Part of the solution.

Half-Year Report 2022

Key Data

in EUR m	1–6/2022	1–6/2021	Change
Operating data			
Production output[1]	2,766	2,496	10.8%
Foreign share	53.8%	53.5%	0.3 PP
Order backlog	8,049	7,848	2.6%
Order intake	3,046	3,271	-6.9%
Staffing level (average)	20,181	19,808	1.9%

Earnings indicators	1–6/2022	1–6/2021	Change
Revenue	2,595.9	2,288.3	13.4%
EBITDA	125.8	114.0	10.3%
EBIT	32.0	21.2	51.2%
EBT	22.1	11.5	92.8%
Profit/loss for the period	15.6	8.6	81.2%

Financial position indicators	30.6.2022	31.12.2021	Change
Total assets	4,035	4,065	-0.7%
Equity (incl. non-controlling interests)	742	824	-10.0%
Equity ratio	18.4%	20.3%	-1.9 PP
Net debt	198	-65	< -100.0%

Cash flow and investments	1–6/2022	1–6/2021	Change
Cash flow from operating activities	-104.2	-41.3	> 100.0%
Cash flow from investing activities	-44.5	-80.3	-44.6%
Cash flow from financing activities	-155.5	-57.0	> 100.0%
CAPEX[2]	114.2	130.8	-12.8%
Depreciation/amortisation/impairment	93.7	92.8	1.0%

Key data regarding shares	30.6.2022	31.12.2021	Change
Number of shares	39,278,250	39,278,250	-
Market capitalisation	481.6	539.7	-10.8%

[1] The production output corresponds to the output of all companies and consortiums (fully consolidated, equity method, proportional or those of minor significance) in line with the interest held by PORR AG.
[2] Investments in property, plant and equipment and intangible assets.

The figures have been rounded off using the compensated summation method. Absolute changes are calculated using the rounded values, relative changes (in percent) are derived from the non-rounded values.

Contents

Dear shareholders and stakeholders,

Our PORR has had a successful first half of 2022. There was another strong increase in production output: It rose by 10.8% to EUR 2,766m. This delivered an increase in earnings: In comparison to the previous year, EBT rose to EUR 22.1m. The 2.6% higher order backlog of more than eight billion euros remains our stable foundation for the coming years. There is also good news from the market: Material prices are slowly stabilising. What's more, PORR has coped well with the volatile situation in the first half of the year. For us, the early introduction of a new pricing model has paid off, along with the strategy of a selective approach to new contracts.

And we will continue in the same way: We are expanding our permanent business, deepening the value chain and promoting high-margin product areas. We continue to focus on our Green and Lean strategy and our future programme PORR 2025. For example, we are currently rolling out BIM and LEAN across the entire Group and using innovative IT solutions to digitise our supply chain and construction processes. Just a few examples out of many!

We would like to thank you, our stakeholders, for your trust and support. Together with you, we hope that there are many more successes to come.

Vienna, August 2022

Sincerely, The Executive Board

Karl-Heinz Strauss
Chairman of the Executive Board and CEO

Klemens Eiter
Member of the Executive Board and CFO

Josef Pein
Member of the Executive Board and COO

Jürgen Raschendorfer
Member of the Executive Board and COO

Highlights

Green and Lean

Climate-friendly materials, water-saving sanitary facilities and separate heat meters for efficient monitoring. District heating and cooling as well as a ventilation system with heat recovery. And additionally the interior design by Karim Rashid. This all adds up to make Austria's first prizeotel in Vienna an economy design hotel. As the design-build contractor, PORR used LEAN Construction to work with everyone involved. This enabled the project, which has been awarded "klimaaktiv Gold", to be handed over two months earlier than planned.

Species protection on point

The city of Drammen is situated at the mouth of the Drammenselva. More than 40 species of fish live in the river, including salmon. The PORR subsidiary PNC Norge is responsible for removing the bridge above and constructing a new city bridge including a waterfront promenade. Worth around EUR 85m, this project is the largest single contract in the first half of the year. However, to avoid disturbing the salmon that migrate through the river, no work may take place in the water between May and September. The bridge is scheduled for completion in August 2025.

