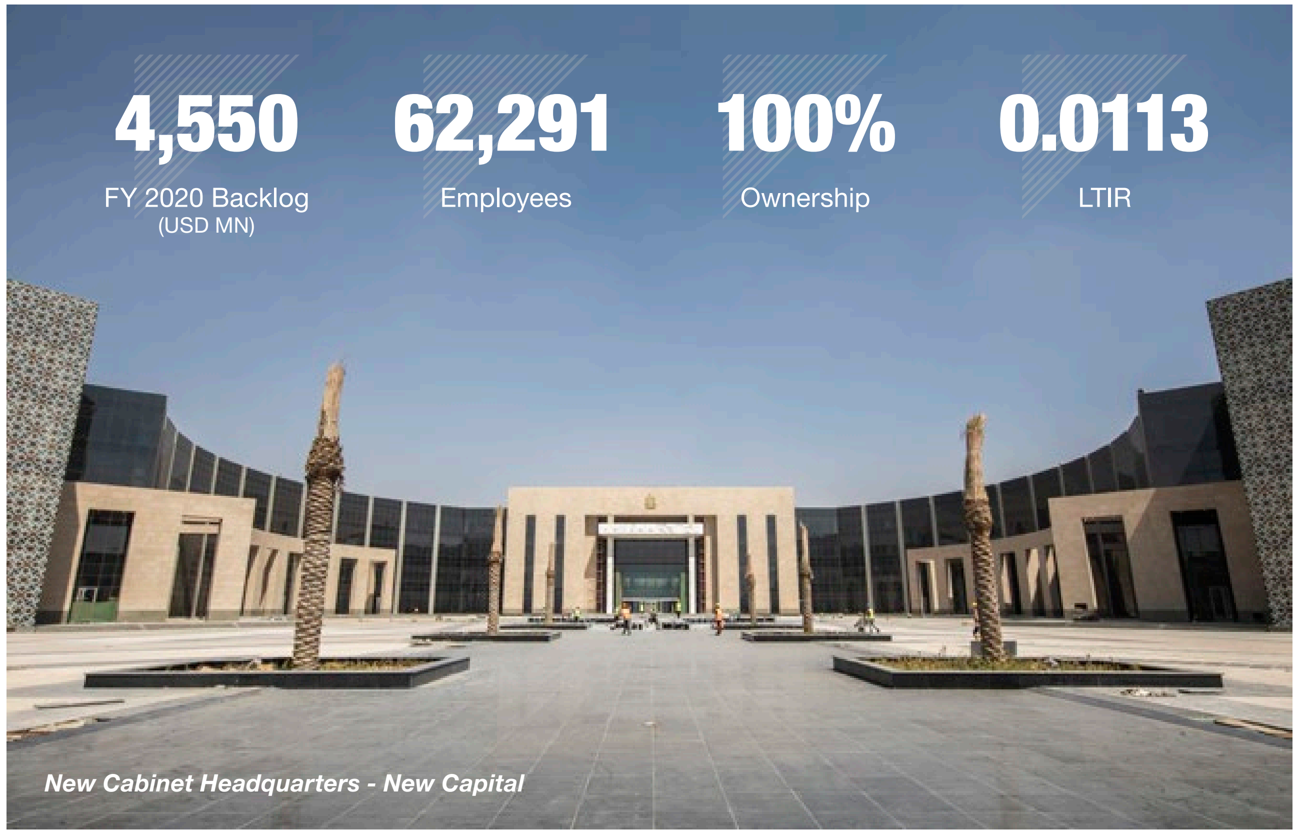
Europe and MEA

Expertise

Infrastructure, marine, and high-end commercial projects.

Greater Cairo Metro Line III Phase 4B

Orascom Construction is a leading EPC contractor in the Middle East and Africa. Our range of projects spans across infrastructure, industrial, and commercial sectors. Our proven track-record of excellence has brought us a superior reputation, resulting in a wide range of clients.



New Cabinet Headquarters - New Capital

The MEA side of our business has over seven decades of industry experience and has built a reputation for on-time and to-spec delivery of quality work under complex schedules. The Company is regarded by public and private sector clients as a top turnkey contractor for large-scale infrastructure, industrial, and commercial projects in the Middle East and Africa, while holding an excellent health and safety record thanks to strict adherence to international standards.

The Company's strong track record includes diverse sectors that include, but are not limited to, power, water treatment, petrochemicals, industrial, transportation, and complex commercial structures.

New Alamein Towers

2020 Backlog by **Region**

- MEA 100%

2020 Backlog by **Sector**

- Infrastructure 68.0%
- Commercial 26.3%
- Industrial 5.7%

2020 Backlog by **Client**

- Public.................. 92.5%
- Private.................. 7.5%

ORASCOM CONSTRUCTION | USA

CONTRACK WATTS WEITZ

The second full year of the new consolidated structure which integrated the capabilities and recognition of The Weitz Company and Contrack Watts under the umbrella of Orascom Construction USA has continued to prove successful.

Tyson Foods

Orascom Construction USA is a full-service construction company, general contractor, design builder, and construction manager. Our businesses are licensed to operate throughout the entire United States. As a hybrid organization, we are a leading, competitive player with over 160 years of industry experience, with strong presence across key markets including the commercial, senior living, student housing, data centers, and transportation segments.

OC USA, from its Des Moines, Iowa headquarters, continued to be a contributor to the Group's far-reaching success. We have forged our reputation by constantly seeking new construction innovations and technologies that provide our clients with predictable, reliable, and collaborative services.

www.weitz.com
www.contrackwatts.com

PHX Sky Train

2020 Backlog by **Region**

- USA......................... 96.6%
- MEA 3.4%

2020 Backlog by **Sector**

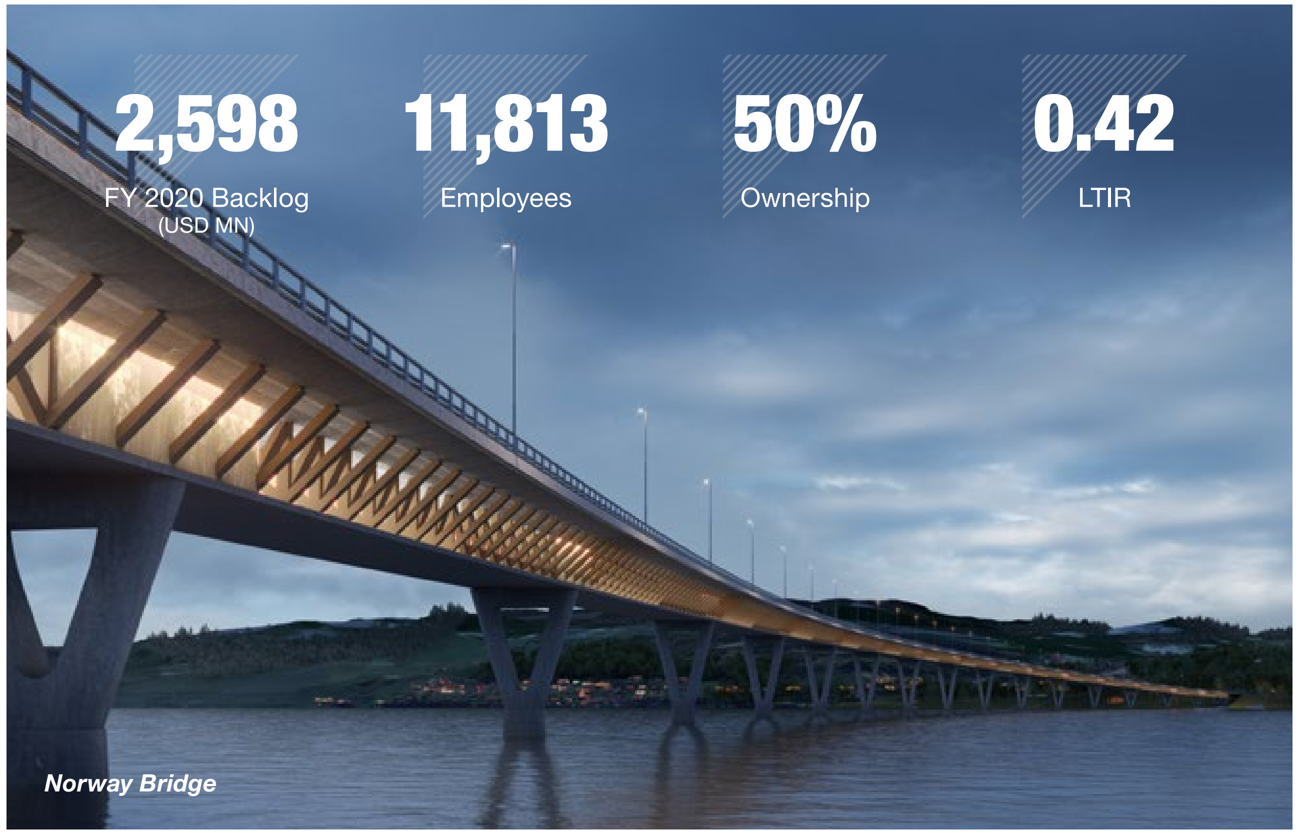
- Infrastructure 10.1%
- Industrial 21.3%
- Commercial 68.6%

2020 Backlog by **Client**

- Public..................22.5%
- Private................ 77.5%

BESIX

The BESIX Group is a leading Belgian contractor based in Brussels, with operations covering a wide spectrum of construction, property development, and concessions markets across Europe, the Middle East, and Australia.



Norway Bridge

Since its founding in 1909, BESIX has grown to become a leading contractor with projects in over 20 countries and a diverse experience covering high-end commercial infrastructures, marine structures, environmental works, sports and leisure facilities, and industrial projects. BESIX is also an active real estate developer in Western Europe, and manages concessions through public-private partnerships in Europe and in the Middle East.

Terraced Towers

2020 Backlog by **Region**

- Europe 62.1%
- Middle East.................14.4%
- Other MEA/Asia (incl. Japan).................3.4%
- Africa...........................7.1%
- North America 0.4%
- Australia......................12.5%

2020 Backlog by **Sector**

- Infrastructure 49.68%
- Commercial 50.32%

2020 Backlog by **Client**

- Public.....................49%
- Private....................51%

Construction Materials & Investments

Orascom Construction PLC's diverse portfolio of construction materials and investment companies complements the Group's core activities. It includes manufacturers of fabricated steel products, glass curtain walling, paints, and concrete pipes, as well as an industrial free zone and two facility management companies.

Orascom Construction PLC's Construction Materials and Investment Portfolio

Company	Ownership %	Employees	2020 Revenues (USD mn)
National Steel Fabrication	100%	1,308	44.3
Alico Egypt	100%	769	23.1
United Paints and Chemicals	56.6%	180	9.8
United Holding Company	56.5%	488	113.8
National Pipe Company	40%	752	26.1
SCIB Chemical	14.7%	582	56.1
Contrack FM	100%	2,692	26.4
Suez Industrial Development Company	60.5%	149	17.5
Orasqualia	50%	71	13.4
Ras Ghareb Wind Energy	20%	32	46.6

Construction Materials Portfolio

National Steel Fabrication

Headquartered in Cairo, Egypt, National Steel Fabrication (NSF) is a leader in steel fabrication and erection. This wholly owned subsidiary of Orascom Construction PLC caters to infrastructure and commercial buildings sectors in Africa, Asia, Europe, the USA, and Latin America. The Company's highly complex product range includes steel structures, steel collector elements, plate works, pressure vessels, boilers, heat recovery steam generators, heat exchangers, piping, tanks, and packaged skids. Since its establishment in 1995, NSF has developed a reputation for delivering outstanding quality that meets international standards across all its products and services. NSF owns and operates four major facilities in Egypt and Algeria, with a total combined production capacity of 120,000 tons annually.

National Steel Fabrication (NSF), Egypt

Alico Egypt

Founded in 2000 as an Orascom Construction subsidiary, Alico Egypt has become one of Egypt and the Middle East's leading companies in manufacturing and installing glass and aluminum façades and architectural metal work for construction projects. Its leadership position is underpinned by pioneering solutions that ensure the delivery of high-quality products on schedule and within budget.

The Company's product range includes aluminum doors, windows; stick curtain walls, unitized curtain walls, skylights, handrails, standing seam roofs, laminated stone products, and architectural metal work such as aluminum, stainless steel, expanded metal mesh, and perforated metal cladding. It also provides complete façade technical solutions and support during the pre-tender and design phases.

Alico has partnered with leading global façade system suppliers like SCHUCO International-Germany and Wicona-Hydro group.

Alico's Ain Sokhna plant is outfitted with top-of-the-line production and fabrication facilities that produce all types of façade work. The 6-hectare plant, located in the New Suez Industrial Area, has a BUA of 18,000 m^2, in addition to 32,000 m^2 of free land for future expansion, and is equipped to produce some of the finest Facade materials as a result of the facility's unmatched quality control standards.

United Holding Company (UHC)

UHC maintains a 50% stake in a conglomerate of companies manufacturing premium and diversified building materials and construction chemicals, and specializing in contracting services, including Master Builders Solutions (MBCC) BASF Construction Chemicals Egypt (BASF), Egyptian Gypsum Company (EGC), and A-Build Egypt (A-Build), all of which were established in 2000. Operating through four plants in Egypt and one in Algeria, UHC's subsidiaries cater to Egyptian and North African markets.

BASF MBCC is one of the largest producers of specialty chemicals in the Egyptian and Algerian markets, namely admixtures and construction products. The Company operates two production facilities, one in Sadat City, Egypt, with a production capacity of 100,000 metric tons per shift, while the second facility in Baba Aly, Algeria has a production capacity of 20,000 metric tons per shift. The Egyptian and Algerian facilities were established in 2000 and 2006, respectively. Meanwhile, UHC subsidiary EGC is the largest producer of gypsum and its derivatives in the Egyptian market, with two facilities in Sadat City and Amereya. The Company produces over 234,000 metric tons per year. Finally, A-Build is a market-leading specialized contractor in Egypt operating in the construction protection and repair fields. A-Build's expertise lies in several domains, including waterproofing, lining and geomembranes, thermal insulation, concrete repair, injection and fire proofing, industrial coatings, and joints sealants.

United Paints & Chemicals (UPC)

UPC owns and operates the DryMix factory located in 6th of October City, Egypt. Established in 2000, DryMix is the largest manufacturer of cement-based, ready-mixed mortars in powdered form. Core products include mortars for plaster and skim coats, putty for smoothing cementitious substrates, decorative façade renders, tile adhesives for internal and external use, colored tile grout, sealing slurries, and a flooring range. The plant has a production capacity of 130,000 metric tons and c. 50,000 colors, and its products are widely used in Egypt and North Africa's construction industries.

National Pipe Company (NPC)

NPC was founded in 1993 as an Egyptian manufacturer of precast concrete pipes and pre-stressed concrete primarily for infrastructure projects. Today, the Company operates two plants in Egypt with a combined annual production capacity of 86 kilometers of concrete piping that range from 700 to 3,000 millimeters. Its products are distributed to clients in Egypt and North Africa.

SCIB Chemical

Since 1981, SCIB has manufactured high-quality decorative paints and industrial coatings for the construction industry. The Company's two plants, located in Egypt, have a combined production capacity of 130,000 kiloliters of paint per year. SCIB serves clients in Egypt and North Africa.

ALICO Egypt

Contrack FM

Ras Ghareb Wind Farm

Investment Portfolio

Contrack Facilities Management (CFM)

Contrack Facilities Management S.A.E. (CFM) is a leading integrated services company managing and operating high-value and technologically advanced fixed physical assets thanks to the extensive expertise and knowledge of its 4,000 employees.

Founded in 2004, CFM was created around what is arguably the most exclusive commercial address in Cairo, the two 34-story Nile City Towers building on Corniche El Nil, Ramlat Boulak. The Company has been delivering first-class services daily since inception, including building maintenance, fit-outs, cleaning, and soft janitorial services to the luxurious twin towers.

As a result of CFM's services, Nile City Towers have been maintained in excellent condition and created added value for clients, allowing them to lease the space at prime rents to international organizations like the European Union.

CFM proudly provides hard services, including engineering, civil and architectural repair, and maintenance services, as well as soft services inclusive of housekeeping, deep clean hygiene services, with specialties in façade cleaning, landscaping, pest control, waste management, and recycling services.

The Company currently commands the largest market share in the facilities management industry in Egypt, with an impressive client portfolio covering most commercial property types including local and multinational corporation, industrial, banks, healthcare, commercial, retail and real estate, as well as prominent business parks, namely Smart Village in Abu Rawash. It also boasts long-term partners such as Children's Cancer Hospital, Cairo Festival City Mall, Credit Agricole, the Central Bank of Egypt, Emirates NBD, Alshaya Group, and Dar El Handasa.

Suez Industrial Development Company (SIDC)

Since 1998, SIDC has been a developer, operator, and utility facilitator of an 8.75 million sqm industrial park in Ain Sokhna on Egypt's Red Sea Coast. SIDC develops industrial land and provides utility services for light, medium, and heavy industrial users in Ain Sokhna. SIDC's industrial park boasts a utilities network that provides a wide range of products and services including power, water, firefighting, sewage treatment, and telecommunications connections. Other services include flood control protection, solid waste disposal, and access to roads and railways.

Orasqualia

Established in 2009, Orasqualia was founded by Orascom and FCC Aqualia to execute the first PPP project in Egypt. Orasqualia was awarded the concession for the construction and operation of the New Cairo Wastewater Treatment Plant, with a capacity to pump 250,000 cubic meters per day and serve one million people. This award established a blueprint for Egypt's PPP legislation and was named Water Deal of the Year by Global Water Intelligence and PPP African Deal of the Year by Euromoney and Project Finance Magazine in 2010. Construction works were successfully completed in 2013, and operation and maintenance works began in 2014.

Ras Ghareb Wind Energy

OC successfully delivered the 262.5 MW build-own-operate (BOO) wind farm in Ras Ghareb, Egypt along with French and Japanese partners, 45 days ahead of schedule. The consortium operates and maintains the wind farm under a 20-year power purchase agreement (PPA). The project is Egypt's first renewable energy project of its type and scale.

OPERATIONAL REVIEW

In 2020, Orascom Construction PLC continued to position itself as a leading global construction group with a diverse and far-reaching footprint.

Assiut Walideya Supercritical Power Plant

MEA

Orascom Construction – Infrastructure

Transportation in Egypt

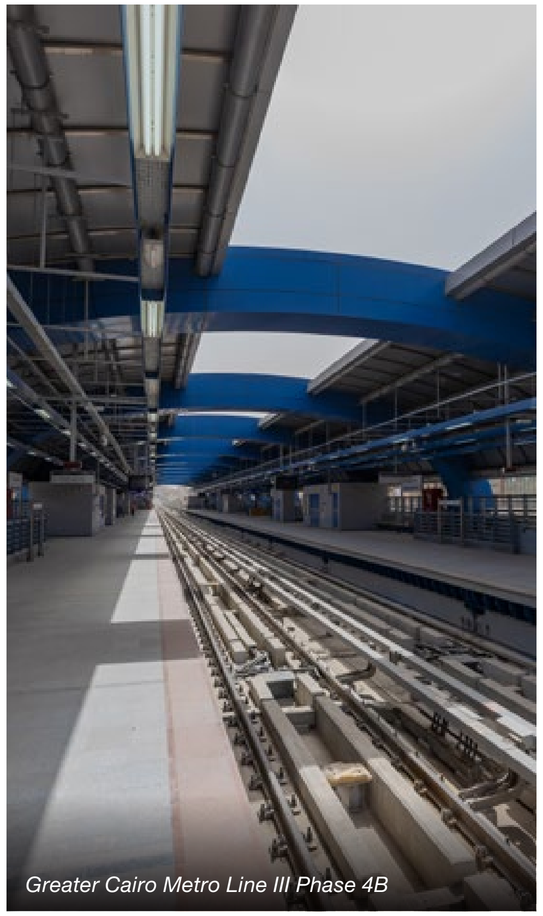
Recognizing the importance of transportation for a country's development and the wellbeing of its people, Orascom Construction's first projects were in the railway sector. Given our special focus on the sector, we began participating in the construction of Greater Cairo Metro lines since 1989.

In the scope of the French-Egyptian consortium, Orascom Construction continued execution of the 18 km long **Greater Cairo Metro Line III Phase 3**, which consists of 15 stations. The scope includes the civil and electromechanical works for eight underground stations, five elevated stations, and two at grade stations, in addition to annex structures, a stabling area, and a light repair workshop. The project began in 2016 and is expected to be completed in 2023.

Additionally, as part of the joint venture with Arab Contractors, Orascom Construction completed **Phase 4B of Line III of the Greater Cairo Metro** as scheduled. The approximately 8 km long phase included civil, architectural, electromechanical, and power supply works. Phase 4B starts from the Hesham Barakat station on a viaduct (about 6.4 km long) along Gesr El Suez Street up to the intermodal station Adly Mansour with five elevated stations. The scope of this phase also includes the construction of a workshop near Adly Mansour station, covering an area of about 275,000 m². Scheduled completion has been extended to 2021.

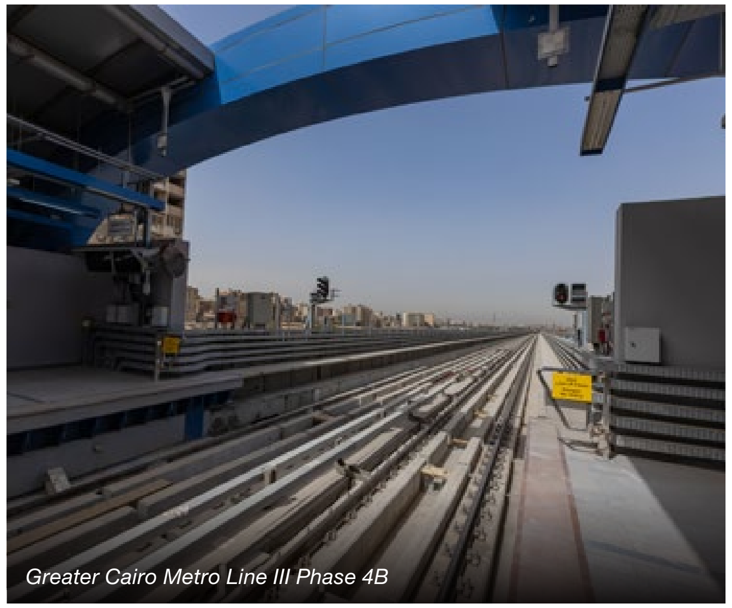
In 4Q20, as part of a consortium with Mitsubishi Corporation, Orascom Construction signed a contract with the National Authority for Tunnels (NAT) to execute the railway systems, track, and depot works package (CP411) for the **Greater Cairo Metro Line IV Phase 1**. The scope of work includes signaling, power supply, telecommunication, platform screen door, automatic fare collection, track work, and the depot/workshop. Line IV, a mass rapid transport system, will be constructed as a new underground line and is expected to reduce traffic congestion. Phase 1 will stretch across 19 km and 16 stations, connecting


Greater Cairo Metro Line III Phase 3


Greater Cairo Metro Line III Phase 4B


Greater Cairo Metro Line III Phase 4B


Greater Cairo Metro Line III Phase 4B


Greater Cairo Metro Line III Phase 4B

the center of Greater Cairo to the Pyramids area in Giza. It is also expected to be a main metro line for tourism transportation in Egypt, arriving at the Pyramids and the Grand Egyptian Museum.

In addition to the Greater Cairo Metro project, Orascom Construction is involved in other mass transit systems projects for the Egyptian government. Among these is the **Monorail** project, for which Bombardier Transportation, Orascom Construction, and Arab Contractors signed an agreement with the National Authority for Tunnels in 3Q19 to design and build two new **Monorail** lines in Egypt. The contract consists of EPC works for the two lines, and 30 years of O&M once completed. The first line will extend 54 km from East Cairo to the New Administrative Capital, with 21 stations and one depot, while the second line will span 42 km connecting the Giza governorate to 6th of October City's industrial zone, with 12 stations and one depot. The lines will be the first linking Greater Cairo with new cities such as the New Administrative Capital and 6th of October City, and are expected to transport 45,000 passengers per hour in each direction at full capacity.

Orascom Construction's 50:50 joint venture with TSO was also awarded track works on the **Light Rail Transit** project, an interurban light rail project connecting Ain Shams and 10th of Ramadan City, passing through the cities of El Obour, El Shorouk, and Badr. The rail starts at Adly Mansour Metro Station (Line III) and ends at the New Administrative Capital. The project, which is planned to kick off in 1Q21, includes the execution of track works for a 140-km single line, 66 km of double track, and 10 km of single track in the depot at Badr Station.

Orascom Construction was recently awarded the modification, renewal, and maintenance contract of the **Banha-Port Said line**. The project covers the supply of all components and the construction of 356 turnouts of 45 km tracks. Our scope also includes the removal of old tracks and turnouts and installation of new ones. The project started in 2Q20 and is scheduled to be completed within 24 months.

Monorail

Monorail

Monorail

Roads in Egypt

Orascom Roads Construction (ORC), a subsidiary of Orascom Construction, continues to be an integral player in Egypt's road development program. In 2020, the specialized unit was involved in the construction of several internal roads in old and new cities and highways linking governorates together throughout the country, on a fast-track basis, at a total of 272 km in both directions.

In 1Q20, as scheduled, Orascom Roads Construction delivered the **Maadi-Fayoum Road**, part of the Middle Ring Road, spanning 7 km with five lanes. Additionally, in 2Q20, ORC completed its construction works on the 30 km and three-lane **Nakhl El Nakab Road** in Sinai in both directions. In 4Q20, we completed the expansion of the **Geneva Road** in Ismailia City, extending 8 km divided into three lanes. ORC also successfully completed construction of the **Sharq El Tafria Side Roads** in East Port Said City's industrial zone, with a combined length of 53 km.

Works also continued on three internal roads, at a total length of 167 km. These include the **Al Kayan Project**, which consists of internal roads and roundabouts of 11 to 16 m wide, as well as works on **Phases 1 and 2 of the New Administrative Capital**, which include the construction of six-lane main roads and three-lane service roads, at a combined length of 81 km in both directions.

In 1Q20, Orascom Roads Construction was awarded the expansion works of three highway roads linking Egyptian governorates, namely the 10.5 km **Fayoum Al Remaya Square Road**, **Phase 1 of the Cairo Ismailia Road** at a length of 26 km in both directions, divided into seven lanes, and the **Upper Egypt Sheikh Fadl Freeway**, spanning 24 km, for a combined length of 60.5 km.

2Q20 saw OC sign a contract for the **Sallum Land Port** project, which includes the expansion of the main road, internal service roads, and parking areas.

Maadi-Fayoum Road

Geneva Road

Cairo-Ismailia Road

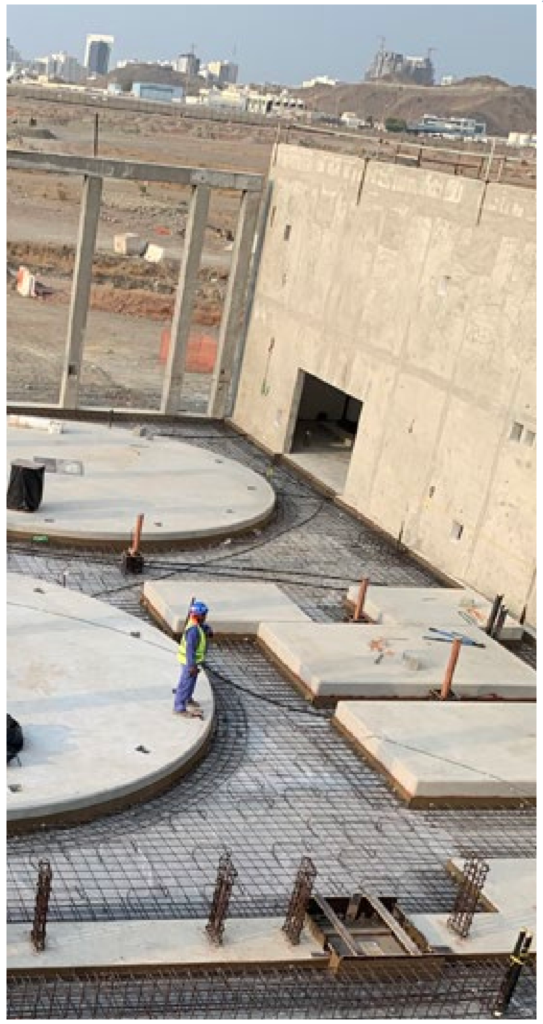
Borg El Arab International Airport in Egypt

The **Borg El Arab International Airport**, a main airport in Alexandria, was constructed by the Orascom Construction/BESIX joint venture and inaugurated in 2010. Since its launch, the number of passengers significantly increased, necessitating the construction of another passenger terminal to accommodate more passengers in the future.

In a JV with Taisei Corporation, Orascom Construction was awarded the modernization and extension of **Borg El Arab International Airport** in 1Q20. The project covers the construction of a new low-cost carrier (LCC) passenger terminal, a new apron in front of the new LLC terminal, as well as airport utilities. Our scope includes civil, electromechanical, and finishing works, as well as 24 months of O&M. Construction works are expected to last 30 months.

Fujairah International Airport in the UAE

Infrastructure work at **Fujairah International Airport** continued as scheduled. Orascom Construction, in a joint venture with Al Sahraa Group, was awarded the construction works of a new runway, an extension of the old runway, taxiways, a new air traffic control tower, as well as other related buildings and infrastructure works at **Fujairah International Airport** in the UAE in 2Q18. The project will be completed by 2022.



Infrastructure Networks and Utilities in Egypt

As part of its 50:50 joint venture with Hassan Allam, Orascom Construction delivered on schedule the infrastructure work on the **Residential Districts (R3), Mostakbal Road,** and **Academic Area in the New Administrative Capital**. It included earthworks and the sewage, water, irrigation, and electrical networks of 1,469 acres, at a total area of 751,451.27 m².

The joint venture also successfully completed the infrastructure works of the **Beit El Watan Project** in New Cairo in 2Q20. The project, awarded in 2016, included earthwork, sewage, water, and electrical networks of 2,165 acres.