Back to the roots

At 65 metres and 18 storeys high, Germany's tallest timber-hybrid tower is being built in Hamburg's HafenCity: The Roots. The solid shell is being realised by PORR Oevermann. The special feature here is a combination of conventional reinforced concrete construction and a timber supporting structure. Around 5,000 cubic metres of softwood are being used for the construction. This will give rise to 181 apartments. This construction method helps to reduce CO_2 and minimises dust pollution and noise emissions.

From waste to energy

A total of 180,000 tonnes of waste per year can soon be processed in the installation of thermal processing with energy recovery (ITPOE) in Rzeszów, Poland. This is because PORR is building a second processing line of the ITPOE as part of a consortium. The energy obtained from the thermal conversion process will be used to generate electricity and heat. In this way, PORR is making an important contribution to the switch to low-emission plants.

Faster to the Giant Mountains

Every day, 16,000 cars pass through the Czech town of Nová Paka. Besides the emissions and noise, there is another problem: Many lorries are too big and too tall for the underpass and narrow roads there, leading to repeated damage. For about 30 years now, the 9,000 residents have wanted a bypass – and now they are about to get one. PORR is building an 8.5-kilometre road from Kumburský Újezd to Vidochov. It will significantly relieve Nová Paka's traffic load and reduce the travel time to the Giant Mountains.

Sustainable revitalisation

The Schader department store on the banks of Lake Zurich is a heritage-protected building. PORR SUISSE is now sustainably revitalising it for Zürich Versicherungs-Gesellschaft. Down to the primary structure, the deconstruction was carried out in the most resource-conserving way possible, including the reuse of materials. The renovation work, which also includes optimal thermal insulation of the building envelope and a heat pump powered by water from the lake, also has a positive impact on energy consumption.

PORR 2025

The PORR 2025 future programme shines a spotlight on PORR's strengths and on efficiency optimisation in the organisation. To secure profitable growth and position itself for the future, PORR is intensifying and accelerating a wide range of measures to adjust cost structures, the organisation and the portfolio. At the same time, growth topics and digital technologies are being promoted in order to safeguard PORR's future viability.

	STRATEGY	TARGETS
Markets	**Greater focus** PORR remains convinced of the long-term potential of its seven European home markets. The goal is to safeguard and further expand this powerful market position in Europe with a focus on selective, results-oriented and sustainable construction and growth.	· Unite **economy, environment and society** in construction · Intelligent growth with **Green and Lean** · **Expand on leading position** in the home markets · Build on **general contractor/design-build approach**
Operational excellence and digitalisation	**Realising future potential** With the transformation currently underway, uniform standards should be secured across the entire Group along with connected processes. Digital, efficient solutions across the entire construction value chain and new, data-based business models open up a new dimension in terms of potential.	· **Innovation leader** in construction and technology · Utilise **digital opportunities** · Optimise **construction processes** · Increase **project margins** by a further 1.1% to 1.3% by 2025 (based on 2021)
Staff and organisation	**Greater efficiency** The rapidly changing market environment demands new flexibility. With a lean and efficient organisation PORR should be strong and well prepared for (un)foreseeable external impacts. A modern and appreciative working environment is intended to provide an ongoing Best Place to Work.	· **LEAN Management** – flat hierarchies and fast decision paths · **Best Place to Work**: increase staff satisfaction and reduce fluctuation · Cut overheads – **increase EBT margin** by a further 0.2% to 0.4% (based on 2021)
Finance	**Enhancing value** The changing market conditions and PORR's strong growth in the last few years have necessitated an improvement in earnings power and cost structures along with optimising capital employed and the capital structure.	· **Improve capital employed:** Sustainable increase in free cash flow, reduce working capital, maintain adequate liquidity · **Optimising the capital structure:** Improve equity ratio (20% to 25%) through capital measures and organic growth, reduce hybrid capital (medium-term equity < 30%), significant reduction in financial liabilities