The joint venture's work on the **East Port Said Industrial Area** infrastructure is still ongoing for the sewage, water, irrigation, and force main networks. The project, launched in 3Q19, is slated for completion in 2021.

In another 50:50 joint venture between Orascom Construction and Hassan Allam, work is progressing on the **Green River Project at the New Administrative Capital**, at a total area of 205 feddans. The scope of work includes infrastructure, landscape, hardscape, as well as the construction of several decorative features, service and facilities buildings, cinema and restaurant complexes, multiple bridges, and other light construction. The project was awarded in 3Q19 and is scheduled to be delivered in 2021.

Orascom Construction is also working as a main contractor on the 3,500-acre **New 6th of October City infrastructure** works, awarded in 3Q19. OC is responsible for the earthwork of the roads, sewage, water, and irrigation. The project is set for delivery in 2021.

Blue Water Project in the UAE

In 1Q20, Orascom Construction was awarded the **Public Realm Enhancement (Seaside and Land Side Plaza) at Blue Waters Island in Dubai**, UAE. Our scope includes infrastructure utilities such as water, storm, sewer, electrical, fire water, and irrigation networks, the design and construction of two water features with two pump rooms, hard and soft landscaping including the design and installation of the irrigation system, trees and shrubs, pavers, external furniture, the marine boardwalk, as well as MEP, ELV, ICT, and lighting works. The project is scheduled to be completed by 2021.

Dubai Expo 2020 in the UAE

Orascom Construction continued its operations on the roads and utility infrastructure works for the **Dubai Expo 2020** in the UAE, as part of its 50:50 joint venture with BESIX. These include irrigation and sewage, pipes and cabling, roads, electricity, and water works, as well as telecommunications ducting. Awarded at the end of 2016, the project will be delivered by 2021.

Water Infrastructure in Egypt

Noting the necessity of access to fresh water and wastewater systems, and in line with the Company's strategy, Orascom Construction was engaged in the construction of several wastewater treatment plants in 2020, with a combined capacity of around seven million m³ per day, and seawater desalination plants with a total capacity of 250,000 m³ per day in Egypt.


Abu Rawash Wastewater Treatment Plant


Abu Rawash Wastewater Treatment Plant


Bahr El Baqar Wastewater Treatment Plant


Alamein Wastewater Treatment Plant

In 2Q18, Orascom Construction, in a 50:50 joint venture with Aqualia, started the engineering, procurement, and construction (EPC) works on the **Abu Rawash Wastewater Treatment Plant**, with a capacity of 1.6 million m³ per day. The joint venture will also operate and maintain the plant for three years. The plant is scheduled for completion in 2021, upon which it will serve six million people.

Works also continued at the Orascom Construction-Aqualia joint venture for the EPC works of the **Al Alamein Wastewater Treatment Plant** with a capacity of 90,000 m³ per day. The project was awarded 1Q19 and is scheduled for completion in 2021.

Works on one of Egypt's largest wastewater treatment plants continues to be on schedule.

In 3Q19, a 50:50 joint venture between Orascom Construction and Arab Contractors signed an EPC contract to build the **Bahr El Bakar Wastewater Treatment Plant**, with a capacity of five million m³ per day. The plant will treat water for irrigation purposes. In addition to the EPC works, which will be concluded in 2021, the joint venture will operate and maintain the plant for five years.

In 4Q20, a 50:50 consortium between Metito and Orascom Construction successfully completed the design, supply, installation, commissioning, startup, operation, and maintenance of the **East Port Said Seawater Desalination Plant** for one year, with a capacity of 150,000 m³ per day, extendable to 250,000 m³ per day.

In another 50:50 joint venture, in 2019, the two companies started the EPC works on **Phase 2 of**


East Port Said Seawater Treatment Plant

the Al Arish Seawater Desalination Plant, with a capacity of 100,000 m³ per day. Once completed in 2021, the plant will serve 750,000 people in North Sinai.

In 4Q20, a 50:50 consortium between Hassan Allam and Orascom Construction completed work on the **6th of October City Treated Water Booster & Pipelines** facility, including the installation of pipelines with diameters from 800 mm to 1,500 mm.

Orascom Construction's 50:50 joint venture with Metito continued its works on the **Al Alamein Pumping Station & Force Mains,** awarded in 1Q19. The project includes the construction of a main pumping station's key gravity lines of 1,200-1,800 mm diameter, at a total length of 4.5 km, as well as a 1,000 mm diameter force main at a total length of 11.5 km. Works are scheduled to be completed by 2021.

Water Infrastructure in Saudi Arabia

In 1Q20, a Consortium between Orascom Construction and Metito started EPC works of the **Dammam West Independent Sewage Treatment Plant**, the first ISTP project in Saudi Arabia. The scope also includes the commissioning and testing of a new tertiary wastewater plant with a capacity of 200,000 m³ per day, expandable to 350,000 m³ day. Work is scheduled to be executed in 30 months.

Power Generation in Egypt and Africa

Orascom Construction has been involved in the development of Egyptian power generation plants since 1988, with a total capacity of more than 23,000 MW covering several technologies such as wind, solar, hydro, thermal, diesel and gas-fired in simple, and combined cycles. In parallel, Orascom Construction expanded its portfolio to pursue power projects in the Middle East and Africa.

OC's focus on the power sector positioned it as a leading player and making it the first to construct landmark projects such as the first parabolic solar power plant in the Middle East, as well as the largest two combined cycle power plants in the world with a capacity of 4,800 MW each.

Orascom Construction is currently involved in the **Jiji** and **Muluembue** hydropower plants in Burundi, as well as the **Walideya** supercritical plant in Egypt.

In 4Q20, Orascom Construction delivered the **Walideya Supercritical Power Plant** as scheduled, with a capacity of 650 MW. The project included all civil, architectural, and electromechanical works.

In 1Q20, a 50:50 joint venture between Orascom Construction and CMC Di Ravenna started the construction works of the **Jiji** and **Muluembue Hydropower Plants** in Burundi, with a combined capacity of about 51 MW. The scope includes earthworks, and civil works such as the River diversion, dam, intake, sand trap and purge channel, as well as tunneling, pipelines, six turbines, generators, transformers, switchgears, road works, and the operation city. Works are scheduled to be completed in 2023.


Assiut Walideya Supercritical Power Plant

Orascom Construction – Industrial

NASPS Engineering Services Warehouse in Egypt

In 3Q20, OC successfully delivered the construction works on the **Engineering Services Warehouse in the New Administrative Capital**. The warehouse, with a total area of 17,028 m² and total BUA of 36,266 m², is an industrial complex for National Company for Advanced Industries and Integrated Strategic Printing Solutions (NASPS). Our scope included engineering, procurement, and construction of the civil, architectural, and electromechanical works. The project consisted of 20 blocks, namely Block A (security printing factory), Block B (manufactory building), and other buildings for utilities and services, in addition to double fencing for security.

Network Node 1 Data Center Project in Egypt

Work on the **Network Node 1 (NN1) Data Center Project** continued in 2020. The project has a total land area of 47,476 m² and total BUA of 38,043 m², and includes a main building, an administrative building, and two utility buildings. The scope includes the civil, architectural, mechanical, and electrical works, as well as the concrete skeleton, finishing activities, and plastering preparation. Launched in 3Q18, the project will be completed as scheduled by 2021.

Network Node 1 (NN1) - New Capital

Network Node 1 (NN1) - New Capital

Ministry of Defense Data Center in Egypt

Orascom Construction also continues its work on the **Ministry of Defense Data Center at New Administrative Capital**. Scope includes the construction of a 133-rack data center serving all the ministry's buildings and a new 1088-rack data center to serve the New Administrative Capital City, as well as a central building (WE Company) with 3 fiber optics and a built-up area of 1,200 m². Being part of the Ministry of Defense project, this package started in Q3 2019 and is scheduled to be completed by 2021.

Sharq El Owaynat Cold Storage Facility in Egypt

In 2020, Orascom Construction was awarded four contracts with the National Services and Projects Organization (NSPO) to execute works on the **Sharq El Owaynat Cold Storage facilities**. The first project awarded in 1Q20 was for the construction of Phase 1 of the refrigerator storage with a capacity of 64,000 tons of potato seeds; the second and third projects were awarded in 3Q20, one for the construction of Phase 2 of the refrigerator storage; while the other was for the construction of a 6,000 ton capacity freezer for potatoes. The fourth project that was recently awarded in 4Q20 is a design and build half-fried potato plant. Works on all four projects are scheduled to be completed by 2022.

Orascom Construction – Commercial

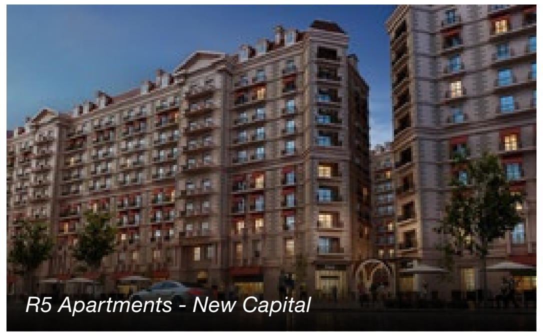
New Administrative Capital in Egypt

With extensive experience in constructing commercial projects in Egypt and the Middle East for both the public and the private sectors, Orascom Construction has been chosen as one of the main contractors involved in building a smarter new city, the New Administrative Capital. Since 2016, Orascom Construction has been working on and developing the city through several major infrastructure and commercial projects.

Orascom Construction has been involved in the construction of three large residential projects in the New Administrative Capital. In 3Q20, OC completed and delivered the **Mansoura 7 Compound** works, which included the construction of 360 twin houses and 24 administrative buildings, with a total BUA of 370,800 m². Works are also ongoing on the **Mansoura 6 Compound,** including the construction of 295 building blocks with a total BUA of 660,870 m². The project started in 2017 and is scheduled to be completed by 2021. Orascom Construction is also constructing the **R5 Apartment Buildings Project** that consists of 13 clusters, with a total BUA of 1,204,285 m². Each cluster consists of four to five buildings joined by two basements, with each building rising five to eight floors. The project was awarded in 3Q18 and will be completed as scheduled in 2021.

Orascom Construction is continuing works on the **New Central Bank of Egypt Headquarters,** a turnkey project with a total footprint area of 27,400 m². The building consists of two basement floors, a mezzanine, a ground floor, and seven floors, with a total BUA of 145,000 m². It also consists a museum of coins, meeting rooms, offices, a bank governor office, a VIP restaurant, a medical center, and a gym. Works started in 2Q19 and are scheduled for completion by 2021.


Mansoura Compound - New Capital


R5 Apartments - New Capital


Mansoura Compound - New Capital

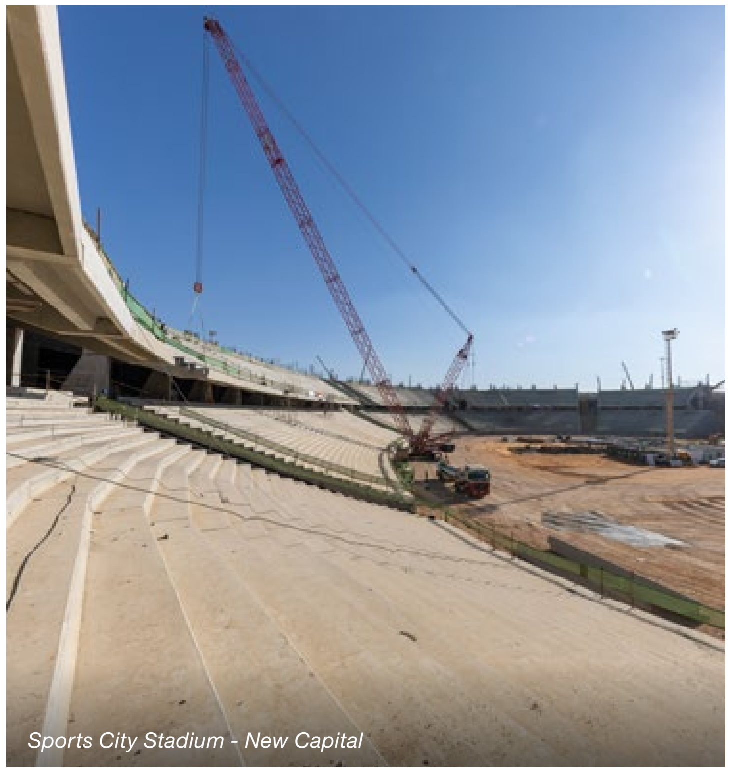

New Central Bank of Egypt - New Capital

The core and shell works on the **Housing and Development Bank New Headquarters** are also ongoing. The project, which was launched in 4Q19, consists of two basements and seven floors, and is scheduled for completion by 2021.

At the end of 2020, Orascom Construction delivered its works on the **International Shooting Club**, consisting of a hotel and multipurpose hall, cartridge shooting area, electronic shooting area, manual shooting area, bow and arrow shooting area, protocol building, around ten administrative buildings, shopping areas, sports area (under design), fencing hall, and eight gates. The club has a BUA of about 400,000 m².

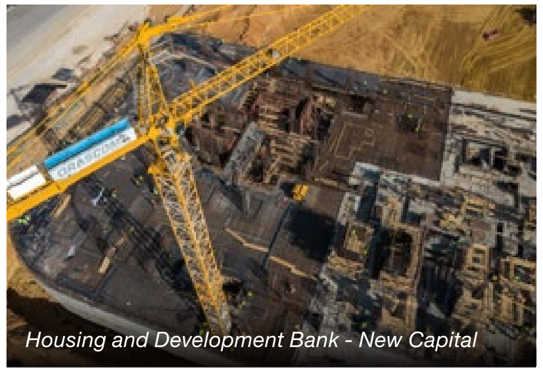
OC is also continuing with its EPC works at the **Sports City Stadium in the New Capital Sports City Complex**, with a total BUA of about


International Shooting Club - New Capital

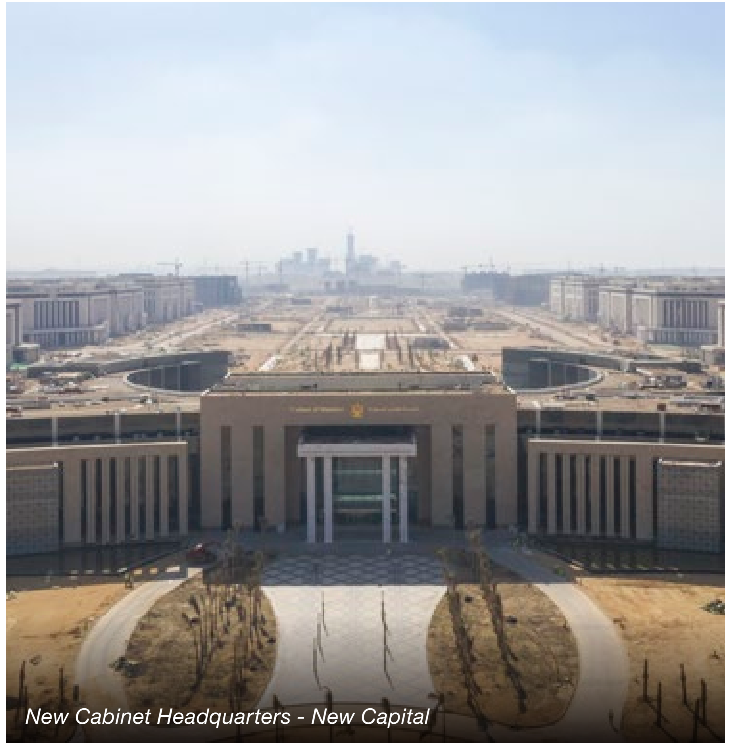


Sports City Stadium - New Capital

Housing and Development Bank - New Capital



Housing and Development Bank - New Capital



New Cabinet Headquarters - New Capital

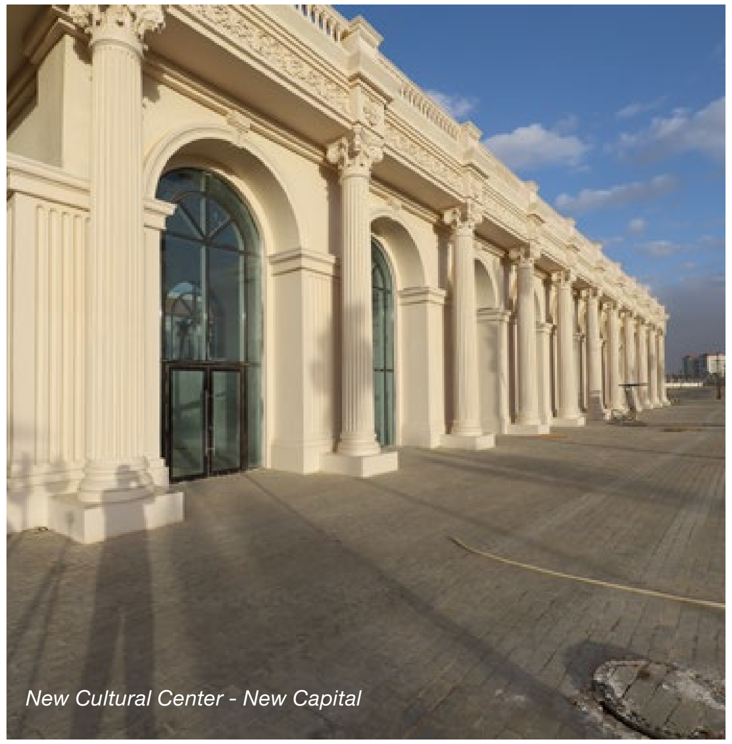
118,865 m^2. The stadium contains 93,440 seats, including assigned locations for special needs. Works started in 4Q19 and are slated for completion in 2022.

During 2020, Orascom Construction successfully delivered the **New Cabinet headquarters**, a turnkey project with a total BUA of 84,000 m^2, in addition to external works including softscape, hardscape, and the main fountain. Works started in 2Q17 and were delivered in 2020.

Meanwhile, works on the **Ministry of Defense** are ongoing, including two fully finished octagonal buildings, B1 and B2, with a combined BUA of 440,000 m^2, and a fully finished main building connected to B1 and B2, with a BUA of 80,000 m^2, including blast-proof areas and tunnels for service, escape, personnel usage, at a total length of 12.7 km to connect the buildings. This is in addition to two substations (1 and 2) serving the three buildings, as well as an additional five substations and district cooling plants with a total BUA of 30,000 m^2 serving the entire complex. The project started in 2016 and is scheduled for delivery in 2021.

New Cultural Center - New Capial

Orascom Construction's works as a main contractor on the **New Cultural Center** remain underway. A turnkey project with a total footprint area of 537,000 m^2, the project started in 2017 and will be completed by 2021. The center includes an Opera House, with a main hall holding 2,500 seats, two secondary halls with 600 and 1,200 seats, VIP areas, and center for artistic creativity. The center will also be home to an Arts City, consisting of two main buildings, a library, and a museum. The project also includes several other buildings, such as sculpting and dance studios, a cinema, a oud house, and open theaters, in addition to external areas and utilities.



New Cultural Center - New Capital

New Alamein City in Egypt

In parallel with the New Administrative Capital, Orascom Construction is working on the construction of a number of commercial projects in New Alamein City. It is worth mentioning that the New Administrative Capital and New Alamein City are part of 20 new so-called Fourth Generation Cities that are being constructed.

Orascom Construction was awarded two contracts to execute the **New Alamein High-Rise Towers at LD-01,** consisting of four towers and a podium with a total BUA of 285,000 m^2. The first contract was completed on schedule in 3Q20, the scope of which was the structural works including excavation, back-filling, and foundation (shallow/deep) works, as well as insulation and concrete structure works for the towers. The second contract, awarded in 1Q19, covers the finishing and electromechanical works of the towers, and is scheduled to be completed by 2022.

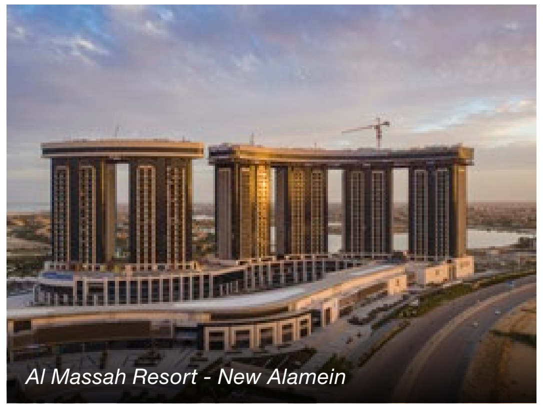
Works on the **Al Massah Resort** turnkey project in New Alamein City have also continued, with a total BUA of 278,000 m^2. Works started in 4Q17 and are scheduled to be completed in 2021, with about 85% of the resort's buildings now completed. OC's scope includes civil works, finishes, elevations, and electromechanical works for six towers with two upper linking caps (comprising a three-tower hotel and three-tower hotel apartments). Each tower consists of two basement floors, a ground floor, first floor, mezzanine, and 18 typical floors, as well as a service floor and a 21st upper cap floor. This is in addition to the 3-star Crystal Inn Hotel, a shopping mall consisting of a basement, ground floor and mezzanine floor, a mosque, utility and service buildings, external works including roads, hardscape, softscape, and water features, and an external fence.

OC was also awarded two contracts for the **New Alamein Historical Old City.** The first contract includes excavation, backfilling, insulation, foundation works, skeleton works for buildings, and external works, as well as excavation and backfilling for landscaping and roads. The second contract includes full finishes, electromechanical works, and landscaping for the buildings. Both contracts are scheduled to be completed by 2021 and consist of the following buildings with a combined BUA of 148,329 m^2: a cinema complex, C&M buildings, a library, a church, City Hall, a museum, luxury apartments, an exhibition hall, a Roman theater, an opera house, a talent development center, a left chiller, and two substations.

New Alamein High-Rise Towers

Orascom Construction's structural works on the **New Alamein Latin Quarter** have also continued. The project's scope includes excavation, backfilling, insulation, foundation works, and skeleton works for 18 clusters complex of residential buildings. It is also composed of 71 multi-story buildings on a total BUA of 687,671 m^2. Works started in 4Q18 and are scheduled for delivery in 2022.

New Alamein Latin Quarter



Al Massah Resort - New Alamein

Al Massah Resort - New Alamein

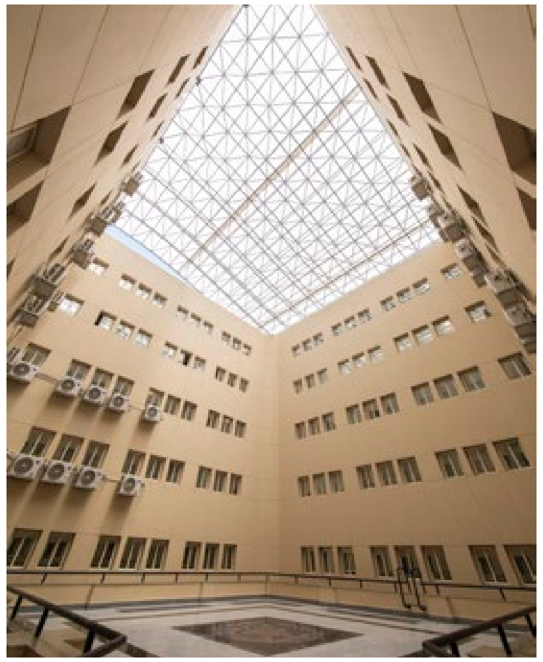
Alamein Historical Old City

Ahl Masr Trauma and Burn Hospital in Egypt

At end of 2019, Orascom Construction was awarded **Ahl Masr Trauma and Burn Hospital** contract in New Cairo. The scope covers the finishing and MEP works, which are progressing as planned and are scheduled to be completed by 2021.

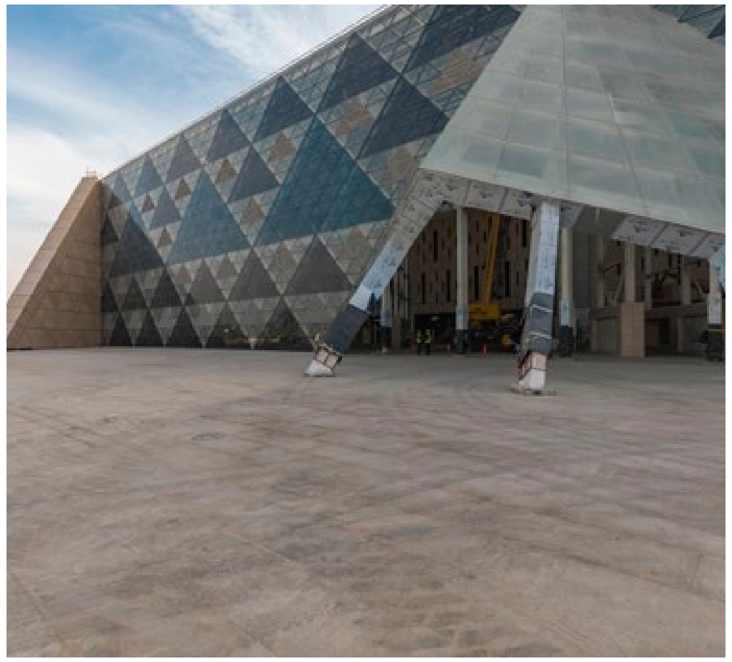
Central Bank of Egypt Renovation in Egypt

Orascom Construction has completed its renovation works in the **Central Bank of Egypt** headquarters in New Cairo on schedule. The renovation works included the rebuilding of the Central Bank's Active Components Data Center, and the reactivation of all its systems such as firefighting, HVAC, domestic water, portable water, and access cards. OC also executed the civil construction for the columns, using reinforced fiber and adding new beams under the data center equipment on the 3rd floor and the roof, and adding new space on the roof.

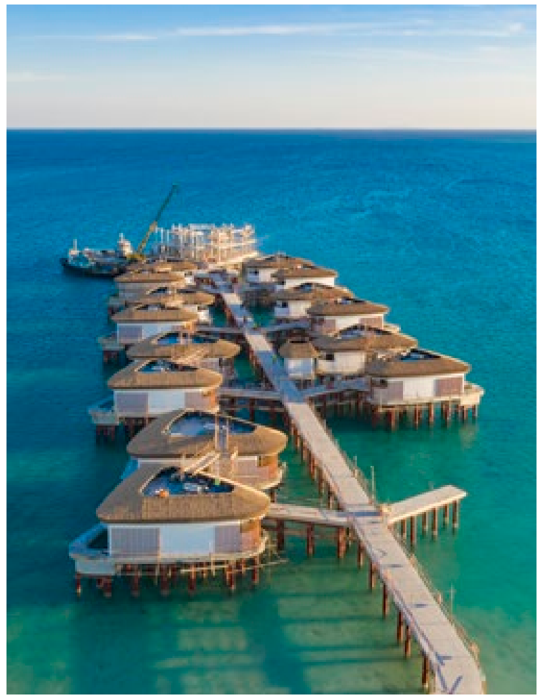


Grand Egyptian Museum in Egypt

The 50:50 joint venture between Orascom Construction and BESIX has continued its works on the **Grand Egyptian Museum**, a landmark museum located in front of the Giza Pyramids. The total land area of the project is around 491,400 m^2, with a total BUA of 167,000 m^2, divided into three basic categories: exhibition galleries, a conference center and landscaping, and commercial retail areas and restaurants. Once inaugurated, the museum will be the largest archaeological museum in the world.

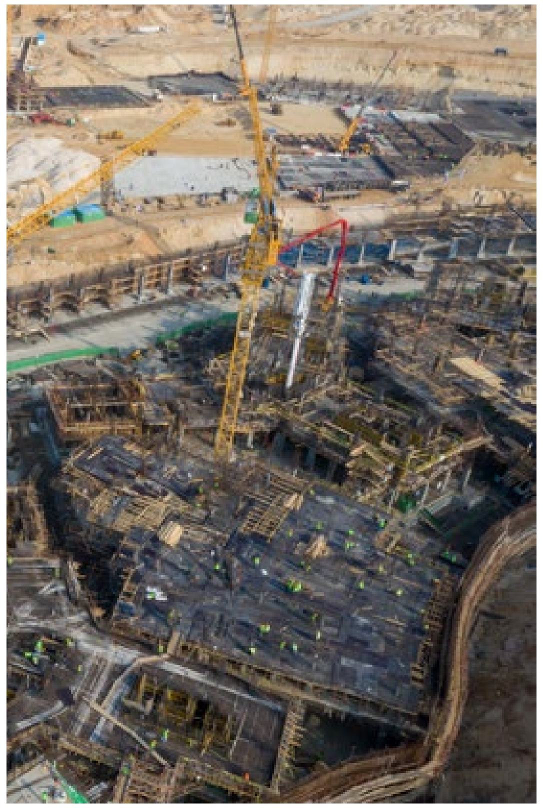


Tawila Island Hotel in Egypt



Orascom Construction continued its construction of the **Tawila Island Hotel in Hurghada**. The project includes all civil, architectural, and MEP works, and all external works such as hardscape and infrastructure, excluding softscape. The scope also includes the construction of 16 beach bungalows, 14 on-water bungalows, a spa, royal suite, arrival building and arrival kiosk, gym, kids club, swimming pool and pool bar, toilet, housekeeping, garbage, kitchen, staff accommodation, substation, utility building, fuel pump room, fuel tank shed, elevated rooms, administration and engineering building, hardscape, infrastructure, roads, and buggy parking. The project launched in 2Q19 and is scheduled to be delivered in 2021.

ZED Towers in Egypt



2Q20 saw Orascom Construction awarded the works on **Phase 1A of ZED Towers in Sheikh Zayed City,** with a total BUA of 197,000 m^2. Phase 1A comprises the construction of four fully finished residential towers with a total of 600 housing units. Each tower contains a three-floor garage linking the four towers, two-floor podium, and 17-floor apartments. Orascom Construction's scope includes construction and finishing works, as well as testing and commissioning. The project is scheduled to be completed by 2023.

Contrack Watts – Infrastructure

Beddown Facility in Saudi Arabia

In May 2019, Contrack Watts began work on the design and construction of facilities, airfield pavement, and infrastructure to support the **Royal Saudi Land Forces Aviation Command** (RSLFAC)'s acquired CH-47 (Chinook) helicopters. The design-build project includes the maintenance hangar, parking sunshade, wash-rack sunshade, fire pump house, fire water storage tanks, airfield pavement, and utility infrastructure to support eight CH-47 helicopters at the RSLFAC base in Tabuk, Saudi Arabia.

Construction work on the project is carried out over three phases, with cleared for construction (CFC) site work starting on 23 February 2020, partial CFC structural work on 1 June 2020, and full CFC, with the exception of currently suspended fire protection work, on 24 September 2020. The fire protection work includes all fire alarm and fire protection systems inside the hangar building, the fire pump house building, and the exterior fire protection work, all of which were suspended by USACE on 24 September 2020. For the hangar's offices and support areas, a concrete superstructure is under construction, while a structural steel superstructure for the hangar bay is currently being erected.

Two change orders are currently being priced, one of which is for an electrical service upgrade for the base from Saudi Electric Company. The other change will resolve the suspension of the fire protection system and increase the pumping capacity of the fire pump house and fire water storage volume. The project is expected to be completed in March 2022.

USA

Contrack Watts – Commercial

Consolidated Rental Car Facility (HNL CONRAC) in Hawaii

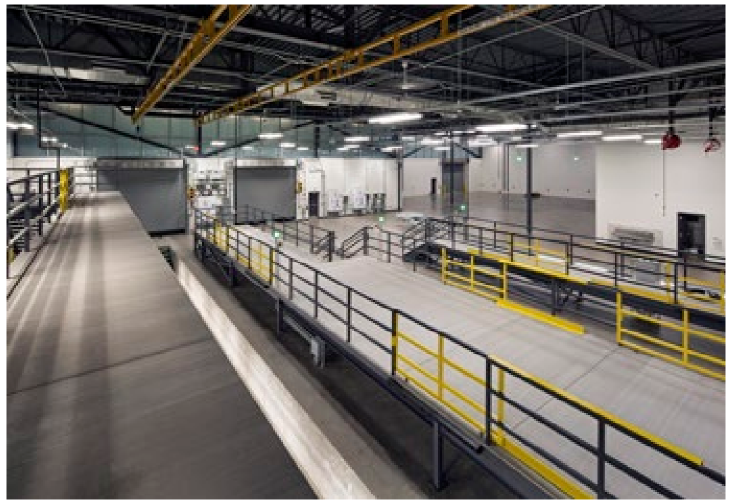
Started in November 2016, the scope of the **HNL CONRAC project** includes the demolition of the interim car rental facility and the construction of a permanent, consolidated five-level, 1,680,000 square foot facility at Honolulu International Airport. The facility includes a customer service building on the second floor, a ground transportation and quick turn-around service yard on the ground level, quick turn-around car wash and fueling areas, ready and return car areas, and shuttle ramps on levels one through five. This is in addition to an entry and exit helix on the east and west sides of the building.

Offsite road work will include the construction of four new roads to help improve airport traffic flow. This work will also require a vehicular bridge and restriping of the surface employee parking lot. The project includes the demolition of existing structures, utilities, and pavements, excavation of the site's water plug shoring wall for the construction of a tunnel, installation of piles, footings, and foundations, in addition to the other construction. It is planned to be completed in March 2022.

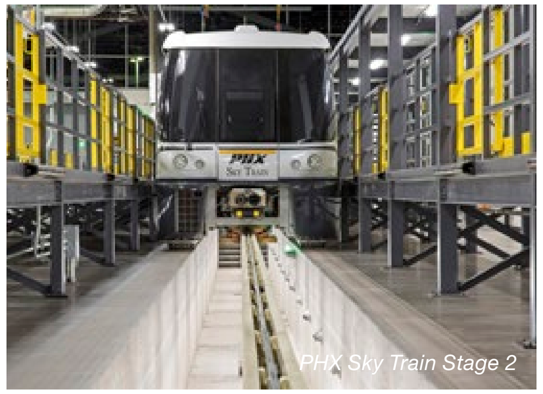
The Weitz Company – Infrastructure

PHX Sky Train Stage 2 – Maintenance & Storage Facility (MSF) in Phoenix, Arizona

The project, which kicked off in February 2019 and was completed in October 2020, was an expansion of the system's maintenance and storage facility to accommodate Stage 2 Operations, taking the **Sky Train** from Terminal 4 to the Rental Car Center and adding 24 cars to the fleet. The addition to the existing facility included two light maintenance bays, one medium bay and pits, new elevated platforms for the maintenance bays, a new office for technician managers, a heavy storage area, and a new workshop. 5,800 lineal feet of added guideway and running surface was installed throughout the yard to support the added fleet.



Additional work included full compressed air flowing throughout the building and to several locations in the yard. Air conditioning was added to the existing building and the new maintenance bays and pits. A new 4,209 square foot train wash was constructed, with the capacity to wash the fleet twice a week utilizing 70% recycled water through the water conservation system. The train wash system is operated from a central control, enabling O&M personnel to remain outside the wash bay while it is active.


PHX Sky Train Stage 2

KCI Airport in Kansas City, Missouri

Construction on the **New Single Terminal at the Kansas City International Airport in Kansas City**, Missouri remains ongoing. The new terminal's elevated roadway was completed in November 2020, and the project topped out, signaling the completion of structural steel operations in January 2021. The one million square foot, 39-gate terminal is on schedule for completion in March 2023.

The Weitz Company – Industrial

Data Center – Confidential Client in West Des Moines

The **Hyperscale Data Center project** consists of the simultaneous construction of multiple 240,000 square foot building shells, power distribution centers, and the buildout of multiple collocation spaces. Our scope also includes the site work for the greenfield building complex. Upon completion, the project will span 500,000 square feet across three projects. Project 1 has a capacity of 16.4 MW, Project 2: 32.8 MW, and Project 3: 48 MW.

Data Center – Confidential Client in Goodyear, Arizona

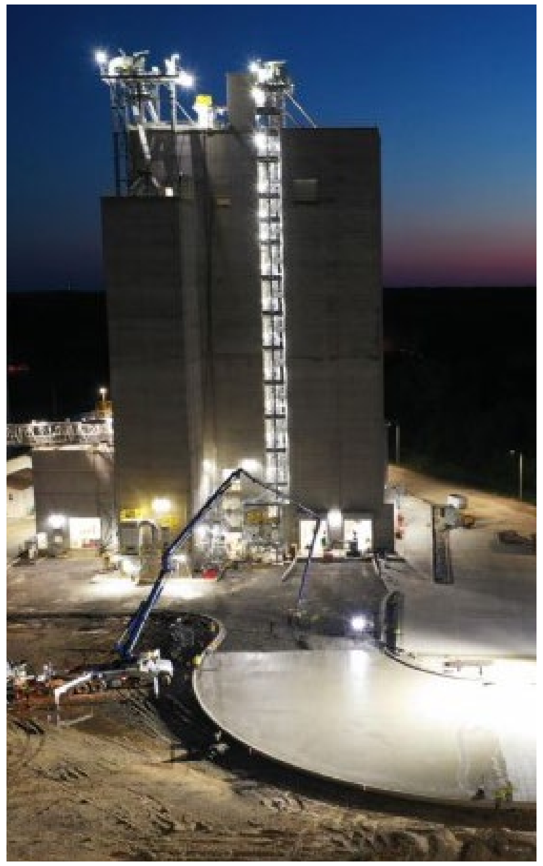
The Weitz Company is constructing **a 41-megawatt Hyperscale Data Center in Goodyear, Arizona**. The project scope includes the construction of a 240,000 square foot metal building, power distribution center, and the buildout of five colocation spaces. Site work at this greenfield site will enable the client to build four additional buildings in the future.

Creekstone Farms Premium Beef, LLC in Arkansas City, Kansas

The Weitz Company was contracted by **Creekstone Farms Premium Beef, LLC** to construct a new 43,000 square foot boxed beef distribution center cooler adjacent to existing operations, with 100% selectivity to 55,600 boxes of beef. The material handling system includes 80 carousels with a 16-lane accumulation deck, two in-line palletizers, print and apply, stretch wrappers, and a warehouse execution system (WES) with box optimization. The project kicked off in December 2018 and was successfully completed in January 2020.

Tyson Foods, Inc. in Humboldt, Tennessee

In June 2018, The Weitz Company was awarded **Tyson Foods' design-build contract for a state-of-the-art feed processing facility**, to utilize The Weitz Company's more cost-effective process design concept for feed manufacturing. The feed mill has a weekly poultry feed manufacturing capacity of 14,000 tons. The project included the design and installation of the process and material handling equipment for grain storage, grinding, batching, mixing, pelleting, cooling, dust control, and bulk loadout of finished feed. The facility was successfully completed on schedule within 20 months in February 2020.



The Weitz Company – Commercial

Sammons Financial Group Corporate Headquarters in West Des Moines, Iowa

The Weitz Company kicked off the construction of **Sammons Financial Group's new corporate headquarters** in June 2019. The project scope included a six-story, 230,000 square foot office building to centralize employees in one space, with room to grow, in addition to a two-story amenity area for employees and visitors, outdoor walking trails, surface parking, and an underground garage. The project was completed in November 2020.

The Waldinger Corporation Headquarters and Production Facility in Des Moines, Iowa

The **Waldinger Corporation's New Corporate Headquarters and Production Facility** spans 203,000 square feet on 27 acres of land. The project includes a two-story 87,000 square foot corporate office and 116,000 square foot production facility. The project scope included an outdoor patio on the second level of the corporate office space and solar arrays on the roof of the production facility to help support best-in-class energy efficiency. Kicked off in April 2019, the project was completed in July 2020.

Washington County Justice Center in Blair, Nebraska

In October 2020, The Weitz Company completed renovation and expansion works at the **Washington County Jail.** The project added 88 beds to the facility, and included the renovation of 15,000 square feet of the building's existing space, to mitigate the jail's overcrowding issues. One unique feature of this project is the utilization of prefabricated steel jail cells, or jail pods. These pods have multiple advantages over conventional concrete cell blocks, requiring less support structure and utilizing 7-9% less space, in addition to creating safe maintenance paths.

Florida Atlantic University (FAU) Student Housing – Boca Raton & MacArthur Campuses in Florida

The Phase I Student Housing project on FAU's Boca Raton campus will feature two- and four-bedroom style units spanning seven stories. The 185,920 square foot concrete structure will include 183 units with a total of 616 beds. The ground floor will feature a common space with a kitchen accessible to all dormitory residents and an academic advising, learning, and career center called the Get Wise Facility. The project will also feature study lounges, laundry facilities, and a sand volleyball court. Works on the project began in November 2019.


FAU Student Housing, Boca Campus


FAU Student Housing, Jupiter Campus


FAU Student Housing, Boca Campus

FAU's MacArthur campus is the university's Honor College extension in Jupiter, Florida. The new residence hall will house 165 beds in two- and four-bedroom units spanning three stories and 58,000 square feet. The project will feature a community kitchen, study lounges and computer labs, laundry facilities, a rooftop patio, sand volleyball court, and courtyard with picnic tables. This is in addition to a fitness center accessible to all campus students. Works on the project kicked off in February 2020.

Both projects are expected to be completed by the summer of 2021.


FAU Student Housing, Jupiter Campus

Florida Power and Light Corporate Campus in Florida

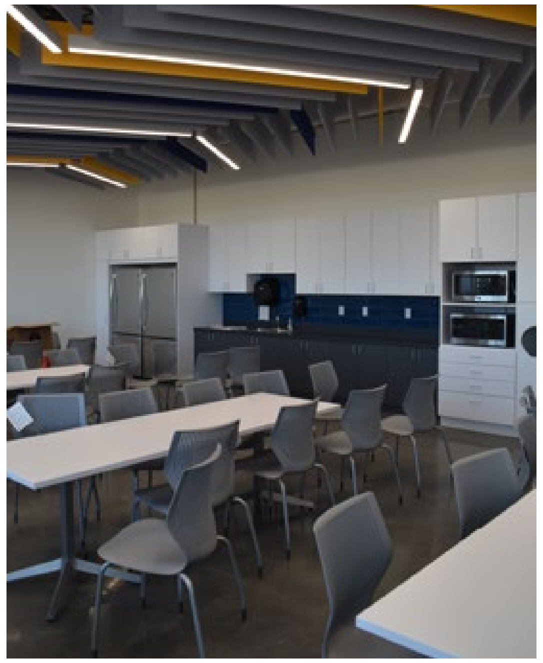
Started in March 2020 and slated for completion during the summer of 2022, **Florida Power and Light Corporate Campus** project includes a 6-level, 270,000 square foot Class A office building designed to withstand Category 5 hurricane force winds. It will feature a cafeteria with a commercial kitchen, fitness and wellness center, data center, typical office building amenities, and conference center. It will also include an attached 700 square foot, 3-level parking structure including a photo-voltaic solar array, back-up battery storage, and electric vehicle charging capabilities. The structures will be a combination of concrete, structural steel, curtain wall, and precast.

Coral Gables Public Safety Building in Florida

The new **Coral Gables Public Safety Building** will function as headquarters for the City's police department, fire department, and Emergency Operations Center (EOC). It will house a 911-call center, first responders' dispatch center, EOC Command and Operations, the City's Human Resources Department, and the City's Information Technology Department. The project includes a parking garage and is located on a tight corner site on the outskirts of downtown Coral Gables. Upon completion, scheduled for January 2021, the project will span 189,000 square feet.

City of Surprise Public Works Operations Facility in Surprise, Arizona

Located on 14 acres on the city's south water reclamation property, this **New Public Works Facility** brings together fleet maintenance, streets, signals, and waste operations. The new joint-use building was designed to consolidate four divisions with satellite offices into one location to create an improved, cohesive, and resourceful environment. The design-build process was a collaboration between the City of Surprise, WSM Architects, Gannett Fleming, and The Weitz Company, with the goal of creating a space that increases the Public Works Department's efficiencies. Started in February 2019 and completed in May 2020, the project includes 14 maintenance bays equipped to meet industry standards for the repair and upkeep of the safety fleet, light duty, and heavy-duty vehicles.



6900 Layton in Denver, Colorado

In September 2020, The Weitz Company completed works on **6900 Layton,** a sleek 385,000 square foot Class AA design-build office tower. Located just 200 feet from the light-rail platform at Belleview Station, the building is 15 stories tall and covered exclusively in a custom glass curtain wall.

Structurally, the building is a hybrid, with the frame accommodating a 1,250-space garage on the first five levels. A central cast-in-place concrete core is surrounded by a precast podium coming out of the ground for five stories, capped by a structural steel tower rising to the full height. This project achieved LEED Gold.

10th and Acoma in Denver, Colorado

The Weitz Company began works on the 17-story, 393-unit **10th and Acoma** project located in Denver's Golden Triangle neighborhood in 4Q2019. The structure is comprised of post-tensioned cast in place concrete. The exterior combines a mix of masonry, to blend the building with the neighborhood's historic aesthetic, mixed metal panels and stucco to bring a newer and modernized appeal. The first five floors of the project will house parking for the building's tenants, wrapped with townhouses and units on the Acoma and 10th Street sides. A pet lounge that expands to the outdoor dog run with operating overhead doors is located on the building's south side. The project also includes bike storage and a repair shop. The project is expected to be completed in 2022.

The Standard at Berkeley in Berkeley, California

Construction is ongoing and slated for completion in July 2021 at **The Standard at Berkeley,** an off-campus student housing community near the University of California-Berkeley campus. The eight-story, 117,000 square foot structure will include fully furnished apartments ranging in size from studios to five bedrooms. Luxury amenities will include private study rooms, a clubroom, game room, state-of-the-art fitness center, and a resort-style patio and outdoor area.

The Standard at Coral Gables, in Coral Gables, Florida

Started in August 2019, **The Standard at Coral Gables** is a mixed-use housing development near the University of Miami campus, minutes away from downtown Miami. The nine-story, 447,170 square foot structure will include fully furnished apartments ranging in size from one to three-bedrooms. Luxury amenities will include an academic lounge and private group study rooms, four-story above ground parking structure, fitness center, game room, and recreational pool deck. The project is scheduled to be completed in June 2021.

BESIX

2020 saw BESIX continue to cement its leading position as a contractor of choice for large-scale projects, with several new contract awards throughout the year.

Major Infrastructure Contracts

2020 was an unexpectedly difficult year, with the outbreak of the COVID-19 pandemic slowing and even suspending works at a number of BESIX's construction sites around the globe. However, the Company's continued commitment to excellence enabled it to relaunch all halted projects and partially make up for lost time. The Company was also awarded a number of major contracts during the year despite these difficulties.

In Europe, BESIX is part of the ROCO and COTU JV for the **Belgian Oosterweel mega project**, which will complete the ring road of the city of Antwerp and considerably improve the city and port's accessibility. The JV will carry out the Right Bank project, valued at EUR 2.35 billion, and the tunnel under the River Scheldt, worth around EUR 1 billion.

BESIX also began construction of the **Rail Baltica Central Station** project in Riga, Latvia in November 2020. Financed by the European Union and the Republic of Latvia, the project is part of the larger Rail Baltica Project that


Rail Baltica Central Station project in Riga, Latvia


Saint-Denis Pleyel station in France

will integrate the Baltic States in the European rail network and connect the cities of Helsinki, Tallinn, Riga, Vilnius, and Warsaw. The project includes the new central station building, a major railway bridge on the Daugava River, the railway embankments, and track works. Worth EUR 430 million, it is the largest infrastructure project in the Baltic region in 100 years. Earlier in 2020, the project received the final approval for the master designs. The complex design passed wind tunnel and wind comfort tests, the purpose of which is to assess both the resistance of the structures and the comfort of commuters waiting on train platforms. All weather conditions typical of the Latvian capital were simulated on the highly-complex structure.

Additionally, the Company won the contract for the construction of the **Saint-Denis Pleyel station** in France. The station is the largest of the Grand Paris Express, which will handle 250,000 passengers a day and interconnect four lines. Worth EUR 100 million, the works will last 53 months and will be completed in time for the 2024 Olympic Games.


World's longest bridge, Norway

In Norway, BESIX was selected to design the **world's longest bridge using structural timber.** The project includes designing a bridge spanning more than 1 km and an 11 km section of a four-lane motorway.

In the Netherlands, BESIX is part of the GelreGroen JV, which was awarded the **A12/A15 highway project**. This contract adds to those under construction, including the **Theemswegtracé**, a 4 km railway viaduct at the Port of Rotterdam, the **A16**, a new motorway including the first 100% CO2-neutral tunnel in the Benelux, and the **A6** motorway.

BESIX Watpac successfully delivered the **Queensland Country Bank Stadium** in Townsville, Australia during 2020. The world-class, multi-purpose, 25,000-seat stadium was delivered to exceptionally high standards and provided numerous local job opportunities, particularly to the indigenous community. BESIX Watpac set out with an indigenous participation goal of 6.6%, with the actual figure almost doubling to 11.9%, equivalent to more than 122,065 hours


Queensland Country Bank Stadium in Townsville, Australia


Deep Water Storm Tunnel project, Dubai


Shindagha Corridor infrastructure works

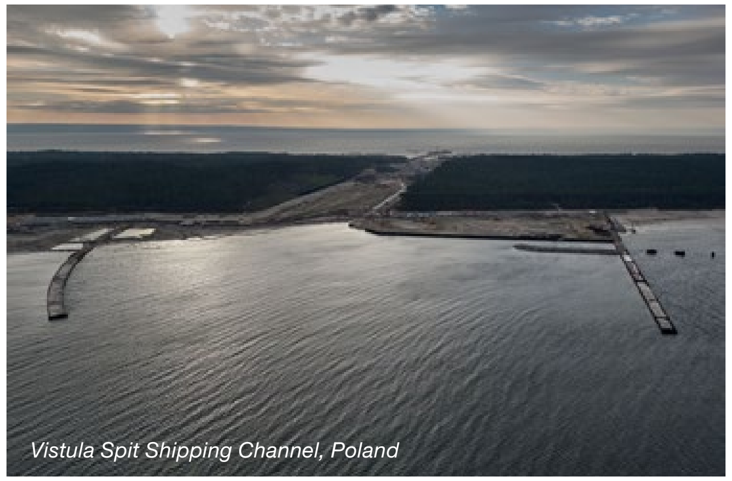
undertaken by the Aboriginal workforce. The stadium also scored a hat-trick for BESIX Watpac at the 2020 Master Builders Queensland construction awards, winning the prestigious Project of the Year award, Best Sporting Facilities award, and Excellence in Workplace Health & Safety.

In Egypt, the JV between Orascom and BESIX continued construction work on Cairo's **Grand Egyptian Museum** — the world's largest museum dedicated to a single civilization. This highly complex building bears the signature of BESIX and Orascom Construction PLC, and is expected to become a hub for culture and education. Construction work on the **Grand Egyptian Museum** progressed well throughout 2020, with the JV completing major milestones such as the entrance to the museum as well as the interior fittings, including the installation of the exhibition.

In addition to the museum, Orascom and BESIX have started the construction of a **building dedicated to the Khufu Solar Boat**. The world's oldest intact ship will be transported from the Giza Solar Boat Museum to the new building in 2021.

In the Middle East, the Dubai Roads and Transport Authority awarded BESIX subsidiary Six Construct the **Shindagha Corridor** infrastructure works. The project comprises the construction of two flyover bridges, a one-lane ramp, and a two-lane tunnel in the Shindagha district near Port Rashid. This contract comes in addition to the construction of the iconic **Shindagha Infinity Bridge**, which Six Construct has continued to build throughout 2020. For the bridge, the team raced against time amid the COVID-19 pandemic, completing the 295-meter bridge deck in just eight months. In November 2020, all 320 concrete segments of the bridge were cast. The construction team shortened the cycle from 10 to 6 days on average to cast a segment, leading the project to remain on schedule.

Six Construct also continued construction of Dubai Municipality's AED 1.3 billion **Deep Water Storm Tunnel project,** which includes a 10 km long, 45 m deep tunnel complex that will drain 40% of the entire urban area of Dubai.


Vistula Spit Shipping Channel, Poland

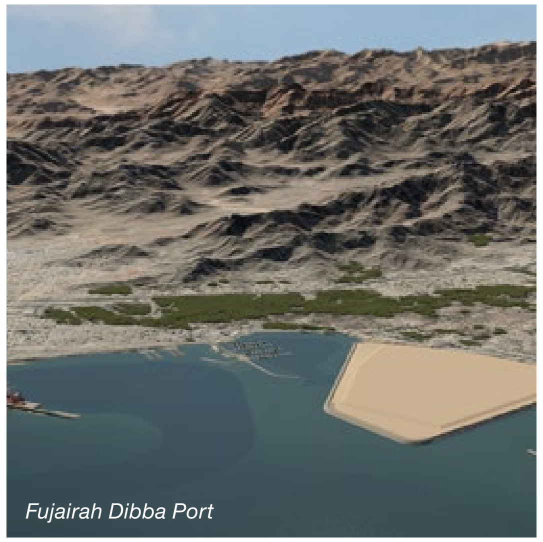

Port of Zeebrugge, Belgium

A World Leader in Marine Works

BESIX continued to demonstrate its global expertise and leading market position in marine works in 2020. This has enabled it to carry out key marine projects worldwide throughout the year.

In Mozambique, the Company was awarded the design-build contract for the **Mozambique LNG Gas Development project's** marine facilities. The scope includes the construction of material offloading facility and LNG load-out jetty and wharf. The terminal comprises one of the world's longest jetty structures, stretching 4,600 m out at sea, five berths and platforms, as well as associated mooring facilities for the largest LNG carriers.

Six Construct was also awarded part of the UAE's Port of Fujairah, Dibba expansion plans. The **Dibba Bulk Handling Terminal Project** includes dredging and constructing breakwaters, a 765 m quay wall, and port infrastructure.


Fujairah Dibba Port

Work also continued throughout the year at BESIX's other construction sites, with remarkable progress despite the pandemic-induced slowdown. In Canada, construction of the **Kitimat LNG export facility** is ongoing, which includes a 500 m quay wall, an LNG platform, and all associated mooring and berthing structures.

In Poland, BESIX has achieved major milestones on the **Vistula Spit Shipping Channel,** which comprises the construction of breakwaters, quays, a 1.5 km channel, lock infrastructure, and a 180 hectare artificial island.

In Belgium, BESIX is building a 1 **km quay wall in the Port of Zeebrugge** and is participating in the renovation of multiple lock gates and canal infrastructures.


Manhattan Building, Brussels, Belgium

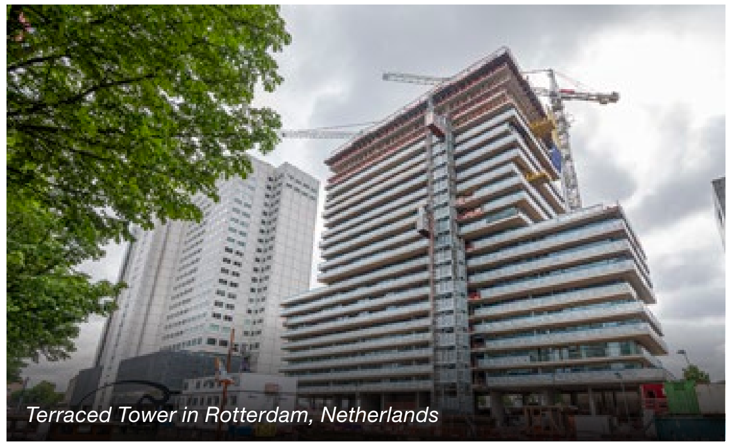

Dubai Uptown Tower

Topping Skyscrapers Worldwide

BESIX has continued to be a leader in building top-class skyscrapers in the Middle East, Africa, and Europe.

In Brussels, Belgium, BESIX has been renovating the iconic 45-year-old, **"BREEAM Excellent" Manhattan Building s**ince August 2017. The renovation includes renewing the interior of the building, stripping the façade, and adding two floors. BESIX faced several challenges in the project, such as the presence of asbestos and minimal storage. However, because renovation requires far less energy and materials, the building's 28,000 ton concrete frame was reused, significantly reducing the project's carbon footprint. The skyscraper now uses 30% less energy.


Mohammed VI tower, Morocco


Terraced Tower in Rotterdam, Netherlands

In Dubai, Six Construct continued construction on **Dubai Uptown Tower**. The 81 story building, the first of its kind in the Uptown district, will reach a height of 340 m. The first of 8,562 panels on the façade have been placed and the construction team achieved five million man-hours without a lost-time incident. Six Construct and its partner Enerwhere implemented an advanced energy micro-grid on the project, reducing the site's carbon footprint and the cost of energy consumption, earning them a nod from Construction Week 2020 in the Sustainability Initiative of the Year category.

Progress at the **Mohammed VI tower** in Morocco continued throughout 2020, with the concreting of the foundations, followed by the gradual raising of the core of the tower. This 250 m, 55-storey tower near Rabat will feature exceptional architecture and meet particularly high environmental standards.

In the Netherlands, BESIX continued the construction of the two **Grotius Towers** complex in The Hague and the Terraced Tower in Rotterdam. The Terraced Tower involves multiple technical challenges on a structural level, for which BESIX's in-house engineering department was awarded the SCIA Engineering Price, highlighting the exceptional technical challenges taken up by the design teams. At the Grotius Towers project, the construction team has, among other things, maintained the pace of building one floor per week during the year.


Dubai Waste Management Center


First refuse derived fuel plant in Umm Al Quwain, UAE

State-of-the-Art Environmental Installations

In light of its focus on sustainability, BESIX carries out leading projects in the environmental field, particularly in waste recovery, renewable energies, wastewater treatment, and drinking water production. 2020 was no different, with outstanding milestones in the Middle East, Africa, and Europe.

In 2020, Six Construct teams began construction of the **Dubai Waste Management Center,** the world's largest energy-from-waste project. BESIX Middle East will then participate in the management of the plant's operations and maintenance for 35 years, under a concession agreement with Dubai Municipality. The plant will have the capacity to process more than 5,000 tons of waste per day and to produce 200 MW of electricity to supply c. 135,000 households.


La Mé drinking water plant, Ivory Coast


Nachtigal hydroelectric project

Six Construct also completed the construction of **the region's first refuse derived fuel plant in Umm Al Quwain, UAE**. The facility was designed to convert the waste of 550,000 people into an alternative energy source, which will be utilized in cement factories as a fuel to partially replace gas or coal.

Additionally, Six Construct built **a sludge-to-energy plant for Ajman Sewerage (ASPCL)** in the UAE. The plant will go into production in 2021 and will enable ASPCL to process its own waste to produce green electricity. This electricity will be used to meet part of the energy needs of its wastewater treatment plant, a first in the UAE.

In the Ivory Coast, BESIX completed the civil works at the **La Mé drinking water plant**. With a production capacity of 240 million liters of drinking water per day, the plant will produce 30% of the city of Abidjan's needs, making it one of the largest drinking water treatment plants in West Africa.

Meanwhile in Cameroon, BESIX is participating in the construction of the **Nachtigal hydroelectric project,** which will produce 420 MW and increase national electricity production by one third. The works include the design and construction of a 2 km long and 14 m high dam, a 3 km headrace canal, as well as the plant itself.

Following BESIX's involvement in building a large number of water treatment plants in the Benelux, particularly the Netherlands and Belgium, including some of the first energy-neutral plants in the region, BESIX is now also active in Luxembourg, where it was awarded several contracts in recent years. The first **water treatment plant built by BESIX in Bou**s has been operational since September 2020. New contracts include the modernization of the **plant in Mamer**, which will include a biogas production unit enabling the production of green electricity.

Business Growth

During 2020, BESIX Group successfully completed the acquisition of Beglian-based Appermont Gebroeders, through its Belgian subsidiary Van den Berg. Appermont Gebroeders is a builder of network infrastructures, mainly specialized in laying cables and pipes to the railway network.

Additionally, through its subsidiary BESIX Infra, BESIX Group is interested in pursuing the Netherlands' STRABAG SE road construction activities, including the production site, and the asphalt plant in Roermond, Limburg.