	MILESTONES IN FIRST HALF-YEAR 2022	MEASURES 2025
Markets	· **Top output**: EUR 2,766m · **Record order backlog**: EUR 8,049m · Expansion of **permanent business**: Significant new orders in Czech Republic, Slovakia and Romania · Increase in orders of **sustainable building**: timber-hybrid tower, thermal waste processing with energy recovery, LNG terminal, **Slab Track** / railway engineering	· Promote **sustainable construction** (energy-efficient buildings, smart mobility/infrastructure, renewable energy) · Extend **value chain** · Expand **permanent business** · Optimal **portfolio mix** via Heatmap – expand high-margin product areas
Operational excellence and digitalisation	· Order books with better **margin and risk profile** · Business Information Modeling (BIM) meets ESG: **Recycling capabilities** of construction materials integrated into digital building model · Comprehensive **rollout of LEAN** to branch offices · Significant increase in number of **BIM and LEAN projects**	· Group-wide rollout of **BIM and LEAN** · Task Force to avoid and continue to reduce **loss-making construction sites** · Digitalise the **supply chain** and **construction processes** through innovative IT solutions (Sequello, DigiTun, ISHAP) · Increase efficiency in **project management** – Group-wide rollout of iTwo for construction
Staff and organisation	· New **employer branding:** Record number of applications and new hires for apprenticeships · **Best Place to Work:** Germany's **most sought-after employer 2022** in the construction category · Update on **PORR Academy**: Pilot project with around 300 **online learning nuggets** to choose from	· Sustainable **cost savings in administration** of EUR 45m from 2022 · Digitalise administrative processes/ **process automation** with Robotics · Expand **PORR Academy** · **Leadership programme** at every management level
Finance	· **Increased financial performance** – Focus on strict working capital management – Net debt improved by EUR 112m – Cash and cash equivalents (incl. investment certificates): ~ EUR 500m; liquidity reserve > EUR 750m · **Improvement of capital structure** – Equity ratio at 18.4% (HY 2021: 18.1%) – Hybrid capital reduced by EUR 76.1m vs. HY 2021 Sharp decrease in hybrid capital as share of equity to 33%	· **Optimise financial performance/capital employed** – Reduce receivables and working capital through cash conversion – Intensify investment controlling – Reduce total assets · **Optimise capital structure** – Reduce financial liabilities through cash/ reduction in working capital – Strengthen equity by increasing profitability and securing sustainable payout ratio of 30% to 50%

The world faces huge challenges.

Taking responsibility is part of the solution.

On the right track

Building is in the nature of humankind. But the way we build is a fundamental decision. And one that was easy for PORR to make. Because sustainability is in our DNA.

Society stands at a crossroads. We can take the seemingly easy path, but with some dangers lurking in the not-too-far distance. Or we can choose what appears to be the less comfortable path with initial challenges. Once these are overcome, we can look forward to a sustainable future. You take responsibility – for yourself, for society, for future generations, for the world. You can be part of the problem or part of the solution. PORR made its decision a long time ago: We are not only going down the sustainable path – we are also building it.

For all of us

It is indisputable. The world is going through a period of change. Where it is heading depends on which path humanity decides to take. The effects of climate change, urbanisation, digitalisation and pandemics – we face many challenges that require solutions now.

As one of Europe's leading construction companies, PORR is aware of its huge responsibility. We build for generations and shape living environments – with and for people. In doing so, we do not take the easy path, but the right one. Because acting sustainably is an essential part of our social responsibility while simultaneously serving as the foundation of our success. The construction industry requires flexible action that conserves resources and puts the customer first. To achieve this, the needs of every stakeholder must be taken into account. As PORR, we maintain a regular and open dialogue with them. It is only when sustainability is a central aspect along the entire value chain that we can jointly make a positive contribution to a future worth living. This is why not only every PORR employee but also every business partner is obliged to adhere to our Code of Conduct and its economic, ethical-social and environmental standards.

At 836 metres, the Minnevika Bridge is Norway's longest railway bridge.

Intelligent building also means taking responsibility. For the environment, for the future, for the people.

For the future

Green and Lean means we are redefining the way we build. It means we are thinking holistically in terms of circular economy and promoting partnership models. And acting efficiently and transparently. Sustainability is not just a vision for us. It is in PORR's DNA. We want to become the market leader for resource-conscious, circular construction. And we are on the right track. We prioritise the careful use of resources and provide new impetus through our actions. In the previous year, for example, we processed around 400,000 tonnes of construction waste at the Himberg Recycling Centre alone, and this figure is as high as 2.2 million tonnes per year across the whole PORR Group. 1.7 million of this replaces primary raw materials at our own construction sites and facilities.

Recycling and the careful use of resources are an integral part of our CO_2-reduction strategy. Concrete becomes recycled concrete and bricks become substrate, which is used for greening roofs. PORR has also developed an innovative processing plant for mineral wool waste, which reduces the volume of mineral wool by up to 80%.