Rail Baltica

MANAGEMENT DISCUSSION AND ANALYSIS

Al Massah Resort - New Alamein

Financial Performance

USD million	2020	2019
Revenue	**3,371.1**	**3,184.0**
Cost of sales	(3,048.3)	(2,820.5)
Gross profit	322.8	363.5
EBITDA	**197.8**	**268.2**
Operating profit	**150.6**	**216.4**
Income tax	(40.5)	(39.1)
Non-controlling interest	6.2	9.8
Net income attributable to shareholders	**90.9**	**121.3**
Basic earning per share	0.78	1.04
Total assets	3,788.5	3,505.3
Total equity	641.9	585.7
Gross interest - bearing debt	115.2	95.7
Net debt	(358.6)	(279.1)
Capital expenditure	**42.7**	**39.5**

Revenue

Orascom Construction PLC recorded revenues of USD 3,371.1 million in 2020, representing a 5.9% increase y-o-y, driven by solid progress in both the MEA (especially in Egypt) and US regions despite COVID-19 challenges. Revenue attributable to the MEA region accounted for 62.5% of PLC, while the US operations contribution accounted for the balance.

In the MEA region, revenue was primarily driven by the execution of mega infrastructure projects, including the Bahr El-Baqar Water Treatment Plant, Greater Cairo Metro, Abu Rawash WWTP, Grand Egyptian Museum, and Mansoura Project.

Meanwhile in the US, revenue was driven by a mix of commercial, infrastructure, and light industrial projects including data centers, Sammons Financial Group, 10th & ACOMA, and Florida Power and Light PGA.

EBITDA

The Group reported consolidated EBITDA of USD 197.8 million in FY 2020 compared to USD 268.2 million in FY 2019. EBITDA margin stood at 5.9% in FY 2020.

The MEA region continued to deliver solid performance in FY 2020, delivering EBITDA of USD 184.7 million and an EBITDA margin of 8.8%, despite COVID-19 and a challenging operating environment.

EBITDA generated in the US showed a significant improvement compared to the previous year, as it marked the first full year of profitable operations, reporting EBITDA of USD 13.1 million in FY 2020 compared to negative USD 8.2 million in FY 2019. This marks an important milestone towards positive sustainable contribution to the Group.

USD million	2020		2019	
	MEA	USA	MEA	USA
Revenue	**2,107.3**	**1,263.8**	**2,182.2**	**1,001.8**
Cost of sales	(1,848.5)	(1,199.8)	(1,857.0)	(963.5)
Gross profit	258.8	64.0	325.2	38.3
EBITDA	**184.7**	**13.1**	**276.4**	**(8.2)**
Operating profit	**144.9**	**5.7**	**231.7**	**(15.3)**
Income tax	(40.2)	(0.3)	(39.1)	0.0
Non-controlling interest	6.4	(0.2)	8.1	1.7
Net income attributable to shareholders*	**81.6**	**9.3**	**138.8**	**(17.5)**

** MEA figures include contribution from the Group's 50% stake in BESIX amounting to a net loss of 6.2 million in FY 2020 vs. net income of USD 22.9 million in FY 2019.*

Selling, General, and Administrative (SG&A) expenses

The Group's SG&A expenses represented 5.5% of revenue, a slightly higher percentage than FY 2019 level of 5.1%, as a result of extra costs related to COVID-19 health and safety precautions.

Net financing cost

Net financing cost consists of interest income, gain, or loss on foreign exchange and interest expense.

Net financing cost stood at USD 9.8 million in FY 2020, reflecting a sizable decrease compared to USD 73.3 million in FY 2019. This was mainly a result of a significant decrease in finance cost of USD 31.1 million in FY 2020 compared to USD 98.5 million in FY 2019, driven by lower financing cost for the Group in FY 2020, despite a slightly higher debt level compared to 2019.

Income tax

Income tax expense amounted to USD 40.5 million in FY 2020 compared to USD 39.1 million in FY 2019.

The effective tax rate recorded in FY 2020 was 29.4% vs. 22.9% in FY 2019. This increase is mainly a result of a net loss contribution from BESIX.

Condensed Consolidated Cash Flow Statement for the year ended 31 December 2020

USD million	2020	2019
Net profit for the year	97.1	131.1
Adjustments:		
Depreciation of PPE and amortization	47.2	51.8
Changes in working capital	(37.5)	113.4
Dividends received from equity accounted investees	15.0	22.8
Other cash flows from operating activities	16.4	0.8
Cash flow from operating activities	**138.2**	**319.9**
Investments in associate, net of cash acquired	-	(16.6)
Investments in property, plant, and equipment	(42.7)	(39.5)
Proceeds from sale of property, plant, and equipment	6.9	8.1
Cash flow used in investing activities	**(35.8)**	**(48.0)**
Proceeds from borrowings	215.7	167.1
Repayment of borrowings	(196.2)	(446.7)
Dividends paid to shareholders	(24.5)	(34.7)
Other cash flows used in financing activities	(4.0)	(5.8)
Cash flow used in financing activities	**(9.0)**	**(320.1)**
Net increase (decrease) in cash and cash equivalents	**93.4**	**(48.2)**
Cash and cash equivalents at 1 January	374.8	402.5
Currency translation adjustments	5.6	20.5
Cash and cash equivalents at 31 December 2020	**473.8**	**374.8**

Cash flow from operating activities

Cash inflows from operating activities stood at USD 138.2 million in FY 2020. This operating cash flow level reflects management's successful efforts in collection and working capital management, despite the impact of COVID-19 on the market environment.

Cash flow from investing activities

Cash outflows from investing activities reached USD 35.8 million in FY 2020 compared to USD 48.0 million in FY 2019, mainly driven by capital expenditure for the year of USD 42.7 million to support new projects in MEA.

Cash flow from financing activities

Cash outflows from financing activities recorded USD 9 million in FY 2020 compared to outflows of USD 320.1 million in FY 2019. This reflects the continuation of management's efforts to maintain low debt levels for the Group, following the significant net debt repayment of USD 285 million that took place in FY 2019. Additionally, a dividend of USD 24.5 million was distributed to shareholders in August 2020.

USD million	2020	2019
Long-term interest-bearing debt	19.9	5.4
Short-term interest-bearing debt	95.3	90.3
Gross interest-bearing debt	**115.2**	**95.7**
Cash and cash equivalents	473.8	374.8
Net debt	**(358.6)**	**(279.1)**

The Group increased its net cash positive position to USD 358.6 million as of 31 December 2020 compared to USD 279.1 million as of 31 December 2019. The increase in cash of USD 99.0 million outpaced the slight increase in gross debt of USD 19.5 million.

Condensed Consolidated Statement of Financial Position as of 31 December 2020

USD million	2020	2019
Total non-current assets	696.4	709.1
Total current assets	3,092.1	2,796.2
Total assets	**3,788.5**	**3,505.3**
Shareholders' equity	595.9	541.9
Non-controlling interest	46.0	43.8
Total equity	**641.9**	**585.7**
Total non-current liabilities	80.3	65.7
Total current liabilities	3,066.3	2,853.9
Total liabilities	**3,146.6**	**2,919.6**

Non-current assets

As of 31 December 2020, OC PLC's non-current assets stood at USD 696.4 million vs. USD 709.1 million in 2019, including:

- Property, plant, and equipment balance of USD 177.2 million vs. USD 181.3 million in 2019.
- Investments in equity accounted investees balance of USD 419.4 million, with the majority representing the Group's investment in the BESIX Group.
- Deferred tax assets balance of USD 39.0 million, primarily relating to carry-forward losses in the US expected to be realized against future profits.

Current assets

Current assets increased to USD 3,092.1 million from USD 2,796.2 million in 2019, mainly due to higher supplier advances and trade receivables that were driven by an increase in operational activities.

Cash and cash equivalents recorded USD 473.8 million at year-end 2020 from USD 374.8 million in 2019.

Equity

The Group's total equity at year-end 2020 reached USD 641.9 million, up from USD 585.7 as of 31 December 2019. The increase in total equity was driven by FY 2020 results.

Non-current liabilities

The increase in non-current liabilities primarily relates to the increase in loans and borrowing.

Current liabilities

Current liabilities increased to USD 3,066.3 million from USD 2,853.9 million in 2019, primarily due to an increase in trade payables of USD 555.2 million from USD 466.6 million in 2019, driven by new projects awarded in 2020.

Number of employees

During the financial year ending 31 December 2020, the number of staff employed by the Group totaled 63,899, with 20,804 permanent employees and 43,095 temporary employees (2019: 59,776 employees).

Outlook

The Group successfully maintained its backlog at USD 5.4 billion in FY 2020 and continues to pursue an active bidding pipeline across its main markets. Additionally, the Group continues to execute its key, sizable projects in Egypt and the US, and expects higher contribution from new large projects in Egypt such as the monorail. As such, management expects the revenue growth trend to continue in FY 2021.

EBITDA and net income will be driven by profitability rates in MEA region in FY 2021 and the expectation of another full year of positive contribution from the US operations. However, management expects a tighter operating environment, especially in MEA, to remain.

Following a profitable 2H2020, BESIX is expected to reverse the negative earnings reported in FY 2020.

Abu Rawash Wastewater Treatment Plant

OUR PEOPLE

We adhere to the highest standards of human capital development, ensuring every employee is equipped with the tools to grow and develop within the organization.

New Central Bank of Egypt - New Capital

Our People

Corporate Management Team (right to left from the back)

Osama Bishai, *Group Chief Executive Officer;* ***Reham ElBeltagy,*** *Group CFO;* ***Nader Ragheb,*** *Group Treasurer;* ***Omar Bebars,*** *CEO Construction Materials;* ***Heba Iskander,*** *Corporate Development Director;* ***Moataz Eldemerdash,*** *Group Controller;* ***Hesham El Halaby,*** *Investor Relations Director;* ***Alexandre Lousada,*** *Group General Counsel*

Orascom Construction PLC believes that its employees, the Company's most valuable asset, are key to achieving sustainable growth.

We adhere to the highest standards of human capital development, ensuring every employee is equipped with the tools to grow and develop within the organization through numerous trainings and educational programs tailored to their career goals.

Despite the circumstances arising from the COVID-19 pandemic, we were able to adapt to the new norm and continue developing and training our employees to maintain our business operations.

Orascom Construction

Succession Planning and Development

Part of our scope in developing our human capital is identifying employees' potential, in order to build a solid database of those with the potential to hold key positions within the Company. The successor group will undergo vigorous assessments held by one of OC's consultants. The employees with the most potential will assume greater responsibilities, and will be groomed to transition into key roles across the Company. Their development will also be supported by the management team to encourage employee commitment and retention, with an intensive development program currently being designed by top management. Employees who graduate from the program will have their profiles collected and updated, and will undergo follow-up meetings to discuss their career aspirations, self-development, and achievements.

Online Learning

As a result of the pandemic, the traditional mode of in-person trainings was replaced with virtual classes via Microsoft Teams and Zoom.

To automate the complete learning cycle, we developed a user-friendly application that helps simplify the registration process and automate the learning cycle, while acting as OC's learning management platform. The application is dependent upon OC's wide selection of in-house trainers, as well as partnerships with institutes and universities that help provide employees with strong technical, business, and soft skills.

Training Programs

In 2020, we successfully delivered a total of 13,859 hours through 60 training programs to 880 employees to enhance their technical and soft skill knowledge, and equip them with the right tools to complete their day-to-day tasks. The training programs were delivered by both highly qualified in-house instructors as well as expert external providers, and were instrumental in building a culture of learning and development throughout the organization.

Post-Graduate Studies

OC's commitment to developing its employees' capabilities extends to sponsoring post-graduate education for eligible staff members. The year saw OC continue to extend post-graduate support to employees in the form of sponsorships

Online learning

Postgraduate

of master's degrees, post-graduate diplomas, or certifications that feed directly into their career development goals. OC's commitment to advanced learning stems from its belief in the value of education as a means to support professional development and foster a community that values ambition and the drive to succeed.

Partnership with LinkedIn Learning

In 2020, we established a partnership with LinkedIn to provide OC employees with on-demand access to LinkedIn Learning, an online learning solution to help participants gain new skills and advance their careers through accessing a customized learning experience featuring the most relevant content to foster employees' development.

OC Induction

Newly-hired employees start their OC employment journey with an onboarding program. The program begins with an induction session during which new employees are welcomed and assimilated into the workplace culture to become familiarized with OC's values. This is followed by orientation sessions to integrate the employees into their teams.

2020 Summer Internship

In adherence with the imposed precautionary measures to curb the spread of the pandemic, changes had to be made to the Summer Internship Program. Although we decided to hold the program as usual, we introduced more rigorous selection criteria, and conducted the selection process and induction through virtual means. We also chose eight interns as opposed to last year's 28, to abide by health and safety precautions. The interns underwent four weeks of intensive training.

OC Induction

Summer Internship

Summer Internship

Orascom Construction USA

Technology Innovations: BIM/VDC Expansion

2020 brought about numerous technology innovations to Orascom Construction USA, thanks in part to an expansion of the Virtual Design and Construction (VDC) team. Under the leadership of a new Senior Manager of VDC/Field Solutions, our preconstruction and operations teams have been creating and using animations, 3D printing, virtual reality, phasing diagrams, and more on both current and potential projects. The VDC team also started offering in-house LIDAR (laser) scanning to capture detailed data and create a "point cloud" of database connecting points in a 3D coordinate system.

Other technology enhancements used across sites included wearable safety devices that could monitor social distancing and proximity, as well as other jobsite risks.

Internship Program

This year, Orascom Construction USA was proud to welcome 27 interns across jobsites for both The Weitz Company and Contrack Watts. The internship program is critical to our recruitment strategy, helping us source great talent and build bench strength at all levels. Some interns returned for a second or third year, a testament to the strength and popularity of the program, and show great promise of future careers within our family of brands.

Diversity and Inclusion

To emphasize the importance of diversity and inclusion across our jobsites, Orascom Construction USA established a Diversity and Inclusion Steering Committee, led by President and CEO of Orascom Construction USA, Kevin McClain. The purpose of this committee is to collaborate with and equip employees to make a positive impact within our company, our communities, and our industry. To kick-off this work, the Steering Committee established a council composed of individuals in varied functions and encompassing a wide range of viewpoints to assist with enhancing the Company's diversity and inclusion efforts.

Notable progress had been made on this front when our data center projects in Des Moines, Iowa halted construction to provide diversity and inclusion training to all employees on the jobsite. Additionally, KCI reached an exciting milestone, adding more than 100 Kansas City-certified Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) to the New Terminal project roster since the start of procurement in 2018. We look forward to expanding the efforts and reach of the diversity and inclusion steering committee in 2021.

Adherence to Labor Laws and Children's Rights

For Orascom Construction PLC, integrity is at the core of the Company's values. Accordingly, we commit to conducting business ethically, responsibly, efficiently, transparently, and with respect towards all stakeholders. Our Code of Business Principles and Conduct serves to ensure all employees, subsidiaries, and partners — including suppliers, subcontractors, agents, and joint venture partners — adhere to the highest level of legal and ethical standards.

We adhere to state, local, and federal labor laws across our footprint. This reflects the Company's commitment to contributing to economic and social development, while promoting the observance of human rights in the communities in which we operate. To embed these principles into the Company's culture, we give our employees, in our head offices and on sites around the world, the appropriate training, ongoing guidance from management, and the frameworks to allow them to raise concerns confidentially.

As a global company operating in the MEA region and the US, Orascom Construction PLC is committed to complying with children's rights and labor requirements across all markets within its jurisdiction. Senior management, with the assistance of our general counsel, Legal Department, and Human Resources Department ensure we meet these requirements. These standards are expected of staff members directly employed by the Company and its subsidiaries, and are integrated into legal agreements and arrangements with subcontractors and third-party suppliers to ensure that our entire supply chain is also in compliance.

Quality, Health, Safety, and Environment (QHSE) Management

OC's core activities center on the realization of major construction projects through the mobilization of its full resources and know-how. The Company is fully aware of the impact of its economic and industrial activities on the living and working environment of the communities in which it operates.

To implement its policy, OC has decided to develop and implement an Integrated Management System (IMS) reflecting all its concerns in terms of quality, health, safety, and environment, in addition to economic performance and good governance. The IMS applies to all OC activities, including the realization of civil engineering projects, buildings, industrial, power, petrochemical, and environmental projects, in Egypt and all multi-site construction areas.

Commitment to Quality

At Orascom Construction PLC, we are committed to delivering the highest quality construction projects. We actively work to exceed customer expectations by periodically reviewing and continuously enhancing our quality management system. This is managed through an extensive risk-based audit program to ensure compliance to the OC quality management system and improve systems and processes where necessary.

Management's commitment to quality is reflected in our continued ISO 9001 certification from the American Society of Mechanical Engineers (ASME) for Power Boilers S Stamp and Pressure Vessels U Stamp, in addition to our certification from the National Board of Boiler and Pressure Vessel Inspectors for NB and R stamps.

Quality Training

Ongoing quality-related training is an important tool in the development of OC's personnel to ensure we maintain the highest standards of construction. Quality-related training programs across all projects and departments develop OC personnel's understanding of the Company's quality management requirements. Training programs specific to quality in construction have been developed in conjunction with the HR department, and a Train the Trainer program allows training to be rolled out extensively across all projects.

Quality management training programs offered to OC personnel:

- Cost of Quality
- Quality Planning
- Quality Management and Internal Audit
- Lean Six Sigma

Practical training programs offered to OC personnel:

- ACI Concrete Field Technician
- ACI Concrete Construction Special Inspector
- ACI Concrete Strength Testing Technician
- ACI Concrete Flatwork Technician
- ACI Concrete Quality Technical Manager

In addition to courses on quality management, we have developed six project-specific quality control training modules to explain how quality is managed on projects:

- Project Quality Management
- Calibration Control
- Control of Non-Conformance
- Inspection and Test Plans Use and Understanding
- Inspection Request Use and Understanding
- Material and Equipment Inspection and Preservation

Welding Training School

Since 2008, Orascom Construction PLC has been operating a welding school to test existing welders and develop trade skills for non-skilled workers. Many of these workers have no prior practical welding experience, but become proficient in a number of welding techniques after completing training by skilled instructors and undergoing practical safety training. Since the school's inception, more than 1,200 workers have been trained as coded welders and more than 1,800 tested for projects in both Egypt and overseas.

Commitment to Health, Safety and the Environment (HSE)

Orascom Construction PLC's compliance to health, safety, and environment requirements continued during 2020 throughout all its projects:

Company	2020 LTIR
Orascom Construction	0.0113
Orascom Construction USA	0.4

Orascom Construction PLC has also successfully implemented and remains committed to an integrated HSE Management System. This management system is certified to the international standards ISO 14001:2015 for Environmental Management and ISO 45001:2018 for Occupational Health and Safety, after a successful transition from the previous OHSAS 18001:2007.

Moreover, 2020 saw the Company face unprecedented challenges with the onset of the COVID-19 pandemic. As a result, Orascom Construction PLC developed a number of strategies to ensure the safety of its people.

Orascom Construction

COVID-19 Summary

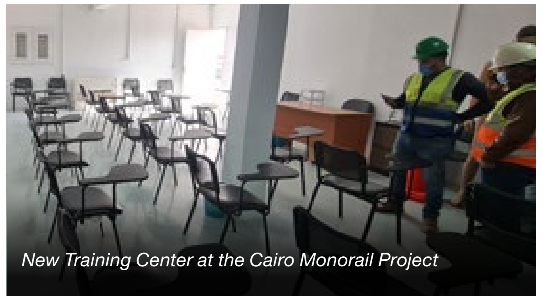
In March 2020, COVID-19 was declared a global pandemic. OC's Senior Management reacted swiftly, realizing from early on the short and long-term effects the pandemic could have on our business operations.

The overwhelming priority was, and remains, ensuring employees maintain vigilance and minimizing the spread of the virus within the organization. The implementation of COVID-19 protocols has helped reduce its potential impact on our employees and daily operations.

OC launched a pandemic response program, designed to protect our people while managing and maintaining the resilience of our operations.

OC also instituted the COVID-19 committee, which regularly reviews operational guidelines, policies, and protocols to ensure they are aligned with operational requirements and Egyptian Health Authority guidelines.

New Training Center at the Cairo Monorail Project



New Training Center at the Cairo Monorail Project

Committee Members:
- Managing Director
- HSE Director
- Vice President HR & IT
- Deputy Administrative Director

Key Actions:
1. Formation of COVID-19 operational guidelines
2. Return to work guidelines established
3. Mandatory health checks prior to entering the head office and sites
4. Head office working capacity reduced

COVID-19 Audit Program:

In early April 2020, OC's operations were suspended for ten days during which management confirmed all sites are made COVID-19 ready with the necessary precautionary measures before the resumption of operations. This exercise required site teams to implement the new safe working practices and ensure ongoing compliance to social distancing measures.

Audit criteria and a plan were established to assist the operation teams in their efforts to adapt to the new normal. The audit focused on the following practical measures, designed to ensure site safety:
- Social distancing measures at access and egress points
- PPE for workers
- Capacity on buses transporting workers reduced to 50%
- Health checks on entry to site
- Vulnerable workers given extended leave
- Daily records of suspected/confirmed cases
- 14-day isolation requirements followed
- Follow-up with positive cases and contact tracing conducted to begin isolation
- Staggered start, finish, and break times
- Full time medical team assigned to manage health checks
- Signage posted to heighten awareness
- Hand sanitization stations provided in prominent locations

Certified Management Systems

Throughout 2020, Orascom Construction PLC successfully maintained compliance with OHSAS 18001 and ISO 14001 on all 64 active projects, through the implementation of a rigorous training and internal auditing program. The program was managed through a robust, integrated management system, hosted on our HSE management system portal.

Over the course of 2020, we adapted to align with the new ISO 45001 Standard for Occupational Health and Safety. The system was successfully audited by our third-party certification partners, Bureau Veritas, in December, for recertification to the ISO 45001:2018 Standard.

Verification of Competencies (VOC)

2018 saw the introduction of the VOC program at some of our projects, with immediate and positive results. In 2019, the VOC program, which is a systematic assessment of workers' ability to perform their core responsibilities relating to their specific trade, was expanded to all our active projects.

Four key trades were targeted in the VOC program for 2020:

Loader operators were identified as a key trade, given loaders constitute c. 70% of our heavy equipment on site. Over 250 loader operators underwent the VOC program in 2020. Individuals who fail the VOC program are relegated to a smaller position, retained, or declined employment altogether.

The results of this year's VOC program revealed that the vast majority of Orascom Construction staff meet or exceed the standards expected in their specific trade. The pass rate across all trades recorded an impressive average of 95.5%. Overall pass grades were impressive, with most trades grading in the A or B category, exceeding the minimum standards required to operate effectively and safely.

Due to its great success, the VOC program will continue to expand over the four trades that were tested, with management deciding to expand the program to cover all trades in 2021.

Trade	Pass			Failed	Total No. of VoC
	A	B	C		
Verification of Competency (VOC) (Heavy Equipment)	109	273	35	29	446
Verification of Competency (Carpenters)	529	1274	447	102	2352
Verification of Competency (Commissioning Staff)	138	327	61	11	537
Verification of Competency (VOC) (Steel-Fixer)	122	602	173	32	929
Total	898	2476	716	174	4264

Man Hours

The HSE Management System was implemented in 64 active projects and three workshops across the Middle East and Africa in 2020, covering a number of sectors:

Sector	Hours Worked
Airport Projects	3,556,489
Banks Projects	5,110,442
Commercial Buildings Projects	139,445,069
Power Generation Projects	4,757,061
Infrastructure	3,466,260
Foundation	956,545
Transportation Projects	14,715,028
Water Treatment Plant	21,579,126
Waste Water Projects	8,994,012
Workshops	2,340,305
Industrial Projects	6,839,622
Total	**211,759,959**

HSE Audits

HSE Audits are required by Orascom Construction, to evaluate a project's compliance with OC's HSE standards. Internal reports are generated, and a detailed report is forwarded to the Project Manager and the HSE Corporate Director for review.

OC's HSE Audits have been conducted unannounced since 2016, ensuring projects are prepared at all times. As a result, audit results have been very strong, indicating an improved understanding of HSE standards and a better and more effective management of risks on OC projects.

Maged Abadir
Chief Operations Officer, Executive Director Infrastructure, Heavy Civil and Roads

Mohamed Abdel Razik
Executive Director Finance, Egypt

Philip Megally
Executive Director Industrial Unit

Ihab Mehawed
Managing Director and Commercial Director, Orascom Construction Egypt

Year	2015	2016	2017	2018	2019	2020
Number of Conducted Internal Audits	154	163	184	193	233	278
Number of Conducted Environmental Audits and Measurements	76	89	124	71	72	44

HSE Training

Training courses are organized by the Corporate HSE Training Department in collaboration with the Human Resources Department. These regular trainings aim to raise HSE awareness and improve individual involvement in HSE program implementation.

Year	2016	2017	2018	2019	2020
Number of trainees	2,341	1,526	1,380	1,262	341
Total hours	19,171	16,160	12,654	13,784	2,480

In 2020, due to the impact of the COVID-19 pandemic, training numbers fell significantly. OC aims to reach the numbers recorded in previous years through online delivery of our courses via our onsite training centers, for a number of courses:

- Working at heights
- Loss causation and accident investigation
- Permit to work
- Basic HSE induction
- Workplace risk assessment workshop
- Fire safety

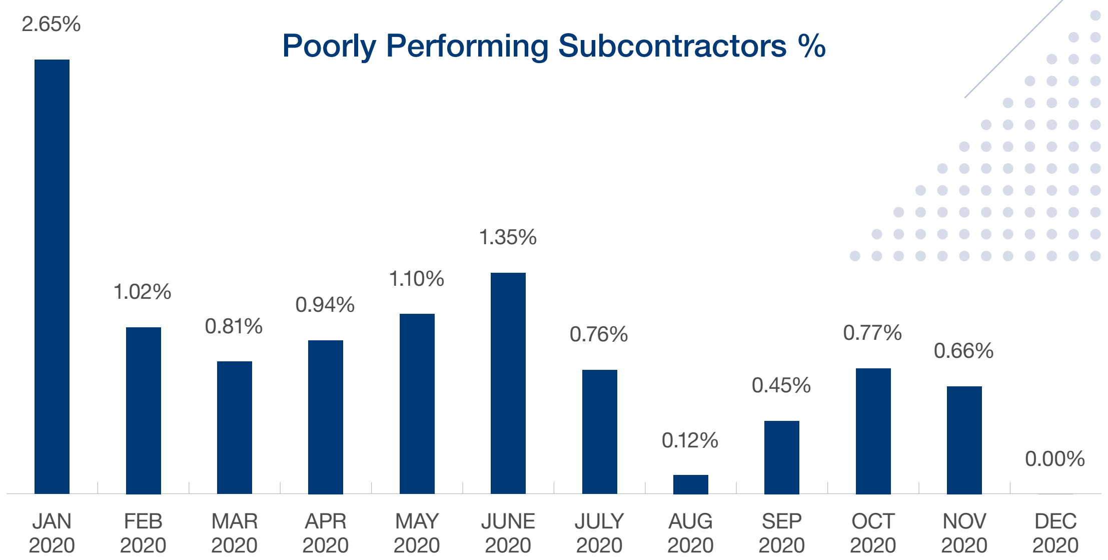
Building on a concept initiated in 2018, the Practical Training Center has evolved to become the project onboarding and training center. This new concept incorporates administrative, HR, medical, safety induction, practical training, and verification of competence onboarding functions under one roof. The initiative has played a significant role enhancing OC's safety culture, as workers and subcontractors are routinely exposed to high potential hazards, in a controlled and safe environment.

All new site-based employees are required to undergo onboarding and training at the center. Skill-based workers must also successfully complete their respective VOC assessments, before being permitted to start work onsite. This ensures our workforce is healthy and qualified.

Subcontractor Performance

There has been an enhanced focus on the performance of our subcontractors in recent years, whose HSE performance is assessed by auditing and reviewing their performance on a monthly basis. This is done via an assessment carried out by the site HSE managers, based on key elements of HSE compliance.

This year saw a steady reduction in the number of poorly performing subcontractors, indicating the efficacy of the system.



The graph represents the percentage of subcontractors audited who recorded a poor score of 60% or less. A poor result in an audit triggers our internal action plan, initiating the following steps:

First poor result: OC site management notifies the subcontractor and requests an action plan to improve the score.

Second poor result: OC site management calls a meeting with the subcontractor to discuss performance and actions required.

Third poor result: The subcontractor is removed from the site.

To ensure that our subcontractors are performing up to standard, OC excludes poor performing subcontractors from taking part in the procurement process, and high performing subcontractors are placed at the top of the selection list when a project commences.

Kevin McClain
President and Chief Executive Officer, US Operations

Jeremy Marron
Chief Financial Officer, US Operations

Shane Bauer
Executive Vice President of Operations, US Operations

Orascom Construction USA

Orascom Construction USA, comprised of The Weitz Company and Contrack Watts, entered 2020 with a robust backlog, which included numerous large projects in essential sectors that were able to continue work despite the global pandemic.

Lead with Safety Program

At the start of 2020, the Orascom Construction USA team expanded its existing health and safety protocols by introducing the Lead with Safety program, which stipulates the value placed on safety is illustrated by words and actions, regardless of other job pressures. This culture and commitment guided corporate decisions when faced with the challenges presented by the unprecedented global pandemic. The thorough safety strategy and protocols were a priority at every jobsite, including our work in the hyperscale sector, to ensure our workforce and trade partners were protected from all safety hazards. The new safety program strengthened the Company's culture, refreshed employees' commitment, and further positioned us as an industry leader. The charge to Lead with Safety also bolstered business practices, operations, and projects that protect people and the environment.

Work on large projects in sectors such as data centers, aviation, senior living, and student housing remained active throughout the year, with expanded safety measures across all jobsites. Offices around the country continue to collaborate and share resources and staff to expand the geographical footprint in multiple sectors across the United States.

Further illustrating the program's success, The Weitz Company's Florida office celebrated four million man hours worked without a lost time injury since October 2004. This success is attributed to the culture fostered by the Weitz Safety Program. As part of the program, personnel undergo safety training for every project. Safety Manager Audits are completed on a routine basis and Behavior Based Safety (BBS) observations are performed weekly. BBS is a process that aims to refocus employee's attention and actions on daily safety behavior for both themselves and those working around them.

All Weitz operations staff are required to be OSHA 30-hour safety certified and have a current certification in CPR, First Aid, and AED.

Housing and Development Bank - New Capital

CORPORATE GOVERNANCE

Orascom Construction PLC is committed to implementing a corporate governance framework that ensures transparency and efficiency, and safeguards the interest of the Company's shareholders and the communities in which it operates.

New Cabinet Headquarters - New Capital

Board of Directors

Orascom Construction PLC's Board of Directors is responsible for promoting the long-term success of the Company for the benefit of its shareholders as a whole, while simultaneously upholding the highest standards of business conduct and taking into account the interests of the Company's employees and the impact of the Company's operations on the communities it operates and the environment. The board's responsibilities include adopting and developing efficient corporate governance structures and internal controls to ensure the Company's success.

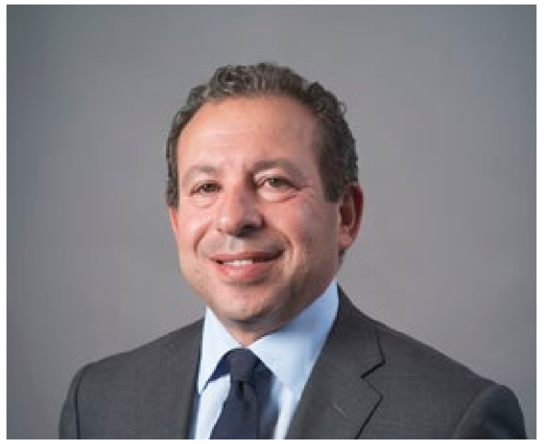
Mr. Jérôme Guiraud graduated from Ecole des Hautes Etudes Commerciales in 1984 (HEC Paris). He started his career at the French Embassy in Zagreb (Croatia) in 1985 as Deputy to the Commercial Attaché. He joined the Société Générale group in 1986, and held multiple senior managing positions in Europe and in emerging countries, mainly on capital markets, before becoming Country Manager and Director of various Société Générale Group's listed and non-listed subsidiaries.

Mr. Guiraud joined NNS Group in 2008. He is currently Executive Chairman and CEO of NNS Luxembourg and Co-CEO of NNS Advisers (two non-listed entities). He is also Director and member of the Audit and the Nomination Committees of OCI.NV (a leading fertilizer company listed on the Euronext Amsterdam stock exchange) and a board and Audit Committee member of BESIX Group.

He was a member of the Board of Directors and the Audit Committee of Lafarge S.A. from May 2008 to August 2016.

Jérôme Guiraud
CHAIRMAN – NON-EXECUTIVE DIRECTOR

Mr. Osama Bishai joined Orascom in 1985, and currently serves as Chief Executive Officer of Orascom Construction PLC. He has been the Managing Director of the construction business since 1998. Mr. Bishai played a key role in developing the construction business, particularly in the cement, infrastructure, and industrial sectors, and led the development of OCI N.V.'s investments in the fertilizer industry in Egypt, Algeria, and the US. Mr. Bishai currently spearheads the Group's efforts to create a long-term concession portfolio and is leading the growth of the US business. Mr. Bishai is a board member of BESIX Group. He holds a BSc. in Structural Engineering from Cairo University and a Construction Management Diploma from the American University in Cairo.



Osama Bishai
CHIEF EXECUTIVE OFFICER — EXECUTIVE DIRECTOR

Mr. Sami Haddad has decades of experience in both the private and public sectors, specifically in finance, politics, and academia.

Mr. Haddad worked for the International Finance Corporation, part of the World Bank Group, for more than 20 years in a variety of positions, including Cairo-based Director of the MENA region. In 2005, he became Minister of Economy and Trade in Lebanon, a position which he held for three years. Mr. Haddad was also General Manager of Byblos Bank from 2008 to 2014. He is currently Chairman of Inventis, a management consulting company.

Mr. Haddad holds an MA in economics from the American University in Beirut and pursued his postgraduate studies at the University of Wisconsin-Madison.

Sami Haddad
NON-EXECUTIVE DIRECTOR

Mr. Johan Beerlandt is the Chairman of BESIX Group and former Chief Executive Officer from 2004 to 2017. He oversaw the transformation of the business into a major regional player in Europe and the Middle East.

In 2004, Mr. Beerlandt was instrumental in the 50-50 leveraged management buyout of the BESIX holding company executed by BESIX management and Orascom.

Mr. Beerlandt brings a wealth of knowledge and experience in regional and international construction and concessions markets to the board.

Johan Beerlandt

NON-EXECUTIVE DIRECTOR

Mr. Sliwinski is a Senior Adviser at NNS Advisers, the London-based advisory office of the Nassef Sawiris family.

Prior to joining NNS Group in 2018, Mr. Sliwinski spent twelve years at Elliott Advisos (UK) Limited. He was responsible for managing a multi-strategy portfolio consisting of positions across the capital structure including in listed and non-listed equities and in various types of credit instruments. His investment experience covers numerous sectors ranging from real estate, TMT, energy, aerospace and defense, to heavy industrials and chemicals.

He also has served on the boards of numerous companies, including on three publicly listed entities in the real estate, steel, and finance sectors. Between 2001 and 2004, Mr. Sliwinski was an investment banking analyst at Merrill Lynch within the Corporate Finance division, with a focus on the technology, media, and telecom sectors.

Mr. Sliwinski obtained his B.Sc. in economics from University College London (UK) in 2001, and his MBA from Wharton (USA) in 2006.

Wiktor Sliwinski

NON-EXECUTIVE DIRECTOR

Ms. Nada Shousha is a seasoned executive in the financial services, investment, and economic development sectors.

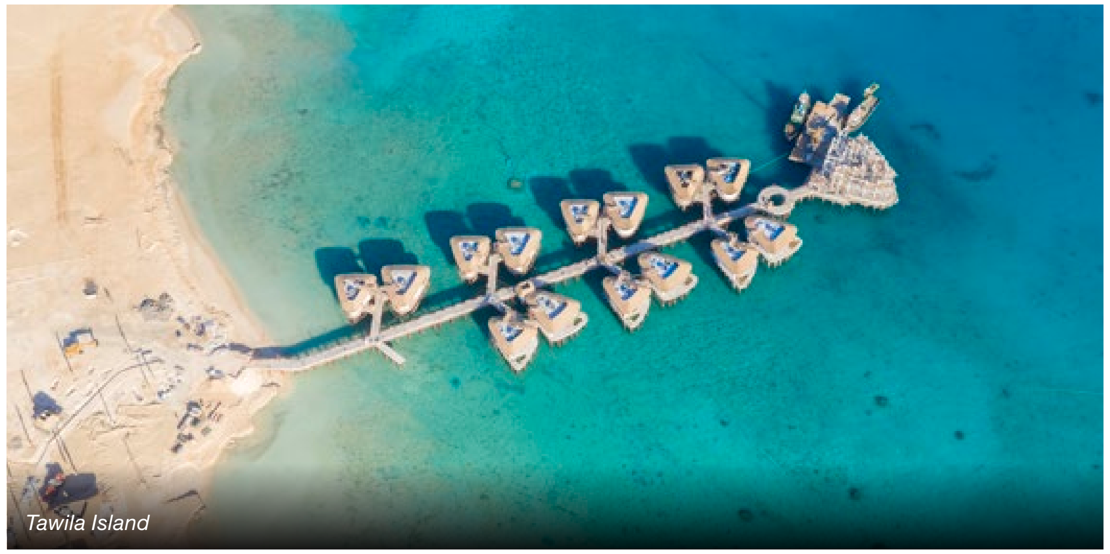
She currently holds positions on various boards, including Vice Chair and Investment Committee Member of the Egyptian American Enterprise Fund, Board Member and Chair of the Risk Committee of Bank of Palestine (WBG), Board and Audit Committee Member of AXA (Egypt), and member of the Investment Committee of Sawari Ventures.

Ms. Shousha was most recently the Regional Manager for Egypt, Libya, and Yemen for the IFC, which she joined in 2002. During her tenure, Egypt's IFC program increased from a USD 50-75 million annual program to an annual average of USD 250+ million. In particular, she led IFC's counter-cyclical strategy post-Arab Spring, which focused on restoring confidence in the country's private sector and resulted in over USD one billion of new investments in the country over 2012 to 2014.

Prior to joining IFC, Ms. Shousha was a manager in the corporate finance practice at Arthur Andersen.

Nada Shousha

NON-EXECUTIVE DIRECTOR
(from September 2020)

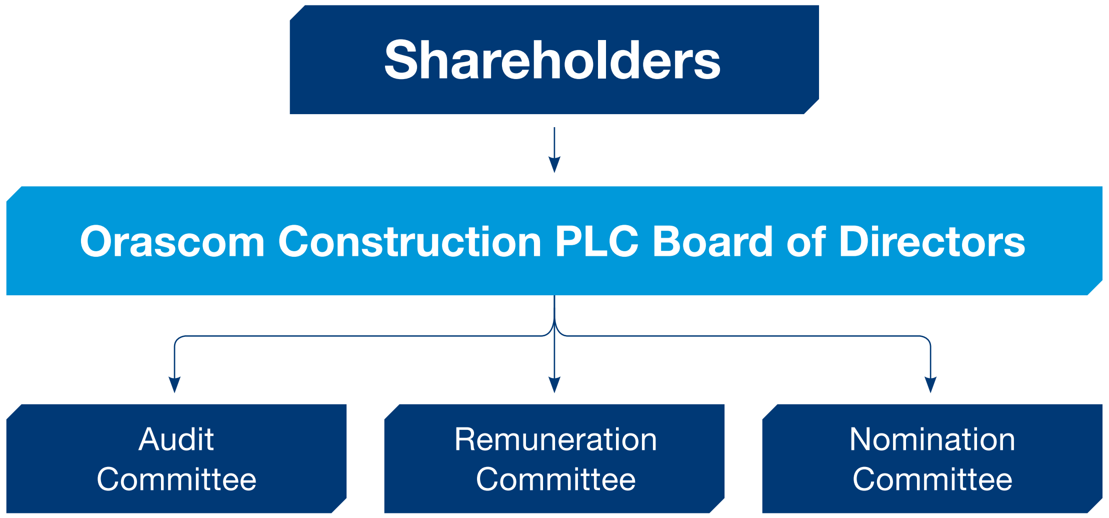


Tawila Island

Corporate Governance Structure

Orascom Construction PLC's Board of Directors is responsible for promoting the Company's long-term success for the benefit of its shareholders as a whole, while simultaneously upholding the highest standards of business conduct, taking into account the interests of the Company's employees and the impact of the Company's operations on the communities it operates in and the environment. The board's responsibilities include adopting and developing efficient corporate governance structures and internal controls to ensure the Company's success. Responsibility for the day-to-day management of the business is delegated to the Chief Executive Officer and the Corporate Management team, except for specific matters reserved for the board's decision.

The board is tasked with reviewing and monitoring the Company's corporate governance framework and ensuring it complies with all applicable laws and stock exchange regulations for NASDAQ Dubai and EGX Cairo. The board is also committed to continuously improving the Company's transparency and disclosure standards. The Board of Directors has established three committees, the Audit Committee, Remuneration Committee, and Nomination Committee. The board is responsible for constituting, assigning, co-opting, and fixing the terms of service for the committee members who perform their duties on its behalf. The board delegates certain duties to these committees as defined by their respective terms of reference, and the committees report to the board on a regular basis. Separate committees may be set up on occasion by the Board of Directors when the need arises.



Audit Committee

The Audit Committee consists of four non-executive directors. The Audit Committee is tasked with assisting the board in its oversight of:

1. The integrity of the Company's financial statements.
2. The Company's compliance with legal and regulatory requirements.
3. The independent auditor's qualifications and independence.
4. The performance of the Company's internal audit function and independent auditors.

This is in addition to preparing and publishing an annual committee report and other reports required under all applicable securities laws and stock exchange regulations.

The role and responsibilities of the Audit Committee are stated in written terms of reference, and include the appointment, compensation, and retention of the independent auditor, review of the Company's interim and annual financial statements with management and the independent auditor, and review of the Company's internal control and risk management systems. The Audit Committee meets at least twice annually and as otherwise requested by its chairman.

Members:
Sami Haddad – Chair
Jérôme Guiraud
Wiktor Sliwinski
Nada Shousha (from September 2020)

Remuneration Committee

The Remuneration Committee consists of three non-executive directors. The primary role of the Remuneration Committee is to assist the board in overseeing all matters relating to director and executive officer compensation, and preparing and publishing an annual committee report on director and executive compensation and all other reports required under all applicable securities laws and stock exchange regulations.

The role and responsibilities of the Remuneration Committee are stated in written terms of reference and include the review, evaluation, and approval of director and executive officer compensation, incentive compensation plans, and equity-based plans. In determining the compensation of the Company's directors and executive officers, the Remuneration Committee considers the Company's performance and relative shareholder return, the compensation level of directors and executive officers at comparable companies, and the compensation of the directors and executive officers in past years. No director is solely involved in deciding their own compensation. Executive officers do not receive additional compensation for their service as an executive director. Non-executive directors receive an annual stipend, and may participate in the Company's share-based incentive program. The Remuneration Committee meets at least once a year and as otherwise requested by its chairman.

Members:
Sami Haddad – Chair
Jérôme Guiraud
Nada Shousha (from September 2020)

Nomination Committee

The Nomination Committee consists of three non-executive directors. The primary role of the Nomination Committee is to assist the board in identifying individuals qualified to become board members, nominate directors for the next annual meeting of shareholders and for each board committee, and oversee the evaluation of the board and management.

The role and responsibilities of the Nomination Committee are stated in written terms of reference and include determining on an annual basis the independence of each director, as may be required under any applicable securities laws and stock exchange regulations, the compliance of each director and executive officer with the Company's code of business conduct and ethics, and such other activities as the board may assign to the committee from time to time. The Nomination Committee meets formally at least once a year.

Members:
Nada Shousha - Chair (from September 2020)
Sami Haddad
Jérôme Guiraud

Shareholder Rights

The Company's shareholders exercise their rights through the Annual General Meeting of Shareholders held in May of each year, no later than six months after the end of the Company's financial year. Additional Extraordinary General Shareholders Meetings may be convened at any time by the Board of Directors or by one or more shareholders representing more than 10% of issued share capital. Important matters that require the approval at the Annual General Meeting of Shareholders include:

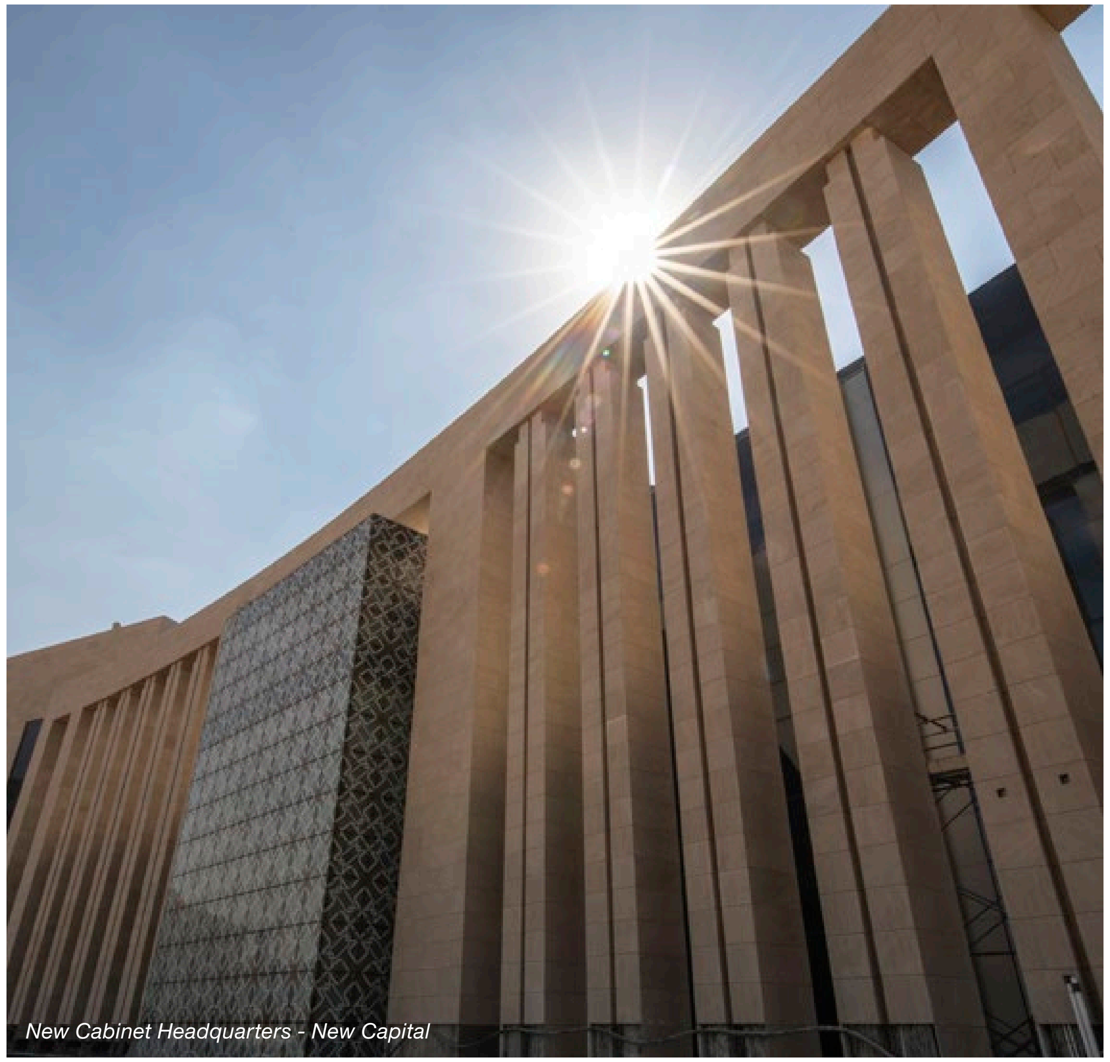
- Adoption of financial statements
- Declaration of dividends
- Significant changes to the Company's corporate governance
- Remuneration policies
- Remuneration of Non-Executive Directors
- Discharge from liability of the Board of Directors
- Appointment of an external auditor
- Appointment, suspension, or dismissal of members of the Board of Directors
- Issuance of shares or rights to shares, restriction or exclusion of preemptive rights of shareholders, and repurchase or cancellation of shares
- Amendments to the Articles of Association

External Auditor

The General Meeting of Shareholders appoints an external auditor. The Audit Committee recommends to the board an external auditor to be proposed for (re)appointment by the General Meeting of Shareholders. Additionally, the Audit Committee evaluates the functioning of the external auditor on a regular basis. On 20 May 2020, the General Meeting reappointed KPMG as independent external auditor for the Company for the 2020 financial year.

Disclosed Shareholders as of 31 December 2020

Name	Number of Shares	Percent of Outstanding Shares
Mr. Nassef Sawiris and entities held for his benefit	33,825,323	29.0%
Mr. Onsi Sawiris and entities held for his benefit	19,319,225	16.5%
Mr. Samih Sawiris and entities held for his benefit	7,336,894	6.3%
Sustainable Capital Africa Alpha Fund	11,798,743	10.1%
Cascade Investment, LLC and Bill & Melinda Gates Foundation Trust	6,787,852	5.8%


New Cabinet Headquarters - New Capital

Directors' Report

Composition and Independence
Orascom Construction PLC's board is intentionally composed to equip the Company with leaders who possess diverse skills, experience, and backgrounds, thereby maximizing the board's ability to act independently and critically without emphasizing particular interests.

Assessment and Evaluation of the Board
The board concluded that the composition, processes, and scope of its activities and the personal contribution of each member has been satisfactory in 2020.

Board Meetings
The board met four times during 2020. Discussions focused on the following issues:
- Strategy, focus markets, and plans, including potential business
- Business performance
- Approval of the 2019 annual report and external quarterly reporting through 2020
- Approval of key financing, operational, and investment activities as well as other business developments

Audit Committee Report
The Audit Committee is mandated with monitoring and supervising activities related to the Company's financial, internal audit, compliance, and tax performance. In 2020, the Audit Committee held four meetings.

In accordance with its Charter, the Audit Committee reviewed and advised on the following issues:
- Financial reporting and non-financial information
- Financing strategy, including mitigation of forex exposures
- Working capital development and financial exposures to individual clients
- The implications of new International Financial Reporting Standards
- The Company's internal control processes, internal audit function, and audit approach
- Effective tax rate and tax compliance
- Litigation and major legal and arbitration cases, such as the Sidra case
- Risk analysis and audit-related matters

Financial Reporting and External Auditor
The Company's external auditor is KPMG. The external auditor attended all Audit Committee meetings in 2020, before signing off on the year's full and quarterly financial statements.

The directors confirm that they are not aware of any relevant audit information of which the Company's auditor is not aware, and that they have taken all reasonable steps to become aware of such relevant audit information.

Other Legal Requirements
The requirements of article 126 (2) of the DIFC Companies Law, Law No. 5 of 2018, pertaining to the content of the Directors' report, are satisfied by this Annual Report as a whole. The information contained in the remaining sections of the Annual Report is incorporated by reference into this Directors' Report, and is deemed to form part of this Directors' Report.

Risk Management and Controls

Introduction
The construction business inherently involves risks. Our management is cognizant of these risks and takes a measured mitigation approach to maximize our ability to successfully pursue sustained growth. Our board and management foster a transparent company-wide approach to risk management and internal controls, allowing our businesses to operate effectively. We are working diligently to further enhance our risk management within the Company. As part of this enhancement strategy, at the end of 2020, the Company recruited a Group General Counsel with solid experience in risk management in the context of engineering and construction multinationals, to support and improve the risk management processes and internal controls.

Our risk appetite is flexible to account for our diversified market presence and is tailored to four main categories:

Strategic: We are able to take certain calculated strategic risks that create opportunities to maximize our ability to deliver outstanding value to our shareholders. Our ability to adapt our risk management to meet the requirements of our diversified exposure to emerging and developed markets is key to maintaining our success.

Operational: We aim to minimize operational risks while maximizing our ability to capitalize on our leadership positions in our markets. We strive to maximize operational efficiency while fostering a safe and entrepreneurial environment for our employees.

Financial: We implement a prudent financial and reporting strategy to maintain a strong financial position. Our key financial policies are described in the notes of the financial statements.

Compliance: All employees are bound by our Code of Business Principles and Conduct and Code of Ethics. It is in the values of the Company and its employees to act with honesty, integrity, and fairness to foster a business climate that maintains such standards. We strive to comply with applicable laws and regulations everywhere we do business.

Key Risk Factors
Our key risks, as perceived by management, are outlined below, along with an overview of how these risks are mitigated and the opportunities that can arise from these actions. The sequence in which these risks are presented in no way reflects any order of importance, chance, or materiality. If any of the following risks occur, the Company's business, prospects, financial condition, or results of operations may be materially affected. Although management believes the risks and uncertainties described below are the most material risks, they are not the only risks to which Orascom Construction PLC is exposed. All of these factors are contingencies that may or may not occur. Additional risks and uncertainties not presently known to management or currently deemed immaterial may also have a materially adverse effect on the Company or its operational results.

Risk Type	Risk	Mitigant
Strategic	**Economic and Political Conditions:** The Group is exposed to certain countries, especially in the Middle East and Africa, where there is a risk of adverse economic and political conditions or instability in both developed and emerging markets, which may adversely impact the business.	• Diversifying operations in both emerging and developed markets. • For emerging markets, management assesses any investment opportunity through a thorough due diligence, tailored to understand and address the risks. • For major projects, the Group supports customers to ensure proper funding availability through coordinating with reputable financial institutions.
	Risk of Adverse Sovereign Action: The Group operates in locations where it is exposed to a risk of adverse sovereign action, including expropriation of property, renegotiation of contract terms, placement of foreign investment restrictions, limitations on extracting cash and dividends, or changes in tax structures which may adversely impact the business.	• The legal team diligently monitors and reviews practices and any changes in laws or regulations in the countries in which the Group operates to provide reasonable assurances that it remains in line with all relevant laws. • Projects in emerging markets (excluding Egypt) are mainly infrastructure projects with sovereign clients, which are less likely to be affected by funding restrictions in a country. • The Group minimizes the risk through binding contractual arrangements. • Management cooperates closely with the governments of the countries in which the Group operates to maintain positive working relationships.
	Concentration Risk: The Group is, to a degree, exposed to concentration risk, as it is dependent on number of key sovereign clients, such as the Egyptian government. Egypt's high concentration risk with sovereign clients is mainly related to the government's strategic plan to improve infrastructure.	• The Group has diversified clients in the US through its subsidiaries, with a focus on commercial projects. • For infrastructure projects, when relevant, the Group enters into a partnership to secure contractual obligations according to the market practice/standards. • Management strives to have a diversified client base in countries other than Egypt, mainly in the Middle East and Africa and recently the US.

Risk Type	Risk	Mitigant
Operational	**Project Costs:** There is a risk of changes in planned project costs due to: - fluctuations in the cost of procurement and raw materials; - fluctuations in foreign exchange rates; - cost overruns due to delays in projects' progress; - uncontrolled scope changes; and/or - cost increases for any unforeseen issues	• Internal processes have been established with clear delegated authorities for approving major contracts and specific contractual clauses. • Contracts are reviewed by the legal and finance departments and contracts with larger monetary values require approval from the CEO. • Contractual terms and conditions are revisited periodically to reflect lessons learned. • A centralized procurement department is in place to ensure competitive purchase prices and avoid cost fluctuations. • During the execution of projects, cost control reports are prepared on a monthly basis to analyze budget variances. • Claims and variation orders, where applicable, are issued to clients in a timely manner. • A monthly report is generated by the claims department to highlight areas of concern at an early stage prior to becoming a significant risk to the Company's performance. • Management closely monitors operational issues that may lead to potential disputes or have a negative impact on project performance.
	Risks Associated with Investments in Joint Arrangements: The Group has investments in joint arrangements and other partnerships. There is a default risk of business continuity due to different management styles and techniques.	• Management identifies appropriate clauses in the joint arrangements' agreements that protect the Group's economic and operating interests and clear definition of the responsibility of each partner to avoid conflicts. • Management maintains close working relationships with joint arrangement partners. • Management monitors and periodically reviews the operating and financial results of the investments in joint arrangements through executive and steering committees.

Risk Type	Risk	Mitigant
Operational	**COVID-19 Pandemic Challenges:** The Group is exposed to COVID-19 pandemic challenges which may negatively impact different aspects of its operations: • Governmental restrictions which require additional expenditures beyond what was included in the original project study and budget; • Disruption in productivity due to higher-than-normal absenteeism due to the spread of COVID-19; and • dynamic changes of the construction work environment.	• The Group's management developed strict operational guidelines, which include various measures to mitigate the effects of the COVID-19 pandemic on the Group's operations and workforce, including, but not limited to: - The establishment of a COVID-19 committee to follow up on day-to-day operations and implement a contingency plan with actions to identify and mitigate any unusual risks; - COVID-19 operational guidelines drafted and implemented; - COVID-19 reporting through daily status issued to senior management; and - COVID-19 awareness alerts regularly sent to employees.
Financial	**Ability to Raise Debt or Meet Financial Requirements:** Unfavorable market conditions in any of the countries in which the Group operates may hinder its ability to meet its financial obligations or hinder securing corporate financing solutions, which may have significant effects on project progress and, accordingly, business prospects, earnings, and/or its financial position.	• The Treasury Department closely monitors the Group's cash position and credit lines to ensure its financial flexibility. • The Group has diversified funding sources to avoid dependence on a single market. • The Treasury Department established long-term partnerships with financial institutions including local, regional, and international commercial banks, developmental agencies, and export credit agencies to ensure access to liquidity and aligning available limits that allow adequate liquidity headroom.
	Credit Risk: Delay in Payments by Customers: A significant portion of the Group's customers are government bodies that have long payment processes, leading to payment delays for due invoices that may lead to: • Operating cash flow disruptions. • Project delays. • Extra finance costs that may affect profitability.	• Finance cost is considered as part of the projects' pricing. • Operating controls are in place to ensure timely collections from customers through: - Proper controls over the invoicing process to ensure timely issuance by operations and approval by the customer. - Close follow-up with customers to ensure a timely payment approvals process. • The Treasury Department closely monitors the cash position and credit lines to ensure financial flexibility and avoid any business disruption.

Risk Type	Risk	Mitigant
Financial	**Currency Fluctuations** The Group is exposed to foreign exchange risks on its operational currencies, including the EGP, EUR, JPY, and DZD, which may have a material effect on the Group's profitability.	• Management reviews the business operating cycle on a project-by-project basis to identify where the foreign currency fluctuation risk exists and determine the profit margin's sensitivity to currency fluctuations. • The Treasury Department manages significant exposures in foreign currencies from a consolidated group perspective through hedging, whenever appropriate.
Compliance	**Regulatory Conditions in the Markets where the Group Operates:** The Group is exposed to the risk of noncompliance with the changes in laws, regulations, and related interpretations which may alter the environment in which it operates and consequently have a significant impact on the business, in addition to reputational damage, loss of profit, and penalties. This includes changes in environmental, data protection, competition, and product-related laws, as well as changes in accounting standards and taxation requirements.	• The Group is committed to complying with the Code of Business Principles and Conduct, Code of Ethics, and the laws and regulations of the countries in which it operates. • Management closely monitors the legal developments in each market in which the Group operates. • The Group's internal audit provides independent assurance on the risk management, governance, and internal control processes operational effectiveness.