The development towards green building has long been more than that – it has already become a necessity. And PORR is taking the right steps. We design our construction processes to be resource-conscious and we contribute to a sustainable future – above and beyond the legal regulations. PORR offers everything as a one-stop shop along the entire value chain. This allows us to contribute our expertise at every stage of the project and make optimal use of synergies. Additionally, we have rolled out the Green programme and designed measurable and controllable strategies. We are constantly developing climate-friendly innovations and efficient processes.

For the people

Intelligent building also means taking responsibility. For the environment, for the future, for the people. Because building is a People Business. And diversity is part of the solution. We provide around 20,000 PORRians with a secure, equal-opportunity and future-oriented working environment. With flexible working time models and individual time-out options, PORR offers a good work-life balance. We focus on sustainable HR development and encourage individual strengths and skills. With our PORR Campus and the PORR Academy, we offer numerous training and education opportunities for all staff members.

In cooperation with our stakeholders, we tackle the complex challenges of our time with courage and commitment. Together we find answers to society's issues. We develop solutions and initiate countermeasures. In this way, we can live corporate responsibility one step at a time. With this, PORR is setting the pace. And paving the way as **PORR – Home of Construction. To Build a Better World.**

With around 20,000 staff members from approximately 80 nations, diversity is a decisive success factor at PORR.

PORR on the Stock Exchange

Increased uncertainty on the market

At the start of the year, stable inflation rates, the recovery of global supply chains and the easing of the pandemic situation initially led to positive momentum across the markets. With the intensification of the Ukraine conflict, volatility on the stock markets reached a peak worldwide at the end of February. Both the renewed sharp rise in inflation and the disruptions in international supply chains increased uncertainty among market participants. At the same time, planned interest rate hikes by the Federal Reserve (Fed) and the European Central Bank (ECB) put further pressure on global trading hubs. In spring, declining consumer spending and the first restrictive measures by central banks fuelled fears of an economic slowdown.

In the USA, the Fed took a total of three interest rate steps in the first half of the year and raised the base rate to 1.75%. The Dow Jones Industrial Average lost 15.3% in the reporting period compared to the end of the previous year. The ECB did not raise interest rates in the first six months, although it did end its bond-buying programme. Due to the geographical proximity to the Ukraine conflict and the related energy shortages, the leading Eurozone index EURO STOXX 50 lost 19.6%. The German leading index DAX was similarly affected with a decrease of 19.5%. Due to the strong connection of the Vienna Stock Exchange with the Eastern European market, the Austrian leading index ATX came under greater pressure by comparison and ended the first half of the year down 25.4% against year-end 2021.

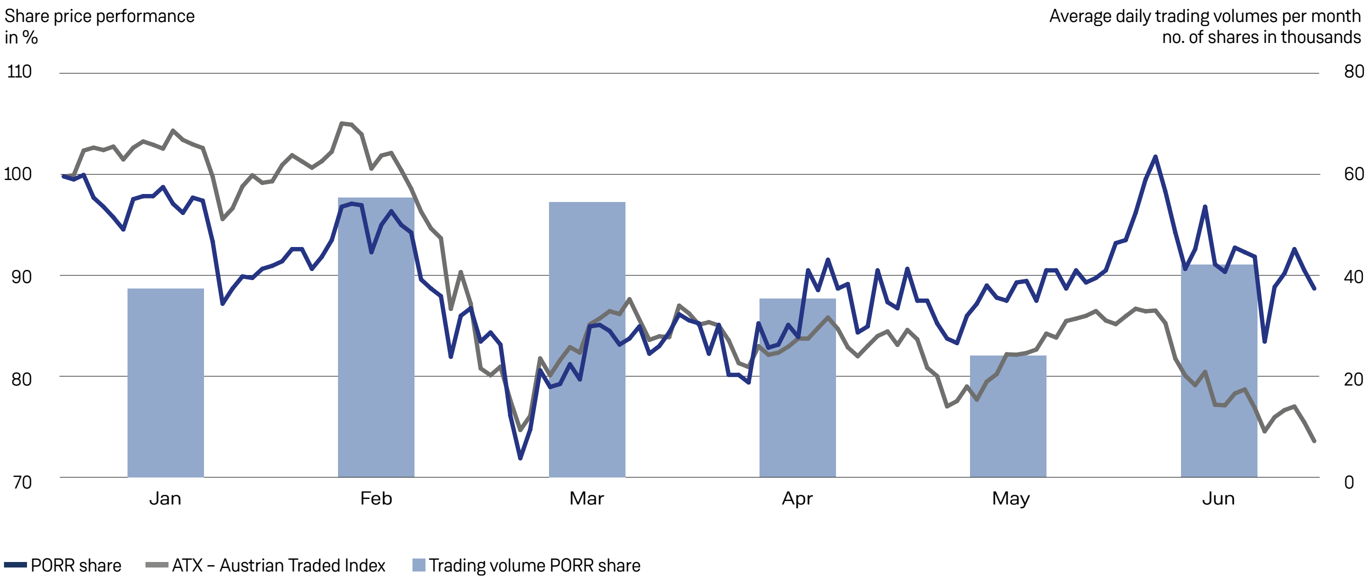
PORR share holds its ground

In the first few months of the year, the PORR share was unable to escape the difficult market environment as a result of the Ukraine conflict and performed in line with the market as a whole. Accordingly, it reached its year-low of EUR 10.02 on 7 March. However, from April onwards and especially after the publication of the annual results for 2021, it showed an extremely solid development and outperformed the market. On 8 June the PORR share reached its current high for the year of EUR 14.00. The increased uncertainty regarding price development as well as bottlenecks for supplies and energy at the beginning of the summer also affected the PORR share and led to a rise in volatility. The share ended the first half at EUR 12.26, 10.8% below the end of the previous year. As of 30 June, the market capitalisation stood at EUR 481.6m.

Steady investor base

The syndicate (Strauss Group, IGO Industries Group) holds the majority of the shares outstanding with 50.4%. An analysis in June 2022 showed that the free float of 49.6% was mainly distributed among Austria (20.3%) and the USA (8.8%). Investors from Great Britain and Germany held around 6.3% and 5.6% of the free float. Around 8.3% of the shares were split among the rest of Europe. 32.2% of the free float shares are held by Retail investors.

Share price performance and trading volumes of the PORR share in the first half of 2022 (index)



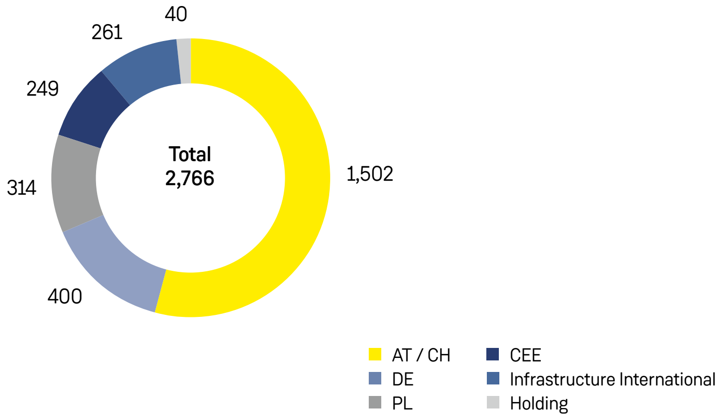

PORR

Group Management Report

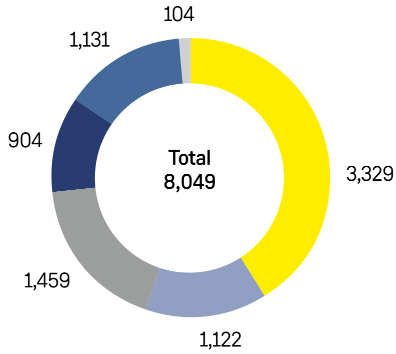
Production output[1]
(in EUR m)

Order backlog
(in EUR m)

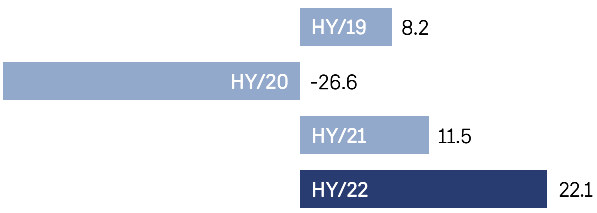
Production output[1] by segment
(in EUR m)



Order backlog by segment
(in EUR m)



EBT
(in EUR m)



Average staffing levels

[1] The production output corresponds to the output of all companies and consortiums (fully consolidated, equity method, proportional or those of minor significance) in line with the interest held by PORR AG.