Risk Type	Risk	Mitigant
Compliance	**Ability to Maintain Health, Safety and Environment (HSE) Standards:** HSE is an inherent risk due to the nature of the Group's business, which may have an impact on people, the environment, and the Group's well-being.	• Management implements a strict HSE training and operating discipline at every construction project to minimize HSE risks and closely monitors the projects through regular internal audits. • The HSE policy is implemented in the event of an incident or emergency during operations. • HSE policies are periodically updated to include any changes required to cover new health requirements in the countries where the Group operates.
	Cyberattacks: The Group is exposed to cybersecurity risk resulting from a cyber-attack or data breach which may result in financial loss, disruption, or damage to reputational risk. These attacks are usually represented in the form of phishing mails, ransom-ware, impersonation, denial of service attacks to suspend running systems, data exfiltration, unauthorized access to corporate data, hacking, insider at-tacks, and data leakage.	• The Group, through its corporate information security team, has implemented several controls to mitigate cyber security attacks, including and not limited to: - Raising end users' security awareness; - Applying multi-factor authentication/complex passwords; - Appropriate policies for data classification and access levels; - The acquisition of the latest top-of-the-line security technologies to detect and analyze corporate traffic; and - Periodic security assessments/penetration tests, risk assessments, and audits.

Maadi-Fayoum Road

Risk Management Approach

Our risk management framework is being developed to provide reasonable assurances that the risks we face are properly evaluated and mitigated, and that management is provided with the information necessary to make informed decisions in a timely manner. The key elements of our internal risk management, compliance, and control systems in 2020 were the:

Code of Conduct: Orascom Construction PLC is committed to conducting all business activities responsibly, efficiently, transparently, and with integrity and respect towards all stakeholders. Our values underpin everything we do and form the essence of the Company's Code of Business Principles and Conduct, which should be read in conjunction with our Code of Ethics, together forming the Code of Conduct. The Code of Conduct contains the policies and principles that govern how each director, executive officer and employee of Orascom Construction PLC is expected to conduct themselves while carrying out their duties and responsibilities on behalf of Orascom Construction PLC.

Whistleblower Policy: The Whistleblower Policy applies to all employees, officers, and directors of Orascom Construction PLC. Internal reporting of suspected criminal or unethical conduct by or within the Company is vital to maintaining our success. If received, all reports are treated with the utmost confidentiality and are promptly investigated without the risk of recourse for the reporting employee so long as their report is made in good faith.

Insider Trading Policy: The Insider Trading Policy applies to all employees, officers, and directors of Orascom Construction PLC and prohibits every employee from using insider information on a transaction in Orascom Construction PLC securities or executing a transaction in Orascom Construction PLC securities if that transaction may reasonably appear to have been executed while the employee was in possession of or had access to inside information.

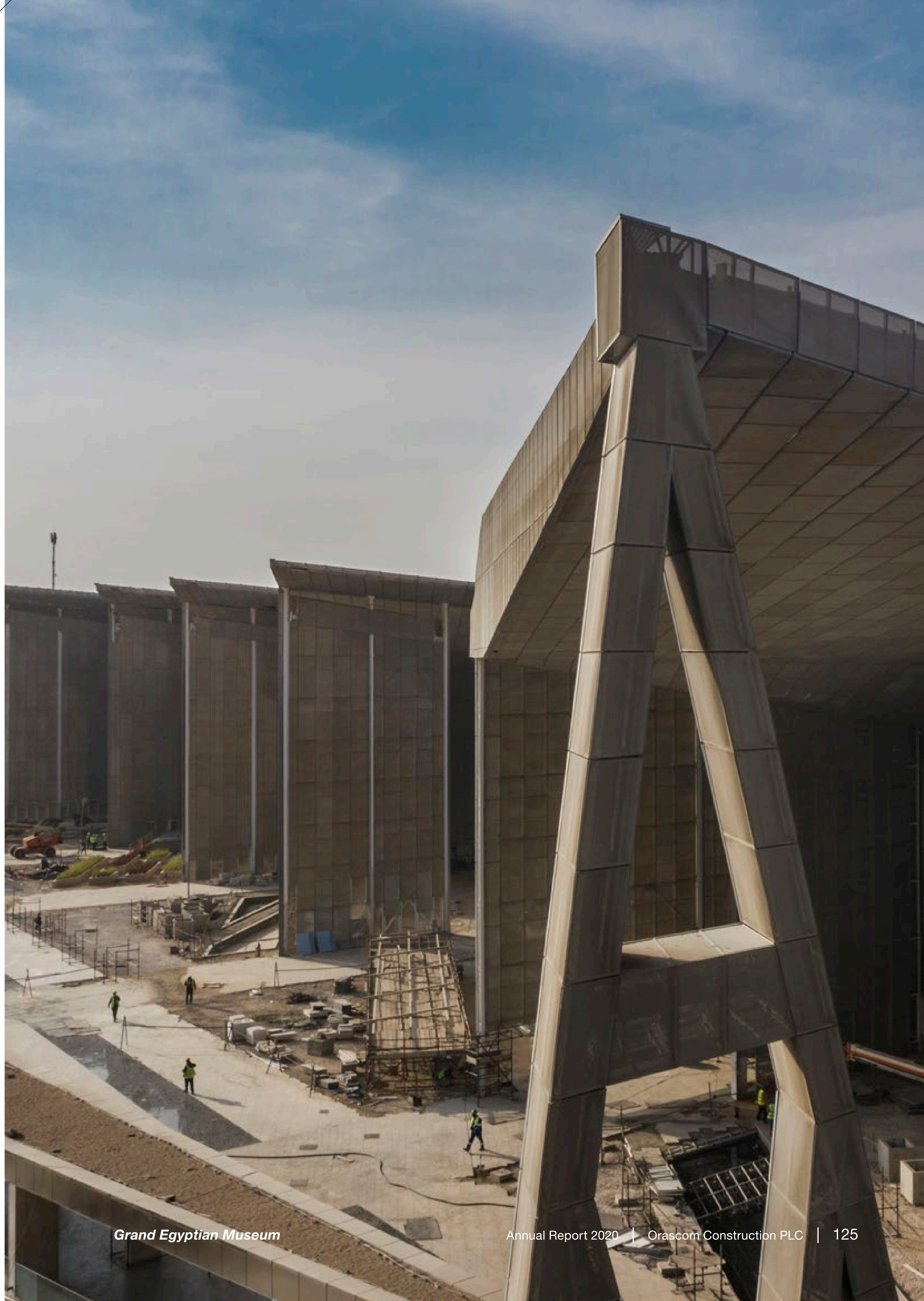
Internal Financial Reporting and Audits: All management teams of our subsidiaries are required to provide corporate management with a monthly report in respect of their financial performance, new awards, and operating issues. These monthly reports are reviewed centrally by Group Controlling and discussed by the CEO and CFO in monthly review meetings with the responsible management.

The Board of Directors is given full financial, operational and strategic updates by the CEO at each board meeting.

A detailed budget for each subsidiary is prepared and presented to management in the fourth quarter of each preceding year, and includes a one-year forecast. Subsidiary budgets are updated monthly to account for actuals, and forecasts are updated at a mid-year review. These budgets and forecasts are consolidated into Orascom Construction PLC's budget and forecast, which is used by management as a tool to evaluate the Company's investment strategy, performance indicators, and operations. The Orascom Construction PLC Budget is approved by the Board of Directors.

Periodic internal audits are conducted to review any specific issues at the subsidiary and/or project level. Internal audit findings that need follow-up are reported to local and corporate management. The Head of Internal Audit reports a summary of findings to the Audit Committee, which also approves the yearly internal audit plan.

Group Controlling provides guidance on internal controls that must exist for each process and monitors the implementation of these controls in collaboration with the Internal Audit Department.



Grand Egyptian Museum

Non-financial Letters of Representation: On a yearly basis, the managements of our more significant subsidiaries are requested to provide corporate management with a non-financial letter of representation in which they confirm, among several other assurances, that they are compliant with our codes and policies and that proper internal controls have been maintained through the financial year.

Statement of Directors' Responsibility

The following statement is meant to be read in conjunction with the Auditors' responsibility section of the Independent Auditors' Report. It has been prepared in order to distinguish the respective responsibilities of the Directors and Auditors in relation to the Company's Consolidated Financial Statements.

The directors are required to prepare the Consolidated Financial Statements for 2020. These statements provide a true and fair view of the state of affairs of both Orascom Construction PLC (the "Company") and its subsidiaries (collectively the "Group") at the end of the financial year and disclose the profit and loss for the financial year 2020.

The Consolidated Financial Statements are prepared in accordance with international financial reporting standards. To prepare these statements, the directors are required to select appropriate accounting policies and apply them consistently, make reasonable and prudent judgments and estimates, and state whether all accounting standards they consider to be applicable have been followed, subject to any material departures disclosed and explained in the statements. Unless stated otherwise, the directors use a going-concern basis in preparing the Consolidated Financial Statements.

The directors are responsible for ensuring that the Company maintains accounting records that disclose, with reasonable accuracy at any given time, the financial position of the Company. The accounting records must also enable the directors to ensure that the Consolidated Financial Statements comply with the applicable laws in the relevant jurisdiction.

The directors are generally responsible for taking necessary and reasonable steps to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report and Corporate Governance Statement in accordance with applicable laws and regulations. The directors consider both the Annual Report and the Consolidated Financial Statements to be fair, balanced, and easy to understand. These documents provide necessary information for shareholders to assess the Company's performance, business model, and strategy.

Al Massah Resort - New Alamein

SUSTAINABLE DEVELOPMENT

We prioritize the development of sustainable solutions and models with tangible impact in human development that focus on education and health.

Grand Egyptian Museum

Corporate Social Responsibility

The last 70 years have seen Orascom Construction PLC grow from a small, ambitious family business to Egypt's largest engineering and construction contractor and a global force with presence across dozens of countries in the Middle East, Africa, and North America. The more our operations continue to grow the more responsibilities we have, which is why we make sure that our social and economic contributions remain active and engaged in our surrounding communities and our countries of operation. We prioritize the development of sustainable solutions and models with tangible impact in human development that focus on education and health.

2020 Highlights

Donating an Emergency Reception Unit for the Obstetrics and Gynecology Department at Kasr el Eini Hospital

Orascom Construction established a new 170-square meter (excluding the ramp) Emergency Reception Unit for the Obstetrics and Gynecology Department at Kasr el Eini Hospital, in response to the department's urgent request. The unit includes a spacious reception for patients, an examination space with three examination beds separated by curtains, and equipment to monitor patients' vital signs and examine the fetal condition with cardiotocograms. It also includes a separate room for ultrasound examination for pregnant and non-pregnant patients, a doctor's room, and a nursing staff room, each with its own private bathroom.

Outside the ER Unit, there is a double room with a private bathroom for the administrative team, which is consigned to patient registration. The whole area is adequately ventilated with concealed air conditioning units.

Emergency Reception Unit
***Before** Renovation*

Emergency Reception Unit
***After** Renovation*

Our engineers worked tirelessly and swiftly to deliver this project with the aim of benefiting Egyptian women in need. It was designed, constructed, and furnished according to their functional needs, in accordance with international standards in record time. The ER unit donated by Orascom Construction was named the best functional and most elegant ER unit in Kasr Al Aini Hospital. It currently receives 100-120 patients per day, of which 90% are admitted.

Supporting Efforts to Combat COVID-19 and Reaching the Most Vulnerable

Remodeling of key fever hospitals amid the COVID-19 pandemic

Believing in the need to come together to contain the COVID-19 crisis, Orascom Construction collaborated with the Sawiris Foundation for Social Development to back the Ministry of Health and Population’s efforts by supporting the Fever Hospitals in Abbasiya and Helwan. In both hospitals, key construction work was rapidly conducted to ensure the facilities were able to meet the high number of patients and the set up was appropriate for isolation. Additionally, a significant contribution was made to the Ministry of Health and Population to purchase personal protective equipment and testing kits needed for COVID-19.

Renovating 110 ventilators in support of government response to the COVID-19 pandemic

As part of our initiative to support the efforts of the Egyptian government and the Ministry of Health and Population, Orascom Construction and the Sawiris Foundation for Social Development repaired 110 ventilators in 42 public hospitals across Egypt. This was done in close coordination with the technicians and local representatives of the ventilator manufacturers.

The hospitals were spread over 18 cities and governorates, including Assiut, Damietta, Greater Cairo, Kafr Al Sheikh, Sohag, and Al Wahat Al Bahariya.

Supporting 9,000 families affected by the COVID-19 pandemic in Luxor under the auspices of the Egyptian Armed Forces

In May 2020, Orascom Construction and the Sawiris Foundation for Social Development launched an initiative to support 9,000 families affected by COVID-19 in Luxor. Dry food boxes were provided, and disinfection and sterilization operations were carried out in congested areas to prevent the spread of infection. The initiative provided a

Under auspices of the Egyptian Armed Forces, launching the ‘Start with Yourself’ project

package of integrated services, such as:

- Awareness campaigns for 36,000 individuals.
- Direct financial support for 9,000 families.

Supporting university hospitals during COVID-19

Within the scope of the Ministry of Social Solidarity’s activities, Orascom Construction, together with Sawiris Foundation for Social Development and the Ahl Masr Foundation launched the ‘Aman Ahl Misr’ initiative with the Supreme Council of University Hospitals in order to protect doctors and healthcare workers on the front lines in their fight against COVID-19.


Launching project ‘Aman Ahl Misr’

The project made a significant investment and aimed to secure and protect 5,500 doctors and medical workers in university hospitals across Egypt.

In the first stage, the project supplied 5,290 protective kits to university hospitals that are set up for isolation.

Supporting 18,000 vulnerable families impacted by COVID-19 in Suez

Within the framework of the Sawiris Foundation for Social Development initiative to support the fight against the COVID-19 pandemic, Orascom Construction through its subsidiary, Suez Industrial Development Company, launched an initiative implemented by Life Makers Foundation and the Egyptian Red Crescent with the aim of supporting 18,000 beneficiaries in underprivileged societies of the Suez governorate. Families that lost their incomes as a result of COVID-19 were given cash transfers through their ‘Damen’ debit cards, enabling them to freely purchase their necessities while maintaining their dignity and humanity. Other interventions like the distribution of food products, provision of financial aid and hygienic products, awareness campaigns targeting infection control, and support for local doctors were also implemented.

The initiative also implemented preventive measures to ensure the safety of citizens and limit the spread of the virus such as sterilizing major train stations and post offices.

Karim Camel-Toueg International Fellowship in Hepatology

Orascom Construction remained an avid sponsor of the Karim Camel-Toueg fellowship program. Established in 2011 in memory of OCI board member Karim Camel-Toueg, the program provides Egyptian hepatologists with the opportunity to become Fellows at the Cleveland Clinic’s Hepatology Center for six months. The aim is to increase the number of top-tier specialists in Egypt who possess best-in-class experiences in patient-handling, cultivated in top quality medical, and research facilities. The goal is to increase excellence in treating liver diseases in Egypt.


Distributing food products to families

Supporting Education in Egypt

We believe that the key to poverty alleviation and sustainable human development is a high quality, well-rounded education promoting critical thinking and entrepreneurship.

To that end, Orascom Construction has aggressively directed resources to the development of the entire education value chain, from building schools to funding training and scholarship programs for teachers and students, financing and coordinating exchange programs between Egyptian and American institutions, and sponsoring extracurricular educational programs and competitions.

Over the last twenty years, we have positively impacted the lives and education of Egyptians in a variety of ways, including constructing and refurbishing schools, upgrading facilities, financing Egypt's largest international scholarship program, training teachers, and sponsoring youth entrepreneurship. The initiatives include:

Onsi Sawiris Scholarship Program

For the 20th year running, the Onsi Sawiris Scholarship Program sponsored students looking to complete their undergraduate and graduate studies at leading US higher education institutions, through full scholarships that cover tuition fees, living expenses, health insurance, and travel fees. Three students received the scholarships in 2020, and the program expanded to provide full scholarships to those interested in pursuing a Master of Business Administration (MBA) or a Master's in Engineering. The program also covers undergraduate degrees at the University of Chicago, Stanford University, Harvard University, and University of Pennsylvania. Some of the program's students have made the dean's list at their schools and gained recognition as high achievers in academia and extracurricular activities.

The program necessitates that the students return to Egypt for a minimum of two years upon completion of studies, in an effort to cultivate skilled leaders with lasting impact who contribute to the country's economic development.

Onsi Sawiris scholarship recipients for the year 2020 with Engineer Osama Bishai, CEO of Orascom Construction PLC

Testimonials

"I would like to thank Orascom Construction for graciously providing me with such a generous grant, without which I would not be able to achieve my academic and professional goals. Orascom's grant has substantially enhanced my pursuits through ensuring their achievement at one of the best universities in the world, Harvard University."


Michael Helmy
Harvard University

"Onsi Sawiris Scholarship program is truly a life-changing opportunity for many students to pursue their academic and career passions through studying at one of the top-notch US universities in fields that will enhance the economic and scientific prosperity in Egypt. It truly facilitates the academic development and character building of young Egyptians, giving them a chance to cultivate their careers thus benefiting and supporting their communities.

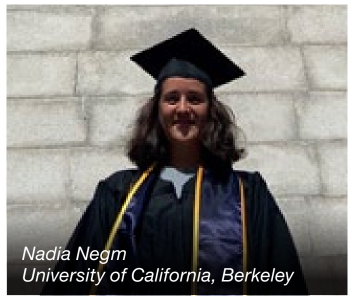
I would like to thank Orascom Construction for giving me this precious opportunity. I can't express how genuinely grateful I am for giving me the chance to pursue my academic passion at The University of Chicago to gain the necessary knowledge and skills to return to help my local community and to contribute to the economic and scientific development in Egypt."


Abdalla Aboarab
University of Chicago

"I'd like to articulate my absolute gratitude to Orascom Construction for the generous scholarship. I appreciate the opportunity you've laid in front of me by which I can take my first steps towards an ambitious future in which I can add new meaningful dimensions to my passions and goals. I hope I can live up to your expectations and take full advantage of this award. Thank you again for the support and trust."


Omar Elkashef
University of Chicago

"I am deeply grateful for the opportunity that Orascom Construction has given me to pursue an academic degree from the University of California, Berkeley. Their support has been incredibly important to my career and goals in life. I hope to be able to give back to my community and inspire other young women to advocate for themselves in their academic pursuits, as Orascom Construction has given me the space to do so."


Nadia Negm
University of California, Berkeley

Al Azhar University team wins ENACTUS World cup Championship

ENACTUS Egypt

2020 saw Orascom Construction extend its partnership with Enactus Egypt, in support of the organization's aim to invest in students who will fuel positive change and sustainability across their communities and countries.

Orascom Construction sponsored Enactus' General Orientation Training in 2020, where 8,000 student leaders from over 58 universities came together for a training module created to provide knowledge and guidance that equally raises the bar for national competitions for future representation at the Enactus World Championship.

In addition, Orascom Construction sponsored Enactus' Thematic Competition on Innovation, where students from 53 universities took notable strides in implementing 150 innovative outreach projects that improved the community's standard of living where most needed.

Orascom Construction continued to sponsor the Egyptian National team at the Enactus World Cup competition, which, due to the pandemic, was held online. More than 72,000 students from around the world participated in the event.

Orascom Construction's executives were part of the national competition's judging panel, where the 'Chitoshrimp' project, presented by the Al Azhar team, won. The project addressed the contamination issue present in Fayoum's Qaroun lake. The lake used to be the most important source for shrimps and represented 55% of Egypt's national production. Its contamination has had a devastating effect on the livelihood of the villagers. The lake's shrimp production decreased to 10% as a result of the disposal of shrimp waste into it, polluting its water. Operating fishing boats decreased from 1,500 to 50, more than 4,000 fishermen became unemployed and had to migrate, and 800 women had to work for only 40 piastres a day. The contaminated lake water also affected the productivity of the surrounding farming lands, leading to the unemployment of 1,400 farmers. Children had to drop out of school to work and sustain their livelihoods. 55% of the families were under the poverty line.

The 'Chitoshrimp' project confronted these challenges by conducting the following activities:

1. **Waste Reduction and Recycling**
   - Produced organic spices from shrimp waste instead of throwing or burning them.
   - Established 100 spice production units to produce 100% natural spices.
   - Produced Chitosan, an organic fertilizer made from shrimp waste.
   - Recycled 53 tons of shrimp waste.
2. **Creation of a Sustainable Auto-market** and **Self-sufficient Enterprise**
   - Established eight educational hubs to teach fishermen the shrimp cultivation process.
   - Established 20 shrimp farms to double shrimp production.
   - Partnered with Kellogg's to scale our spices' national and global distribution.
   - Contracted the HandInHand company in Belgium as an export base for the Chitosan fertilizer.
3. **Building Human Capital**
   - Trained fishermen and farmers business ethics.
   - Provided 800 women with literacy classes.
   - Hired women in managerial positions.
   - Facilitated the children's return to school.
4. **Expansion**
   - Expanded their entrepreneurship and production hubs to three more villages.
   - Partnered with AMAZON to expand their network internationally.
   - Shared their acquired know-how to Mozambique.
5. **COVID-19 Response**
   - Invented a mask that includes Chitosan nanoparticles to protect 5,000 doctors and nurses from the virus.

The project's efforts were also in line with eight of the UN Sustainable Development Goals, specifically, no poverty, zero hunger, good health and well-being, clean water and sanitation, decent work and economic growth, sustainable communities, life below water, and partnerships for goals.

ENACTUS Egypt

ENACTUS Egypt

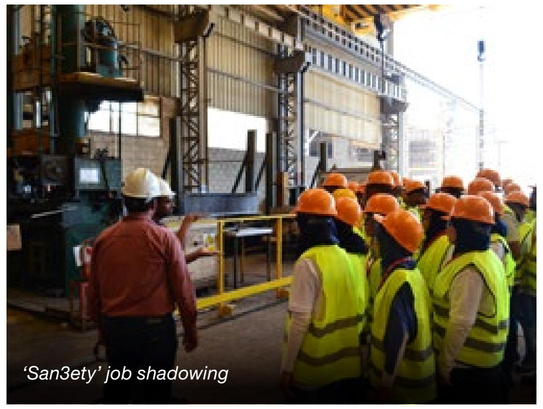
Driving Engineering Education – TU Berlin El Gouna Scholarship

Orascom Construction resumed the provision of academic scholarships to students of excellent academic and professional backgrounds interested in completing their Master's Degrees in the Water Engineering and Electric Engineering fields at TU Berlin El Gouna. The university is the first German higher education institution to operate a campus in Egypt. Orascom Construction has supported its students since its inception in 2012.

The Orascom Construction – AUC Upper Egypt Youth Scholarship

For the 7th year in a row and as part of its drive to support the youth in Upper Egypt, Orascom


OC-AUC scholars at AUC 2020


'San3ety' job shadowing

Construction awarded full scholarships to students from Upper Egypt to pursue their undergraduate degrees in Economics at The American university in Cairo. The program identifies the students with the potential to become future leaders and sponsors their studies at AUC, where they gain the value of a liberal arts education and excellent student services. The Orascom Construction-AUC scholarship program is consistently proving to be successful, whereby students have been achieving high academic and leadership excellence in their journey to join the cadres of private corporations, civil society, and governmental entities.

INJAZ Egypt

Orascom Construction is a longstanding supporter of INJAZ Egypt, an organization whose mission is to encourage private sector involvement in the development and delivery of specialized curricula that encourage student empowerment and entrepreneurship. Through various INJAZ programs, Orascom Construction has positively affected the lives of more than 760,000 young people, from 2009 up until now. INJAZ promotes employability skills among youth, and partners with businesses and educational institutions across the country to include thousands of students, schools, startups, and volunteers in an experiential learning journey that realizes youth potential across the country.

San3ety Graduates Initiative

Under the sponsorship of Orascom Construction, INJAZ Egypt's 'San3ety Graduates' initiative prepares technical college graduates for the job market by providing them with soft skills as well as technical skills required by potential employers. The participants pass through three phases to complete the program: work readiness training, technical skills training, and employment support.

We successfully wrapped up the second round of the 'San3ety Graduates' initiative with an employment rate of 81% and with our female graduates maintaining their employment status to date. The positive outcome of the second round has prompted us to launch the 2021 round, with the aim of eradicating unemployment and empowering vocational graduates.

Community Schools – Assiut

In 2018, Orascom Construction and Sawiris Foundation for Social Development launched the third phase of the Schools for Egypt project in Assiut. The project aims to provide students in the poorest and most marginalized communities with quality educational opportunities, through the establishment of 15 community schools. Community schools were first introduced in Egypt in 1992 as an alternative form of education to reduce dropout rates, especially among girls in Upper Egypt. They have since been a major contributor to increasing girls' access to schools and decreasing the gender disparity of student enrollment as well as achieving, universal primary education. In Upper Egypt, Assiut lagged in human development indicators, especially in education and health.


Community schools – Assiut

The project serves 523 students, 52% of which are girls. The first year of the project witnessed a number of preparatory and core activities, including:

1. The establishment and furnishing of 15 schools.
2. Capacity building of teachers and education supervisors from the local community to ensure sustainability post project completion.
3. The launch of sports days in each school, a biannual activity to enhance students' social-emotional learning.

Before the start of the 2020-2021 academic year, teachers received a number of trainings on different topics that were identified as essential in light of the pandemic, including effective communication and facilitation, research skills, and Internet and computer skills.

In October 2020, students returned to schools with safety measures in place. Tablets were distributed among students, in partnership with Orange Egypt, to enhance student's digital literacy. These measures were taken to prepare for an asynchronous learning model with both videos and offline educational materials as a precaution to potential school closure.


Community schools – learning activities


Community schools – class photo

Fostering Community Development

Naga' El Fawal and El Deir Village Integrated Sustainable Development Project – Fully transforming a community

In 2018, Orascom Construction partnered with the EFG Hermes Foundation, Sawiris Foundation for Social Development, and the Kuwaiti Initiative for the Support of the Egyptian People in order to launch an integrated development program that would improve the lives of the inhabitants of Naga' El Fawal and El Deir Village in Esna, Luxor.

The program aims to significantly improve education, healthcare, and infrastructure in the community, in addition to socially and economically empowering the inhabitants. The plan is to serve more than 60,000 residents of Naga' El Fawal and El Deir Village.


Community development – Naga' El Fawal

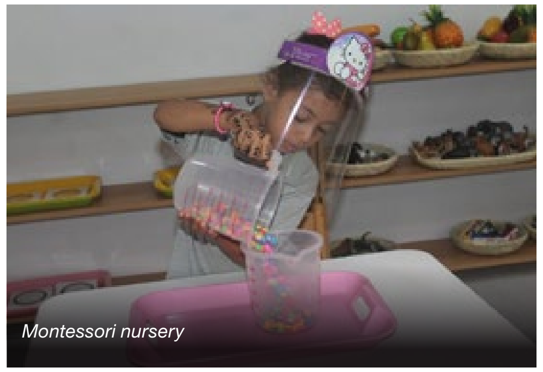
Education

A brand new community center was inaugurated in November 2019. The center includes a fully furnished Montessori nursery with a capacity of 100 children, as well as a fully furnished Montessori nursery for children with disabilities, with a capacity of 50 children.

Residents of El Fawal and Esna and the children's parents have approached Orascom Construction asking for an increase in the center's capacity to accommodate more children, in light of its success over 2019-2020. To that end, the project has furnished the second floor of the community center to serve as classrooms for children with special needs, assigning the ground floor to the Montessori school.


Naga' El Fawal Community Center


Implementing Montessori methodologies


Montessori nursery


Montessori nursery – COVID-19 precautions


Montessori nursery – COVID-19 precautions

There are also on-going training programs for 75 of the current staff and potential new hires to build their capacity and raise the standard of service provided.

To date, five capacity building and creative facilitation trainings were conducted for the teachers and volunteers, in partnership with the Funtasia Egypt Foundation.

Moreover, 40 classes were opened to develop children's life skills and engage them in interactive learning through Funtasia's after-school programs.

Throughout the year, the families of Naga' El Fawal attended various sports and other community activities, despite the constraints imposed by COVID-19.

Provision of health services: El Deir health unit medical supplies and equipment

The project renovated and refurbished the health unit, which serves more than 75,000 people. A resident general practitioner has also been fully assigned to the unit and specialists are available on a weekly basis.

As part of the project, four fully fledged medical convoys were conducted to detect anemia and eye diseases, providing 875 people with treatment for their eyes, treating 463 for anemia, and providing 867 people with eyeglasses. Moreover, 291 people were scheduled for eye surgeries.

The project falls under the government's large-scale health initiative, 100 Million Healthy Lives.


El Deir health unit before the intervention


El Deir health unit upgrade and refurbishment


Healthcare unit to serve 75,000 people


Healthcare unit to serve 75,000 people

Infrastructure

The beneficiaries' water network has been replaced with a new fully operational and sanitary network. All houses in Naga' El Fawal have been connected to the new water pipes, which provide more than 10,000 inhabitants with access to clean water. Moreover, a fully operational solar power system to generate electricity was installed in the newly built community center.

The project is working on the construction of water pumps in preparation for the installation of the sewage networks, while working with several governmental entities to accelerate the process of allocating land for the construction of a wastewater treatment plant.

The initiative underwent several stages to upgrade housing conditions. Architectural drawings have been delivered and demolition and

Water and sanitary network in Nagaa El Fawal


Before renovation


Listening to the needs of El Naga'


Construction of water pumps


During renovation

Renovated and delivered houses




Capacity building and training programs to beneficiaries

construction licenses have been issued. 76 units were successfully delivered and the construction of 18 more units is currently underway.

Economic Empowerment

Six training courses on launching, managing, and marketing a project were delivered to 126 beneficiaries. A comprehensive training on breeding skills for livestock was conducted to 36 beneficiaries to provide them with the skillset needed to look after the livestock and deal with any potential issues.

115 in-kind grants worth an average of EGP 10,000 each were delivered to beneficiaries, in addition to technical trainings, in order to help recipients launch and sustain their own projects. Additionally, a fully furnished community center was built, including administrative offices that will create 42 permanent jobs.

The Fight Against COVID-19:

The Naga' El Fawal initiative promptly adapted its activities and reallocated some of its budget in order to aid in the fight against COVID-19:

1. **Raising awareness** to 35,000 individuals on how to protect themselves from the spread of COVID-19 through a number of campaigns and printed materials.
2. **Disinfection** of nine train stations and 18 bus stations.
3. **Direct economic support** to 5,000 of the hardest hit families, with a total of 25,000 beneficiaries, through the distribution of food baskets.

Support of Health and Hope Oasis

Orascom Construction continued supporting the Friends of Children with Cancer organization in its efforts of putting a smile on a child's face at the Health and Hope Oasis, Egypt's first supportive care center for children with cancer and their families. Orascom Construction has provided another prefab unit to the Health and Hope Oasis, which will be used to store the bikes that are used by the children while staying at the oasis.

The Health and Hope Oasis, situated on a farm, provides an environmentally safe place for pediatric cancer patients to recuperate away from the city and the hospital. It also provides a recreational outlet for all children while learning about hygiene for infection control, proper nutrition, and emotional well-being. The educational kitchen introduces children and families to simple, low-cost, natural Egyptian foods, free from preservatives.

With the support of friends of the project, the Health and Hope Oasis was able to continue providing much-needed support to the children and their families through the difficult year of 2020, while educating them about measures to stay safe during the pandemic.

Health and Hope Oasis

Littlest Lamb – Basketball Court

Orascom Construction built a multipurpose sports court for the Littlest Lamb — Birdrock Home for 130 orphaned children. Orascom Construction has provided the supplies for the court's complete construction by leveling out a 406 meters squared space for a concrete pouring foundation. Orascom Construction will install an innovative tile design and unique six-point locking system called VersaCourt that creates a seamless playing surface that allows for consistent ball bounce and response and unmatched playability. The court is constructed from ¾" shock absorbing tiles that reduce fatigue, which means that players can play for a longer time. Orascom Construction has also supplied Littlest Lamb with three large light posts and stadium seating for an audience view. This multipurpose court will be an incredible addition to the amenities at Birdrock home, where Littlest Lamb's children will be able to play Basketball, Volleyball, Tennis, Badminton, and more.

Construction of Basketball court

Stadium seating for multipurpose court

Sponsoring Future Athletes

We continue to support young athletes in their athletic journey. Through sponsoring the athletes' training and coaching programs, we help them achieve and maintain the physical fitness needed for their continuous progress. The story of our athletes Chris and Roger is turning out to be one that inspires the young generation with hard work and dedication.

Roger Baddour, a grade 11 IGSCE student, and Chris Baddour, grade 5, are the sons of one of our employees and are an emblem of athleticism. Since 2018, they have made major strides considering their age.

In 2019, Orascom Construction sponsored both athletes in their squash tournaments. Roger ranked third place in Madinaty International Junior and Masters Squash Open and first place in Ardic Egypt International Junior Open for boys under 17 in June and July of 2019 respectively, while Chris ranked second place in the British Junior Squash for boys under 11 in January 2019.

In March 2020, Chris won 1st place in the Under-13 Egyptian Squash Federation Junior Squash Open 2020. Roger won 4th and 5th place in the Under-19 Maadi Junior Squash Open 2020 and Giza Zone Squash Junior Open 2020 respectively in January and February 2020. Roger also made it to 1st place in the Squash Shop Egypt Tour 2 2020, level WSF 'World Squash Federation' and PSA 'Professional Squash Association' Satellite. On an international level, Chris ranked 5th and 7th in the Under-13 Madinaty International Squash Open 2019, organized by the Arab Squash Federation and the US Squash Junior Open.

Roger Baddour

Naga' El Fawal children

Collaboration for Community Engagement

Orascom Construction PLC's US subsidiaries provide time, resources, and financial support to a variety of charitable and community organizations in order to improve the wellbeing of local community members, make a meaningful difference in the lives of others, and having an enduring impact on their communities.

Sawiris Foundation for Social Development

The Sawiris Foundation for Social Development (SFSD) was established in 2001 as one of the first national donor foundations with an endowment from the Sawiris family aimed at supporting development programs and initiatives implemented by NGOs, in partnership with the private and governmental sectors.

The Foundation hopes to establish a pioneering model for the role of Civil Society Organizations as a development partner in Egypt, by supporting innovative development solutions aimed at achieving sustainable human development.

SFSD focuses on promoting the participation and empowerment of Egypt's most underprivileged communities and improving their conditions by focusing on job creation, the provision of high–quality education, addressing priority health topics, and community development.

With the launch of flagship initiatives and more than EGP 1.4 billion invested, SFSD has impacted the lives of over 313,000 Egyptians in 24 governorates.

Sports City Stadium

CONSOLIDATED FINANCIAL STATEMENTS

Cairo-Ismailia Road

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KPMG

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Independent Auditors' Report

To the Shareholders of Orascom Construction PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Orascom Construction PLC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (continued)

1 Accounting for construction contracts

Refer to notes 13 and 25 of the consolidated financial statements

Key audit matter

The Group recognises revenue and profit based on the progress of the construction contracts which is assessed with reference to the proportion of contract costs incurred for the work performed as at the reporting date, relative to the estimated total costs of the contract at completion. Therefore, the recognition of revenue and profit relies on estimates made by management in relation to the final out-turn of revenue and costs on each contract. Any changes to these estimates could give rise to material variances in the amount of revenue and profit/loss recognised in a given financial period.

The final out-turn of a construction contract may be affected by subsequent variations from the initially agreed scope of work and claims arising under the contract. The amounts to be included in the estimated revenue depends on the Group's estimate of the amount which is highly probable and that significant subsequent reversal will not occur when the uncertainty associated with these variations are resolved. In addition, the estimated total costs of a contract may also include various cost contingencies or disputed claims against the Group, which are specific to respective contracts. These contingencies are reviewed by the Group's management on a regular basis throughout the contract life and adjusted where appropriate.

Further, in the current year the COVID-19 pandemic has increased the level of uncertainty in relation to the Group's estimates of the final out-turn of the revenue and estimated total cost of completion with regards to its construction contracts. These uncertainties require management to exercise its judgement as to what would be a highly probable claim, to which the Group would be entitled to as a result of delays and disruptions caused by the COVID-19 pandemic. Similarly, the management is also required to take into account all the cost contingencies resulting from the COVID-19 pandemic, in estimating the total cost of completion of each construction contract.

There is a high degree of risk and significant management judgment associated with estimating the amount of revenue to be recognised by the Group based on the final out-turn on contracts; assessing the level of the contingencies; and recognising variations and claims. Accordingly, revenue recognition from construction contracts is considered a key matter.

How our audit addressed the key audit matter

Using a variety of quantitative and qualitative criteria, we have selected a sample of contracts to assess the reasonableness of the significant and complex contract estimates used by management in accounting for these contracts.

We obtained the detailed project status reports ("the reports") and assessed, where necessary, the judgments underlying those reports with the audit evidence obtained including discussion with the Group's senior operational, commercial and financial management. In this area, our audit procedures included:

- identifying and testing key controls over the revenue recognition process over construction contracts;

Orascom Construction PLC
Independent Auditors' Report
31 December 2020

Key Audit Matters (continued)

1 Accounting for construction contracts (continued)

How our audit addressed the key audit matter (continued)

- reviewing the accounting policies adopted by the Group and its compliance with IFRS and ensured these policies had been applied to individual contracts with customers appropriately;
- evaluating the financial performance of contracts against budget, available third-party evidence and historical trends;
- conducting site visits to certain higher risk or larger value contracts, physically observing the progress of individual projects and identifying areas of complexity through observation and discussion with site personnel;
- assessing the reasonableness of the Group's judgment in respect of forecast contract out-turn, contingencies, settlements and the recoverability of contract balances via reference to our own assessments based on certain quantitative and qualitative factors, historical outcomes and industry norms;
- analyzing correspondence and other relevant documents obtained by management from customers around variations and claims and considering whether this information is consistent with the estimates made by the management;
- inspecting selected contracts for key clauses, identifying relevant contractual mechanisms such as liquidated damages, defects liability and warranties and, assessing whether these key clauses have been appropriately reflected in the amounts recognised in the financial statements;
- assessing whether the amounts recognised in the financial statements resulting from the estimates and assumptions made represent a balanced view of the risks and opportunities pertaining to each contract position;
- considering whether provisions against contracts sufficiently reflect the level of risk, and challenging management's judgment in this area with reference to our own assessments; and
- considering the adequacy of the Group's disclosures in the consolidated financial statements in respect of contract accounting and the key risks relating to these amounts.

2 Expected credit loss allowances on receivables

Refer to note 9 of the consolidated financial statements

Key audit matter

The Group is exposed to credit risk on its receivable balances including contract receivables, contract assets, and retention receivables. The determination of expected credit loss ("ECL") involves significant estimates and judgement. Key areas involving judgements include current and future looking external factors, probability of default and loss given default.

Key Audit Matters (continued)

2 Expected credit loss allowances on receivables (continued)

Further, during the year the COVID-19 pandemic has resulted in additional challenges in determining the appropriate impairment provision at the year end. The Group's existing ECL models use historical experience to derive the ECL parameters such as loss given default and probability of default, however, these historical relationships in certain instances may not represent the expected credit loss during the COVID-19 economic environment. Particularly certain types of the Group customers who operates in different industries or regions may be severely affected by the economic effects of COVID-19. Accordingly, adjustments to the results of the existing ECL models would be necessary, based on expert credit judgement, to reflect the all the information relating to these customers at the reporting date.

Due to significant judgements and complexities involved in the computation of ECL for determining impairment provision at the year end, this is considered as a key audit matter.

How our audit addressed the key audit matter

- obtaining an understanding of the Group's process for estimating ECL and assessing the appropriateness of the ECL preparation methodology against the requirement of IFRS 9;
- identifying and testing key controls over the ECL model;
- assessing the reasonableness of key assumptions and judgments made by the management in determining the ECL allowances including segmentation of receivables, selection of ECL models, macroeconomic factors and expert credit judgments; and
- testing key inputs of the model, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to the historical data.

3 Litigation and claims

Refer to note 26 of the consolidated financial statements

Key audit matter

Considering the nature of the Group's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with internal and external legal advisors. Due to the significance of the litigations and claims and the judgment applied in assessing and measuring the resulting outcome, this is considered as a key audit matter.

Orascom Construction PLC
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Key Audit Matters (continued)

3 Litigation and claims (continued)

How our audit addressed the key audit matter

Our audit procedures included the following:

- evaluating the Group's policies, procedures and controls in relation to litigation, claims and provision assessments;
- obtaining inputs from the Group's legal counsel in regards to the Group's litigations and claims, making independent enquiries and obtaining confirmations from internal and external lawyers to understand the background of each case, legal position and the material risks that may impact the Group's financial statements; and
- assessing reasonableness of judgment made by management in assessing and measuring the current and final outcome of the claim, determining the adequacy of the level of provisioning or disclosure in the consolidated financial statements in accordance with IAS 37.

4 Accounting for tax

Refer to note 11 of the consolidated financial statements

Key audit matter

The Group operates in a number of tax jurisdictions. The complexities of local and international tax legislations require an understanding of the applicable tax laws and regulations in these jurisdictions. Furthermore, the recognition of deferred tax assets involves significant judgment and estimates with regards to the Group's future operations and the applicable tax laws in the respective jurisdictions and, as a result, this is considered as a key audit matter.

How our audit addressed the key audit matter

Our approach included:

- involving our tax specialists to assess the Group's tax positions including deferred tax, its compliance with the relevant tax legislations, to analyse and challenge the assumptions used by management in determining the tax provisions;
- identifying and testing key controls over calculation for income tax and deferred tax;
- For the purpose of assessing the valuation of deferred tax assets recognised in the Group's statement of financial position, we have reviewed and assessed the reasonableness of the assumptions used in projecting the Group's future taxable profits, the applicable tax losses in the respective jurisdictions and evaluated the expected tax planning strategies; and
- considering the adequacy of the Group's tax disclosures in the consolidated financial statements and its compliance with FIRS.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Orascom Construction PLC
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31 December 2020

Report on Other Legal and Regulatory Requirements

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

KPMG LLP

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Freddie Cloete
Partner
DFSA Reference Number: I004442
Date: 24 March 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

USD millions	Note	31 December 2020	31 December 2019
Assets			
Non-current assets			
Property, plant and equipment	(7)	177.2	181.3
Goodwill	(8)	13.8	13.8
Trade and other receivables	(9)	47.0	44.4
Equity accounted investees	(10)	419.4	430.0
Deferred tax assets	(11)	39.0	39.6
Total non-current assets		**696.4**	**709.1**
Current assets			
Inventories	(12)	288.1	293.0
Trade and other receivables	(9)	1,473.2	1,258.5
Contracts work in progress	(13)	854.5	869.8
Current income tax receivables		2.5	0.1
Cash and cash equivalents	(14)	473.8	374.8
Total current assets		**3,092.1**	**2,796.2**
Total assets		**3,788.5**	**3,505.3**
Equity			
Share capital	(15)	116.8	116.8
Share premium		480.2	480.2
Reserves	(16)	(289.7)	(304.6)
Retained earnings		288.6	249.5
Equity attributable to owners of the Company		**595.9**	**541.9**
Non-controlling interest	(17)	46.0	43.8
Total equity		**641.9**	**585.7**
Liabilities			
Non-current liabilities			
Loans and borrowings	(18)	19.9	5.4
Trade and other payables	(19)	57.1	56.7
Deferred tax liabilities	(11)	3.3	3.6
Total non-current liabilities		**80.3**	**65.7**
Current liabilities			
Loans and borrowings	(18)	95.3	90.3
Trade and other payables	(19)	1,402.8	1,192.0
Advanced payments from construction contracts		1,086.3	1,096.1
Billing in excess of construction contracts	(13)	383.8	375.3
Provisions	(20)	54.7	53.3
Income tax payables		43.4	46.9
Total current liabilities		**3,066.3**	**2,853.9**
Total liabilities		**3,146.6**	**2,919.6**
Total equity and liabilities		**3,788.5**	**3,505.3**

The notes on pages 165 to 209 are an integral part of these consolidated financial statements.

This consolidated financial statements were approved by the Board of Directors and authorized for issue on 24 March 2021 and signed on their behalf by:

Director

Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended

USD million	Note	31 December 2020	31 December 2019
Revenue	(25)	3,371.1	3,184.0
Cost of sales	(21)	(3,048.3)	(2,820.5)
Gross profit		**322.8**	**363.5**
Other income	(22)	14.2	15.0
Selling, general and administrative expenses	(21)	(186.4)	(162.1)
Operating profit		**150.6**	**216.4**
Finance income	(23)	21.3	25.2
Finance cost	(23)	(31.1)	(98.5)
Net finance cost		**(9.8)**	**(73.3)**
Income from equity accounted investees (net of tax)	(10)	(3.2)	27.1
Profit before income tax		**137.6**	**170.2**
Income tax	(11)	(40.5)	(39.1)
Net profit for the year		**97.1**	**131.1**
Other comprehensive income:			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		15.3	34.6
Other comprehensive income, net of tax		**15.3**	**34.6**
Total comprehensive income		**112.4**	**165.7**
Net profit attributable to:			
Owners of the Company		90.9	121.3
Non-controlling interest	(17)	6.2	9.8
Net profit for the year		**97.1**	**131.1**
Total comprehensive income attributable to:			
Owners of the Company		105.8	152.3
Non-controlling interest	(17)	6.6	13.4
Total comprehensive income		**112.4**	**165.7**
Earnings per share (in USD)			
Basic earnings per share	(24)	0.78	1.04

The notes on pages 165 to 209 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended

USD million	Share capital (15)	Share premium	Reserves (16)	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest (17)	Total equity
Balance at 1 January 2019	**116.8**	**480.2**	**(335.6)**	**170.5**	**431.9**	**39.6**	**471.5**
Net profit	-	-	-	121.3	121.3	9.8	131.1
Other comprehensive income	-	-	31.0	-	31.0	3.6	34.6
Total comprehensive income	**-**	**-**	**31.0**	**121.3**	**152.3**	**13.4**	**165.7**
Dividends	-	-	-	(34.7)	(34.7)	(2.0)	(36.7)
Change in non-controlling interest	-	-	-	-	-	(7.2)	(7.2)
Other	-	-	-	(7.6)	(7.6)	-	(7.6)
Balance at 31 December 2019	**116.8**	**480.2**	**(304.6)**	**249.5**	**541.9**	**43.8**	**585.7**
Net profit	-	-	-	90.9	90.9	6.2	97.1
Other comprehensive income	-	-	14.9	-	14.9	0.4	15.3
Total comprehensive income	**-**	**-**	**14.9**	**90.9**	**105.8**	**6.6**	**112.4**
Dividends	-	-	-	(49.0)	(49.0)	(4.4)	(53.4)
Other	-	-	-	(2.8)	(2.8)	-	(2.8)
Balance at 31 December 2020	**116.8**	**480.2**	**(289.7)**	**288.6**	**595.9**	**46.0**	**641.9**

The notes on pages 165 to 209 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended

USD millions	Note	31 December 2020	31 December 2019
Net profit for the year		**97.1**	**131.1**
Adjustments for:			
Depreciation	(7)	47.2	51.8
Interest income (including gain on derivatives)	(23)	(13.5)	(9.7)
Interest expense (including loss on derivatives)	(23)	24.4	53.0
Foreign exchange gain (loss) and others	(23)	(1.1)	30.0
Share in income of equity accounted investees	(10)	3.2	(27.1)
Gain on sale of property, plant and equipment	(22)	(1.7)	(1.7)
Income tax expense	(11)	40.5	39.1
Changes in:			
Inventories	(12)	4.9	(9.7)
Trade and other receivables	(9)	(232.4)	(92.3)
Contract work in progress	(13)	15.3	(343.1)
Trade and other payables	(19)	174.6	153.9
Advanced payments construction contracts		(9.8)	490.1
Billing in excess of construction contracts	(13)	8.5	(35.5)
Provisions	(20)	1.4	(50.0)
Cash flows:			
Interest paid	(23)	(22.7)	(53.4)
Interest received	(23)	13.2	8.7
Dividends from equity accounted investees	(10)	15.0	22.8
Income taxes paid		(25.9)	(38.1)
Cash flow from operating activities		**138.2**	**319.9**
Investment in associate, net of cash acquired		-	(16.6)
Investments in property, plant and equipment	(7)	(42.7)	(39.5)
Proceeds from sale of property, plant and equipment		6.9	8.1
Cash flow used in investing activities		**(35.8)**	**(48.0)**
Proceeds from borrowings	(18)	215.7	167.1
Repayment of borrowings	(18)	(196.2)	(446.7)
Dividends paid to shareholders		(24.5)	(34.7)
Other		(4.0)	(5.8)
Cash flow used in financing activities		**(9.0)**	**(320.1)**
Net increase (decrease) in cash and cash equivalents		**93.4**	**(48.2)**
Cash and cash equivalents at 1 January	(14)	374.8	402.5
Currency translation adjustments		5.6	20.5
Cash and cash equivalents at 31 December	(14)	**473.8**	**374.8**

The notes on pages 165 to 209 are an integral part of these consolidated financial statements.

NOTES TO THE 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 consolidated financial statements for the year ended 31 December 2020 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 infra-structure, 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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards("IFRS"), and applicable requirements of the Commercial Companies Law and the Capital Market Authority in Dubai / Egypt.

The 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 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.

The consolidated financial statements have been authorised for issue by the Company's Board of Directors on 24 March 2021.

3 Summary of significant accounting policies

3.1. Consolidation

The consolidated financial statements include the financial statements of OC PLC, its subsidiaries and the proportion of OC PLC's ownership of joint operations.

Subsidiaries

Subsidiaries are all companies to which OC PLC is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee, generally accompanying a shareholding of more than half of the shares issued and related voting power. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. When OC PLC ceases to have control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss including related cumulative translation adjustments accumulated in other comprehensive income. If it becomes an associate, the interest retained is subsequently valued in accordance with the equity method. The principal subsidiaries are listed in the section 'Miscellaneous'.

Transactions eliminated in the consolidated financial statements

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of OC PLC's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2. Discontinued operations / assets held for sale

A discontinued operation is a component of OC PLC's business which:

- has operations and cash flows that can be clearly distinguished from the rest of OC PLC;
- represents a separate major line of business or geographical area of operations; and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative information in the statement of comprehensive income and the consolidated statement of cash flows are reclassified as if the operation had been discontinued from the start of the comparative period. In the statement of financial position, the comparative numbers are not reclassified.

3.3. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument, is measured at fair value with changes in fair value recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Non-controlling interests

Non-controlling interests are presented as a separate component in equity. Changes in the Group's interest in a subsidiary or joint operation that do not result in a loss of control are accounted for as an equity transaction.

3.4. Associates

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, which is presumed to exist when the Group holds 20 percent to 50 percent of the shareholding and related voting rights of the other entity. Associates are accounted for by applying the 'equity method'. The Group's share of profit or loss of an investee is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases. Investments in associates with negative shareholder's equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognized directly in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Unrealized gains on transactions between two associates are not eliminated.

3.5. Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor. Those joint arrangements that are assessed as joint ventures are accounted for using the equity method. Joint operations are accounted for using the line-by-line accounting.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted subsequently for the group's share in the post-acquisition profit or losses and movements in comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

A joint operation is proportionately consolidated until the date on which the Group ceases to have joint control over the joint operation. Upon loss of joint control, the Group reassesses the joint operation.

3.6. Foreign currency translation

Foreign currency transactions

The financial statements of subsidiaries and joint operations are prepared in the currencies which are determined based on the primary economic environment in which they operate ('the functional currency'). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing closing-rates. Exchange differences arising on the settlement and translation of monetary items are included in profit or loss for the period except when deferred to other comprehensive income for available-for-sale assets and the effective part of qualifying cash flow hedges.

Foreign operations

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the US dollar are translated into US dollars using the exchange rates prevailing at the balance sheet date. Income and expense items are translated using exchange rates prevailing at the date of the transactions. Investments in joint ventures and associates with a functional currency other than the US dollar are translated into US dollar using exchange rates prevailing on the balance sheet date. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries, joint arrangements and associates are included in other comprehensive income, as 'currency translation adjustments'. When a foreign operation is (partly) disposed of or sold, (the proportionate share of) the related currency translation differences that were recorded in other comprehensive income are recycled to profit or loss as part of the gain and loss on disposal or sale. Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are considered as assets and liabilities denominated in the functional currency of the foreign subsidiary.

3.7. 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 Group becomes a party to the contractual provisions of the instrument.

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

II. Classification and subsequent measurement

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 FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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 Group 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 Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

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

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

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

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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 Group 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 Group'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 additional 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 additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement – financial assets

Financial assets at FVTPL

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

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see accounting policy on impairment). Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to 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.

III. Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call 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 Group in the management of its short-term commitments. Restricted cash comprises cash balances where specific restrictions exist on the Group's ability to use this cash. Restricted cash includes cash deposited as collateral for letters of credit issued by the Group.

3.9. Share capital

Ordinary shares are classified as equity. 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 recognized 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 recognized as a deduction from 'Reserves'. Repurchased shares are classified as treasury shares and are presented in 'Reserves'. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in 'Reserves', and the resulting surplus or deficit on the transaction is presented in share premium.

3.10. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes cost of material, direct labour, other directly attributable cost incurred to bring the asset ready to its intended use, cost of asset retirement obligations and any capitalized borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred. Spare parts of property, plant and equipment are recognized under property, plant and equipment if the average turn-over exceeds 12 months or more, otherwise they are recognized within inventories.

Property, plant and equipment under construction

Expenditures incurred for purchasing and constructing property, plant and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its final category of property, plant and equipment. Assets under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis through profit or loss over the estimated useful lives of each component, taking into account any residual values. Land is not depreciated. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for items of property, plant and equipment are as follows:	Years
Buildings	10 - 50
Equipment	5 - 25
Fixtures, fittings and scaffolding	3 - 10

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognized as part of the cost of those assets. All other borrowing costs are recognized as 'Finance cost' in the period in which they are incurred.

3.11. Goodwill

Goodwill represents the excess of the cost, being the excess of the aggregate of the consideration transferred including the amount recognized for non-controlling interest, of an acquisition over the fair value of the Group's share in the net identifiable assets and liabilities assumed of the acquired subsidiary at the date of acquisition.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Intangible assets'. Goodwill on acquisitions of entities that qualify as associates or joint ventures is included in 'Associates'. Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience.

Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditures on internally generated goodwill and other intangible assets are recognized in profit or loss as incurred.

3.12. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories of raw materials, spare parts and supplies cost are based on weighted average principle or the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.13. Impairment of assets

Non-derivative financial assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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 Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

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

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group 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 Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost 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.

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Derivative financial assets
Derivative financial assets are measured at fair value and the Group investigates whether the counterparty creditworthiness gives rise to an impairment.

Non-financial assets
Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed (at least at the balance sheet date) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment is recognized as an expense in profit or loss. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment has to be (partially) reversed. Impairment losses on goodwill are not reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized.

3.14. Provisions
Provisions are recognized when a present legal or constructive obligation as a result of a past event exists, and it is probable that an outflow of economic benefits is required to settle the obligation. The non-current part of provisions is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties
A provision for warranties is recognized with respect to services performed and goods sold.

Restructuring
A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced, the Group has committed itself by public announcement or is expected to commit itself to a restructuring plan.

Onerous contract
A provision for contracts onerous loss is recognized if the Group expects that the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. A provision for contracts onerous loss is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Legal
The Group is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Group. If it is probable that an obligation to the Group exists, which will result in an outflow of resources and the amount of the outflow can be reliably estimated, a provision is recognized.

3.15. Revenue from Contracts with Customers
The Group recognises revenue from contracts with customers based on the five steps model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
ii. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
iii. The Group's performance does not create an asset with an alternative use to the Group and its an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Variable consideration
Variable consideration amounts are estimated at either their expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not reverse.

Significant financing component

The Group evaluates significant financing component, if the period between customer payment and the transfer of goods/services (both for advance payments or payments in arrears) is more than one year. The Group adjusts the promised amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk.

Contract modification

A contract modification occurs when the Group and the customer approve a change in the contract that either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations. Revenue related to a modification is not recognised until it is approved. Approval can be in writing, oral, or implied by customary business practices.

The Group treats the contract modification as a separate contract if it results in the addition of a separate performance obligation and the price reflects the standalone selling price of that performance obligation. Otherwise, a modification (including those that only affect the transaction price) is accounted for as an adjustment to the original contract, either prospectively or through a cumulative catch-up adjustment.

The Group accounts for a modification prospectively if the goods or services in the modification are distinct from those transferred before the modification. Conversely, the Group accounts for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified.

Cost of obtainment and fulfillment

The Group capitalises incremental costs to obtain a contract with a customer except if the amortisation period for such costs is less than one year.

If the costs incurred in fulfilling a contract with a customer are not in the scope of other guidance - e.g. inventory, intangibles, or property, plant and equipment - then the Group recognises an asset only if the fulfillment costs meet the following criteria:

- Relate directly to an existing contract or specific anticipated contract;
- Generate or enhance resources that will be used to satisfy performance obligations in the future; and
- Are expected to be recovered.

If the costs incurred to fulfill a contract are in the scope of other guidance, then the Group accounts for such costs using the other guidance.

The Group amortises the asset recognised for the costs to obtain and/or fulfill a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates. In the case of an impairment, the Group recognises these losses to the extent that the carrying amount of the asset exceeds the recoverable amount.

Revenue from sale of goods

Sales are recognised when control of the products is transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale is recognised in the statement of profit or loss on when the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from construction

As regards the Contracting business lines, the Group has carried out in-depth analysis of a set of contracts that represent material transactions and contract types. The analysis confirms the following conclusions:

- Revenue generated from most construction and service contracts is recognised as a single performance obligation involving the gradual transfer of control. This approach remains consistent with IFRS 15.
- To measure a contract's percentage of completion, the Group uses either a cost-based method or a method based on the physical percentage of completion. For contracts in which the measurement method corresponds to the physical percentage of completion, the introduction of IFRS 15 is unlikely to lead to the recognition of any material adjustments to opening equity.
- Contracting business lines may receive advances, which are mainly intended to secure and limit non-recovery risks in relation to work done for the customer. As a result, analysis has shown that the primary objective of these advances is not to meet the funding requirements of Group subsidiaries. Lastly, advances received are consumed over relatively short timeframes. In conclusion, the Group has taken the view that the IFRS 15 provisions relating to the identification of a financial activity are not met.

In the Concessions business, the Group has not identified any impact on the method for recognising revenue from concession contracts based on the current IFRIC 12 model. Analysis confirms that there is only one performance obligation during the construction phase of the Group's concession contracts. The provisions of concession contracts have not led to the identification of any distinct performance obligation relating to infrastructure maintenance and renewal works. Those works will continue to be subject to specific provisions measured and recognised in accordance with IAS 37.

3.16. Government grants

An unconditional government grant related to an asset is recognized in profit or loss as 'Other income' when the grant becomes receivable. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Grants that compensate the Group for expenses incurred are recognized in profit or loss as 'Other income' on a systematic basis in the periods in which the expenses are recognized. Other government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as 'Other income' on a systematic basis over the useful life of the asset.

3.17. Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and the effect of initial application is recognized in retained earnings at 1 January 2019.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 was not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

At inception of a contract, the Group 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 Group 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 Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group 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 Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group 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.

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 Component'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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

Short-term leases and leases of low-value assets

The Group has elected not to recognize 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.18. Finance income and cost

Finance income comprises:

- interest income on funds invested;
- gains on the disposal of financial assets;
- fair value gains on financial assets at fair value through profit or loss;
- gains on the re-measurement to fair value of any pre-existing interest in an acquired business combination;
- gains on hedging instruments that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance cost comprise:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- losses on disposal of financial assets;
- fair value losses on financial assets at fair value through profit or loss; and
- impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss are expensed as incurred.

Foreign currency gains and losses are recognized on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.19. Employee benefits

Defined contribution plan

Certain Group subsidiaries provide 'pension plans', 'end of service remuneration plans' and 'long-term service benefits'. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits
The Group long-term employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on triple-A ('AAA') credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits
Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. OC PLC recognizes termination benefits when OC PLC is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when OC PLC is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.20. Income tax

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the current income tax relates to the same fiscal authority.

Deferred tax
Deferred income tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements ('liability' method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also, no deferred income tax is recognized regarding the initial recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

3.21. Segment reporting
An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resource allocation to the segment and to assess its performance and for which discrete financial information is available. The Group determines and presents operating segments on the basis of information that internally is provided to the CODM during the period.

3.22. Consolidated statement of cash flows
The consolidated statement of cash flows has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated applying average exchange rates. Currency translation differences are shown separately in the consolidated statement of cash flows. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as acquisition of subsidiary, net of cash, acquired. Cash flows relating to capitalized borrowing cost are presented as cash flows from investment activities similar as other cash flows to acquire the qualifying asset.

3.23. Earnings per share
Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding. The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. With regard to the convertible notes it is assumed that these are converted in full. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. Regarding equity-settled share option plans it is assumed that all outstanding plans will vest. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding. This is the number of options multiplied by the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

3.24. Subsequent events
The Group assesses whether events occurring between the balance sheet date and the date of issues of the Consolidated Financial Statements have given rise to either adjusting events or non-adjusting events. Adjusting events are events that provide evidence of conditions that existed at the end of the reporting period and have to be recognized in the financial statements. Non-adjusting events are those events that are indicative of conditions that arose after the reporting period, these events are disclosed. Changes in estimates are only adjusted if the estimates contain errors.

4 New accounting standards and policies
On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations.

4.1. Standards, amendments, revisions and interpretations effective to OC PLC in 2020

There are no significant effects with respect the adoption of any standards, amendments and revisions to existing standards and interpretations.

4.2. Standards, amendments, revisions and interpretations not yet effective to OC PLC

There are no significant new standards, amendments, revisions and interpretations that may have significant effects on the Group.

5. Critical accounting judgement, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the consolidated financial statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods. The most critical accounting policies involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements are the following:

Intangible assets

Intangible assets with finite useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. For intangible assets with finite useful lives, OC PLC assesses annually or more frequently whether indicators exist that suggest the intangible asset might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of intangible assets, OC PLC makes estimates and assumptions about future cash flows based on the value in use. In doing so, OC PLC also makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows.

OC PLC tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In determining the recoverable amount, OC PLC makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital (WACC) and future inflation rates.

Property, plant and equipment

Depreciation is calculated using the 'straight-line' method based on the estimated useful lives, taking into account any residual values. Management makes estimates regarding the useful lives and residual values and assumes that depreciation takes place on a 'straight-line' basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. OC PLC assesses annually, or more frequently, whether indicators exist that suggest that an item of property, plant and equipment might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of property, plant and equipment, OC PLC makes estimates and assumptions about future cash flows based on the value in use. In doing so OC PLC also makes assumptions and estimates regarding the discount rates to be used in order to calculate the net present value of the future cash flows.

Financial instruments (including trade receivables and contract assets)

The implementation of business model approach under IFRS 9 require judgement to ensure that financial assets of the Group are classified in to the appropriate category. Deciding whether the classified categories will require assessment of contractual provisions that do or may change the timing or amount of the contractual cash flows.

Impairment financial instruments (including trade receivables)

Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy, or has failed on the repayments of principal and interest. In other circumstances OC PLC uses judgment in order to determine whether a financial asset may be impaired using new ECL model. OC PLC uses judgement in order to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. In addition, Group also make judgments in deciding whether the measurement of expected credit loss reflect reasonable and supportable information that is available without undue cost or effort that include historical, current and forecast information.

Inventories

In determining the net realisable value of inventories, OC PLC estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, OC PLC makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of specific goods and spare parts and the impact of new environmental legislation).

Provisions

Recognition of provisions include significant estimates, assumptions and judgements. IFRS requires only those provisions to be recognized if there is an expected outflow of resources in the near future and if the cost of these outflows can be estimated reliably. Accordingly, management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. These judgements are subject to change as new information becomes available. The required amount of a provision may change in the future due to new developments in the particular matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, the Group may incur charges in excess of the recorded provisions for such matters.

The group uses past experiences to estimate the likelihood and cost of future warranties with respect to services provided and goods sold.

OC PLC recognizes a provision for restructuring regarding cost-saving restructuring measures. Provisions for restructuring include, amongst other, estimates and assumptions about severance payments and termination fees.

Provisions for asset retirement obligations, represent estimated costs of decommissioning. Due to the long time frame over which future cash outflows are expected to occur including the respective interest accretion require assumptions. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements.

In case of contracts future loss the Group estimates the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. In doing so, the Group has to estimate the future cash flows and the discount rates used. In addition to this the Group has to estimate any possible impairments.

With respect to legal cases, the Group has to estimate the outcome of the legal cases. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. The Group periodically reviews the status of these proceedings with both the internal and external legal counsels.

Revenue recognition on revenue contracts with client

The Group conducts a significant portion of its business under construction contracts with customers. The Group recognizes revenue from construction contracts over time using the input method as Group believes this method faithfully represent the transfer of goods or services to the customer over the period of construction contract. This method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. In addition, in determining the transaction price, the Group make significant judgment as to whether any variable consideration to be included in the contract price. The significant estimates include total contract costs, remaining costs to completion, contract price, contract risks, including technical, political and regulatory risks, and other judgments. Management of the operating divisions continually review all estimates involved in such construction contracts, including commercial feasibility, and adjusts them as necessary.

Income taxes

OC PLC is subject to income taxes in numerous jurisdictions. Estimates are required in determining the worldwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes provisions for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made. OC PLC recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which OC PLC operates and the period over which deferred tax assets are expected to be recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss.

Asset held for sale and discontinued operations

OC PLC used judgment in determining what a disposal group or a discontinued operation is and when it qualifies for reclassification according to IFRS 5 (management commitment, ready for sale / demerger, highly probable, completion within one year). In determining what is a disposal group or a discontinued operation, OC PLC judges whether the cash flows of the disposal group or a discontinued operation can be distinguished from the rest of the group, what determines a major line of operation and whether a single coordinated plan to dispose exists and at what date it was formally approved.

6. Financial risk and capital management

Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

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

6.1. Exposure to credit risk

The Group establishes an allowance for impairment that represents its estimate of incurred 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 financial instruments by category.

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

USD million	Note	31 December 2020	31 December 2019
Trade and other receivables (excluding prepayments)	(9)	1,507.5	1,292.5
Contract work in progress	(13)	854.5	869.8
Cash and cash equivalents (excluding cash on hand)	(14)	471.5	373.8
Total		**2,833.5**	**2,536.1**

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

USD million	31 December 2020	31 December 2019
Middle East and Africa	1,163.0	948.4
Asia and Oceania	147.6	147.1
Europe and United States	196.9	197.0
Total	**1,507.5**	**1,292.5**

6.2. Liquidity risk

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

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

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

At 31 December 2019 USD million	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(18)	95.7	105.2	53.9	45.5	5.8
Trade and other payables (excluding lease obligation)	(19)	1,230.4	1,230.4	1,185.8	-	44.6
Lease obligation	(19)	18.3	21.9	2.9	3.1	15.9
Advanced payments from construction contracts		1,096.1	1,096.1	1,096.1	-	-
Total		**2,440.5**	**2,453.6**	**2,338.7**	**48.6**	**66.3**

At 31 December 2020 USD million	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(18)	115.2	123.8	50.2	52.8	20.8
Trade and other payables (excluding lease obligation)	(19)	1,444.0	1,444.0	1,397.8	-	46.2
Lease obligation	(19)	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**

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

6.3. 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.

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 2019 USD million	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	56.7	41.1
Trade and other receivables	2.1	145.2
Trade and other payables	(4.4)	(0.2)

At 31 December 2020 USD million	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)

Significant rates

The following significant exchange rates applied during the year ended 31 December 2020:

	Average 2020	Closing 31 December 2020	Opening 1 January 2020
Egyptian pound	0.0632	0.0635	0.0624
Saudi riyal	0.2664	0.2665	0.2666
Arabic Emirates Dirham	0.2723	0.2723	0.2723
Algerian Dinar	0.0079	0.0076	0.0084
Euro	1.1449	1.2299	1.1212

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 31 December 2020, 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 23.1 million of the profit of the year ended 31 December 2020.

31 December 2019 USD million	Change in FX rate*	Effect on profit before tax**	Effect on equity**
EUR - USD	10%	5.4	39.5
EGP - USD	10%	18.7	-

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

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

** 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 31 December 2020, 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 2.1 million of the profit for the year ended 31 December 2020.

USD million	change in interest rate	31 December 2020	31 December 2019
Effect on profit before tax for the coming year	10%	(2.1)	(5.3)
	10%	2.1	5.3

Categories of financial instruments

USD million	Note	31 December 2020 Financial assets / liabilities at amortized cost	31 December 2020 Derivatives at fair value	31 December 2019 Financial assets / liabilities at amortized cost	31 December 2019 Derivatives at fair value
Assets					
Trade and other receivables	(9)	1,520.2	-	1,301.4	1.5
Contracts work in progress	(13)	854.5	-	869.8	-
Cash and cash equivalents	(14)	473.8	-	374.8	-
Total		**2,848 .5**	**-**	**2,546.0**	**1.5**
Liabilities					
Loans and borrowings	(18)	115.2	-	95.7	-
Trade and other payables (excluding lease obligation)	(19)	1,444.0	-	1,230.4	-
Advanced payments construction contracts		1,086.3	-	1,096.1	-
Total		**2,645.5**	**-**	**2,422.2**	**-**

All financial instruments are in the fair value hierarchy category level 2, there were no transfers between the fair value hierarchy categories.

6.4. Capital management

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

USD million	Note	31 December 2020	31 December 2019
Loans and borrowings	(18)	115.2	95.7
Less: cash and cash equivalents	(14)	473.8	374.8
Net debt		**(358.6)**	**(279.1)**
Total equity		641.9	585.7
Net debt to equity ratio		**(0.56)**	**(0.48)**

7. Property plant and equipment

USD million	Land	Buildings	Equip-ment	Fixtures, and fittings	Under construc-tion	Total
Cost	13.9	93.7	273.3	135.9	5.2	522.0
Accumulated depreciation	-	(34.3)	(204.2)	(102.2)	-	(340.7)
At 1 January 2020	**13.9**	**59.4**	**69.1**	**33.7**	**5.2**	**181.3**
Movements in the carrying amount:						
Additions during the year	1.5	7.8	23.4	9.9	3.1	45.7
Disposals	(1.9)	-	(2.3)	(1.0)	-	(5.2)
Depreciation	-	(7.3)	(24.6)	(15.3)	-	(47.2)
Transfers	-	1.2	2.3	0.1	(3.6)	-
Effect of movement in exchange rates	0.3	0.6	0.9	0.8	-	2.6
At 31 December 2020	**(0.1)**	**2.3**	**(0.3)**	**(5.5)**	**(0.5)**	**(4.1)**
Cost	13.8	102.4	280.3	143.7	4.7	544.9
Accumulated depreciation	-	(40.7)	(211.5)	(115.5)	-	(367.7)
At 31 December 2020	**13.8**	**61.7**	**68.8**	**28.2**	**4.7**	**177.2**

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

USD million	2020	2019
Owned assets	162.2	162.9
Right to use	15.0	18.4
At 31 December	**177.2**	**181.3**

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

USD million	Buildings	Equipment	Total
Cost	17.8	6.0	23.8
Accumulated depreciation	(3.4)	(2.0)	(5.4)
At 1 January 2020	**14.4**	**4.0**	**18.4**
Movements in the carrying amount:			
Additions during the year	2.6	0.3	2.9
Depreciation	(4.2)	(2.1)	(6.3)
At 31 December 2020	**(1.6)**	**(1.8)**	**(3.4)**
Cost	20.4	6.3	26.7
Accumulated depreciation	(7.6)	(4.1)	(11.7)
At 31 December 2020	**12.8**	**2.2**	**15.0**

8. Goodwill

USD million	Goodwill
Cost	13.8
At 1 January 2020	**13.8**
Movements in the carrying amount:	
Additions	-
Impairment	-
At 31 December 2020	**-**
Cost	13.8
Impairment	-
At 31 December 2020	**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 was tested for impairment in the 4th Quarter of 2020 or whenever an impairment trigger exists. No impairment was recorded in the year 2020. The impairment test is based on cash-flow projections of the five year plan. Key assumptions used in the projections are:

iv. Revenue growth: based on expected growth in 2021 as a result of development in backlog and expected general market growth in the USA.
v. Margin development: based on actual experience and management's longer-term projections.

The terminal value was calculated using a long-term average market growth rate of 2.4%. The estimated cash flows are discounted to their present value using a weighted average cost of capital of 6.0%. An increase or decrease of 100 basis points in the assumed WACC or the terminal growth rate would not have resulted in an impairment.

9. Trade and other receivables

USD million	31 December 2020	31 December 2019
Trade receivables (gross)	824.6	640.6
Allowance for trade receivables	(12.1)	(12.3)
Trade receivables (net)	**812.5**	**628.3**
Trade receivables due from related parties (Note 27)	22.9	25.7
Prepayments	12.7	10.4
Other tax receivable	75.5	62.4
Supplier advanced payments	194.2	203.9
Other investments	2.3	2.4
Retentions	284.9	222.7
Derivative financial instruments	-	1.5
Other receivables	115.2	145.6
Total	**1,520.2**	**1,302.9**
Non-current	47.0	44.4
Current	1,473.2	1,258.5
Total	**1,520.2**	**1,302.9**

The carrying amount of 'Trade and other receivables' as at 31 December 2020 approximates its fair value.

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

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

USD million	31 December 2020	31 December 2019
Neither past due nor impaired	458.1	387.7
Past due 1 - 30 days	43.6	32.4
Past due 31 - 90 days	87.2	58.9
Past due 91 - 360 days	114.9	70.8
More than 360 days	120.8	90.8
Total	**824.6**	**640.6**

Management believes that the unimpaired amounts that are past due by more than 30 days are collectible in full, based on historic payment behaviour 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 year ended 31 December 2020 was as follows:

USD million	2020	2019
At 1 January	(12.3)	(11.9)
Provisions no longer required	1.7	0.9
Provisions formed	(2.0)	(0.7)
Provisions used	0.3	-
Other	0.2	(0.6)
At 31 December	**(12.1)**	**(12.3)**

10. Equity accounted investees

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

USD million	2020	2019
At 1 January	430.0	419.5
Acquisition	-	8.3
Share in results	(3.2)	27.1
Dividends	(15.0)	(22.8)
Effect of movement in exchange rates	7.6	(2.1)
At 31 December	**419.4**	**430.0**

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

BESIX Group 50% USD million	2020	2019
Assets	1,741.4	1,644.4
Liabilities	(1,358.5)	(1,249.6)
Net assets at 31 December	**382.9**	**394.8**
Construction revenue	1,586.7	1,933.2
Construction cost	(1,592.9)	(1,910.3)
Net (loss) profit at 31 December	**(6.2)**	**22.9**

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 26)	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:

USD million	2020	2019
Assets	1,877.4	1,779.0
Liabilities	(1,458.0)	(1,349.0)
Net assets at 31 December	**419.4**	**430.0**
Income	1,618.7	1,951.7
Expense	(1,621.9)	(1,924.6)
Net (loss) profit at 31 December	**(3.2)**	**27.1**

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.

11. Income taxes

11.1. Income tax in the statement of profit or loss

The income tax on profit before income tax amounts to USD 40.5 million (31 December 2019: USD 39.1 million) and can be summarized as follows:

USD million	31 December 2020	31 December 2019
Current tax	42.5	43.3
Deferred tax	0.9	(4.2)
Tax Credit	(2.9)	-
Total income tax in profit or loss	**40.5**	**39.1**

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:

USD million	31 December 2020	%	31 December 2019	%
Profit before income tax	137.6		170.2	
Tax calculated at weighted average group tax rate	(34.9)	25.4	(58.2)	34.2
(Recognised) Reduction in deferred tax asset	**(0.9)**	**0.7**	**4.2**	**(2.5)**
Tax credit	2.9	(2.1)	-	-
Other	(7.6)	5.5	14.9	(8.8)
Total income tax in profit or loss	**40.5**	**29.4**	**(39.1)**	**22.9**

11.2. Deferred income tax assets and liabilities

The majority of the deferred tax assets of USD 39.0 million (31 December 2019: USD 39.6 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 2021-2026.

12. Inventories

USD million	31 December 2020	31 December 2019
Finished goods	3.1	17.6
Raw materials and consumables	252.2	239.9
Fuels and others	5.3	5.8
Real estate	27.5	29.7
Total	**288.1**	**293.0**

During the year, the total write-downs amounted to USD 10.3 million (31 December 2019: USD 10.2 million), 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.

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

USD million	31 December 2020	31 December 2019
Costs incurred on contracts (including estimated earnings)	24,346.1	21,850.7
Less: billings to date (Net)	(23,875.4)	(21,356.2)
Total	**470.7**	**494.5**

Presented in the consolidated statements of financial position as follows:		
Construction work in progress - current assets	854.5	869.8
Billing in excess of construction contracts - current liabilities	(383.8)	(375.3)
Total	**470.7**	**494.5**

14. Cash and cash equivalents

USD million	31 December 2020	31 December 2019
Cash on hand	2.3	1.0
Bank balances	467.1	355.4
Restricted funds	0.6	6.7
Restricted cash	3.8	11.7
Total	**473.8**	**374.8**

Restricted funds

The restricted amounts mostly relate to letters of credits of United Holding Company (USD 0.6 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 .

15. Share capital

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

	2020	2019
At 1 January - fully paid	116,761,379	116,761,379
At 31 December - fully paid	**116,761,379**	**116,761,379**
At 31 December (in millions of USD)	**116.8**	**116.8**

16. Reserves

USD million	2020	2019
At 1 January	(304.6)	(335.6)
Currency translation differences	14.9	31.0
At 31 December	**(289.7)**	**(304.6)**

17. Non-controlling interest

31 December 2019 USD million	United Holding Company	Orascom Saudi	Suez Industrial Development	Other individual insignificant entities	Total
Non-controlling interest percentage	43.5%	40.0%	39.5%		
Non-current assets	7.1	-	6.4	1.7	15.2
Current assets	47.9	101.4	21.2	3.2	173.7
Non-current liabilities	-	(0.9)	(11.8)	-	(12.7)
Current liabilities	(28.9)	(95.1)	(5.5)	(2.9)	(132.4)
Net assets	**26.1**	**5.4**	**10.3**	**2.0**	**43.8**
Revenue	55.5	12.6	4.4	5.8	78.3
Profit	7.4	(2.0)	2.4	2.0	9.8
Other comprehensive income	2.5	-	1.0	0.1	3.6
Total comprehensive income	**9.9**	**(2.0)**	**3.4**	**2.1**	**13.4**

31 December 2020 USD million	United Holding Company	Orascom Saudi	Suez Industrial Development	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	**26.9**	**4.4**	**12.6**	**2.1**	**46.0**
Revenue	49.5	3.3	6.9	5.9	65.6
Profit	4.2	(1.0)	2.6	0.4	6.2
Other comprehensive income	0.1	-	0.2	0.1	0.4
Total comprehensive income	**4.3**	**(1.0)**	**2.8**	**0.5**	**6.6**

18. Loans and borrowings

Borrowing Company	Interest rate	Date of maturity	Long-term portion	Short-term portion	Bank facilities	Total
Orascom Construction SAE	Multiple rates	Annual	-	-	40.7	40.7
OCI Saudi Limited	Saibor + 1.80%	5/2021	3.6	8.7	-	12.3
Orascom Construction Industries-Algeria	1 Month TB + 6.0%	10/2020	-	4.8	-	4.8
The Weitz Group, LLC	Multiple rates	Multiple	1.8	0.6	-	2.4
Contrack Watts Inc	LIBOR + 2.5%	Annual	-	-	11.1	11.1
Other	Multiple rates	-	-	13.8	10.6	24.4
Total as of 31 December 2019			**5.4**	**27.9**	**62.4**	**95.7**

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%	10/2021	-	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**

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 6. The fair value of loans and borrowings approximates the carrying amount as at the reporting date.

Certain covenants apply to the aforementioned borrowings.

19. Trade and other payables

USD million	31 December 2020	31 December 2019
Trade payables	555.2	466.6
Trade payables due to related party (Note 27)	4.7	2.8
Other payables	209.3	169.6
Accrued expenses	487.4	453.4
Deferred revenues	3.6	4.6
Other tax payables	14.2	10.1
Lease obligation	15.9	18.3
Retentions payables	165.7	119.9
Employee benefit payables	3.9	3.4
Total	**1,459.9**	**1,248.7**
Non-current	57.1	56.7
Current	1,402.8	1,192.0
Total	**1,459.9**	**1,248.7**

Information about the Group's exposure to currency and liquidity risk is included in Note 6. The carrying amount of 'Trade and other payables' approximated the fair value.

Retentions payable relate to amounts withheld from sub-contractors.

20. Provisions

USD million	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2019	14.9	15.5	72.9	103.3
Provision formed	-	0.8	12.0	12.8
Provision used	-	-	(2.6)	(2.6)
Provision no longer required	(5.9)	(8.0)	(52.2)	(66.1)
Others	0.8	-	2.4	3.2
Effect of movement in exchange rates	0.3	0.9	1.5	2.7
At 31 December 2019	**10.1**	**9.2**	**34.0**	**53.3**

USD million	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**

Warranties

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

Other (including claims)

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

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

I. Expenses by nature

USD million	31 December 2020	31 December 2019
Changes in raw materials and consumables, finished goods and work in progress	2,549.8	2,272.1
Employee benefit expenses (ii)	514.6	559.4
Depreciation and amortization	47.2	51.8
Maintenance and repairs	49.3	42.6
Consultancy expenses	12.8	11.7
Other	61.0	45.0
Total	**3,234.7**	**2,982.6**

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

II. Employee benefit expenses

USD million	31 December 2020	31 December 2019
Wages and salaries	428.9	460.2
Social securities	4.2	4.0
Employee profit sharing	1.5	3.3
Pension cost	6.3	6.5
Other employee expenses	73.7	85.4
Total	**514.6**	**559.4**

During the year ended 31 December 2020, the average number of staff employed in the Group converted into full-time equivalents amounted to 20,804 permanent and 43,095 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 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 financial year 2020 is USD 8.0 million and the expected contribution to these plans for the financial year 2021 is USD 5.5 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.

22. Other income

USD million	31 December 2020	31 December 2019
Net gain on sale of property, plant and equipment	1.7	1.7
Scrap and other	12.5	13.3
Total	**14.2**	**15.0**

23. Net finance cost

USD million	31 December 2020	31 December 2019
Interest income on financial assets measured at amortized cost	13.5	8.2
Fair value gain on derivatives	-	1.5
Foreign exchange gain	7.8	15.5
Finance income	**21.3**	**25.2**
Interest expense on financial liabilities measured at amortized cost	(22.8)	(53.0)
Fair value loss on derivatives	(1.6)	-
Foreign exchange loss	(6.7)	(45.5)
Finance cost	**(31.1)**	**(98.5)**
Net finance cost recognized in profit or loss	**(9.8)**	**(73.3)**

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.

USD million	31 December 2020	31 December 2019
Total interest income on financial assets	13.5	8.2
Total interest expense on financial liabilities	(22.8)	(53.0)

24. Earnings per share

I. Basic

	31 December 2020	31 December 2019
Net profit attributable to shareholders (1 million USD)	90.9	121.3
Number of ordinary share (million)	116.8	116.8
Basic earnings per ordinary share	**0.78**	**1.04**

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 31 December 2019

USD million	MENA	USA	Besix	Total
Total revenue	**2,182.2**	**1,001.8**	**-**	**3,184.0**
Share in profit of associates	2.5	1.7	22.9	27.1
Depreciation and amortization	(44.8)	(7.0)	-	(51.8)
Interest income (including gain on derivatives)	9.6	0.1	-	9.7
Interest expense (including loss on derivatives)	(50.6)	(2.4)	-	(53.0)
Profit before tax	**163.1**	**(15.8)**	**22.9**	**170.2**
Investment in PP&E	39.5	23.8	-	63.3
Non-current assets	**245.3**	**69.0**	**394.8**	**709.1**
Total assets	**2,657.5**	**453.0**	**394.8**	**3,505.3**
Total liabilities	**2,533.4**	**386.2**	**-**	**2,919.6**

Business information for 31 December 2020

USD million	MENA	USA	Besix	Total
Total revenue	**2,107.3**	**1,263.8**	**-**	**3,371.1**
Share in profit of associates	(2.3)	5.3	(6.2)	(3.2)
Depreciation and amortization	(39.8)	(7.4)	-	(47.2)
Interest income (including gain on derivatives)	13.1	0.4	-	13.5
Interest expense (including loss on derivatives)	(22.5)	(1.9)	-	(24.4)
Profit before tax	**134.4**	**9.4**	**(6.2)**	**137.6**
Investment in PP&E	40.5	5.2	-	45.7
Non-current assets	**240.4**	**73.1**	**382.9**	**696.4**
Total assets	**2,930.8**	**474.8**	**382.9**	**3,788.5**
Total liabilities	**2,742.0**	**404.6**	**-**	**3,146.6**

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 10.

The geographic information above analysis 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	31 December 2020	31 December 2019
Egyptian Government	52.2%	57.6%

26. Contingencies

26.1. Contingent liabilities

26.1.1. Letters of guarantee / letters of credit

Letters of guarantee issued by banks in favor of others as at 31 December 2020 amount to USD 1,773.1 million (31 December 2019: USD 1,384.6 million). Outstanding letters of credit as at 31 December 2020 (uncovered portion) amount to USD 75.3 million (31 December 2019: USD 55.7 million).

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

As of 31 December 2020, mechanic liens have been received in respect of one of our US project for a total of USD 5.0 million (31 December 2019: USD 5.0 million).

26.1.2. Litigations and claims

In the ordinary course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defendants or claimants. These litigations are carefully monitored by the entities' management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. OC PLC does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In cases where it is probable that the outcome of the proceedings will be unfavourable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 20 'Provisions'. It should be understood that, in light of possible future developments, such as: (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, OC PLC cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. 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 consolidated financial position but could be material to our results of operations or cash flows in any one accounting period.

26.1.3. Sidra Medical Center

The contract for the design and build of the Sidra Medical and Research Centre in Doha, Qatar, was awarded by the Qatar Foundation for Education, Science & Community Development (the "Foundation") in February 2008 to the associate owned by Obrascón Huarte Lain (55%) and Contrack (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. Procedural hearings and expert meetings took place, with the substantive hearing being held 23 October 2017 to 17 November 2017. In February 2018, the Arbitral Tribunal issued a partial award in respect of certain variation claims and defects, and further agreed that questions of quantum as well as the remaining matters in dispute will be addressed in three long hearings, two that were held in April/May and October/November 2018, and upcoming hearings, including for procedural matters, scheduled to be held in May 2021 and beyond.

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. The Foundation has not yet specified the amount/s that it claims against OCI under the PCG. OCI filed its Answer to the Request for Arbitration on 9 November 2017 asserting lack of jurisdiction, premature and inadmissible claim, and that the PCG has expired. The Terms of Reference were signed on 22 January 2018, and the Tribunal issued its first Procedural Order on 12 March 2018. The Foundation filed its Statement of Case on 23 April 2018, and OCI filed its Statement of Defence in 15 August 2018. At this time, the Tribunal has not ordered the parties to take any further substantive steps.

27. Related party transactions

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

Related party	Relation	Revenue transactions during the year	AR and loan outstanding at year end	Purchases transactions during the year	AP and advances outstanding at year end
Medrail	Equity accounted investee	-	4.4	-	-
Ras Ghareb Wind Energy	Equity accounted investee	-	8.3	-	-
Iowa fertilizer Company	Related via Key Management personnel	0.9	0.9	-	-
Natgasoline	Related via Key Management personnel	(2.9)	0.1	-	-
OCI N.V.	Related via Key Management personnel	-	0.5	-	-
OCI SAE “fertilizer”	Related via Key Management personnel	-	2.0	-	-
Other		0.6	9.5	-	2.8
Total as at 31 December 2019		**(1.4)**	**25.7**	**-**	**2.8**

Related party	Relation	Revenue transactions during the year	AR and loan outstanding at year end	Purchases transactions during the year	AP and advances outstanding at year end
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	0.9	-	-	-
OCI SAE “fertilizer”	Related via Key Management personnel	-	2.7	-	-
Other		-	6.8	-	4.7
Total as at 31 December 2020		**0.9**	**22.9**	**-**	**4.7**

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. Demerger of Construction and Engineering business

27.1.1. General

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

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

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

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

27.1.2. Conditional sale agreement

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

27.1.3. Tax indemnity agreement

On 6 February 2015, OC PLC and 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).

27.2. OCI Foundation and Sawiris Foundation

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

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

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

During the year ended 31 December 2020, 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 keymanagement personnel for the year ended 31 December 2020 amount to around USD 10 million.

29. List of principal subsidiaries, associates and joint ventures

Companies	Country	Percentage of interest	Consolidation method
Cementech Limited	BVI	100.00	Full
Orascom Construction Industries Algeria Spa	Algeria	99.90	Full
IMAGRO Construction SRL	Italy	49.90	Full
BESIX Group SA	Belgium	50.00	Equity
Aluminium & Light Industries Co Ltd	Egypt	100.00	Full
OCI Construction Limited	Cyprus	100.00	Full
Orascom Construction	Egypt	100.00	Full
Orascom Road Construction	Egypt	99.98	Full
Orasqualia for the Development of the Wastewater Treatment Plant	Egypt	50.00	Equity
National Steel Fabrication	Egypt	99.90	Full
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 20 May 2020, the shareholders' at the Annual General Meeting had approved a dividend of USD 0.21 per share amounting to USD 24.5 million , which had been paid in August 2020. On 30 December 2020, the board of directors' has approved an interim dividend of USD 0.21 per share which has been paid on 26 January 2021, bringing total dividends announced in FY 2020 to USD 0.42 per share.

Subsequent to the year-end ,the Board of Directors has proposed a dividend of USD 0.23 per share amounting to USD 27 million which is to be approved by the shareholders at the Annual General Meeting on May 2021.

30. 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 of and for the year ending 31 December 2020. Further, we concluded that significant changes are not required as of 31 December 2020 in its key accounting judgements and estimates from those applied in the last annual consolidated financial statements as of 31 December 2019.

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.

Dubai, UAE, 24 March 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 (from 17 September 2020)	Member

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This annual report is available online at
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