Markets and Performance

Economic Environment

Uncertainty dominates global economy

Strengthened by the positive momentum from the previous year, the global economy got off to a promising start in 2022. The first quarter in particular developed better than expected. However, with the start of the military conflict in Ukraine, market uncertainty increased drastically. Inflation rose significantly worldwide, necessitating intervention by central banks. Both the American Federal Reserve (the Fed) and the European Central Bank (ECB) took initial steps to tighten monetary policy. Global economic forecasts were revised downwards to a large extent. The experts of the International Monetary Fund (IMF) observed a decline in global economic growth due to factors including the ongoing pandemic in China – with lockdowns of cities and ports. Ongoing disruption to international supply chains and bottlenecks in materials and other resources continue to have a dampening effect. For 2022 as a whole, experts currently forecast global economic output to expand by 3.2%. Higher base rates, persistently strong inflation, which is slowing down consumer spending, and ongoing negative influences from the Ukraine conflict will continue to pose an increased risk to the global economy in the future. The IMF expects the global economy to grow by 2.9% in 2023.

In the USA, the high inflation rates led to a reduction in the purchasing power of private households. In contrast, the Fed has already taken several steps to raise interest rates, which are also burdening consumer spending. Overall, it raised the base rate to 2.5%. As a result, the IMF now estimates growth of 2.3% for the US economy in 2022. For the following year, economic output is expected to expand by 1.0%.

In contrast, the ECB raised the base rate slightly to 0.5% in July to counteract the strong increase in inflation in the Eurozone. The geographical proximity to the Ukraine conflict and the dependence on Russian oil and gas increased the uncertainty on the market. In particular, the further development of the energy sector is likely to be decisive for future economic growth in Europe. Overall, the experts of the European Commission predict GDP growth of 2.6% in 2022. Assuming a resilient labour market, inflation levelling off, and support from the European Recovery and Resilience Facility, they expect economic growth of 1.4% in 2023.

The Austrian economy was unable to escape the global economic downturn from the second quarter onwards. Subdued export demand, higher (raw) material prices, disrupted international supply chains and uncertainties in the energy sector contrasted with a significant recovery in tourism. Due to the strong economic growth in the first quarter, the experts of Austria's national bank (OeNB) have forecast 3.8% growth in economic output in Austria for the current year. For the following year, however, they assume a further slowdown and expect growth of just 1.9%.

The German economy, which is more export-oriented, is coming under even more pressure due to the Ukraine conflict. High uncertainty regarding oil and gas supplies – Germany is heavily dependent on Russian gas, among other commodities – is further burdening the market environment. The European Commission therefore forecasts only low growth in 2022 and 2023. The 1.4% and 1.3% respective growth rates in economic output not only reflect the subdued global economy, but also the lower private purchasing power as a result of high inflation.

The countries of Eastern and South-Eastern Europe are proving more resilient in the context of the current global downturn. High inflation, supply chain disruptions and uncertainties surrounding energy supply are being counterbalanced by stable private consumption. On average, economic output in PORR's Eastern European home markets is expected to grow by around 2.9% this year. For 2023, the experts at the Vienna Institute for International Economic Studies predict average growth of 3.2%.

Mixed development in construction sector

The European construction industry has proven its resilience in recent years. This positive momentum continued in the first quarter. European construction investments increased by around 6.0%. However, with the outbreak of the military conflict in Ukraine, uncertainty also grew in the construction sector. At present, higher inflation rates, disruptions in international supply chains and a persistent shortage of skilled labour are dampening continously strong growth. In addition, there is a lack of security of supply in the energy sector – although precautions are already being taken in some cases to find alternative energy sources as backup.

The higher interest rate level is reflected in particular in the demand for residential construction. Here the boom phase in incoming orders is slowly coming to an end. Investment activity in civil engineering continues to be supported by the European Recovery and Resilience Facility. Overall, this should result in slower growth in the construction sector in 2022.

The increase in construction costs has seemingly stabilised at a high level in recent months. Although there is still a clear increase compared to the previous year, prices for copper, timber and steel, for example, already fell in June and July versus the previous month. Nevertheless, the high price volatility continues to cause uncertainty.

In PORR's main home markets, the increase in construction costs can largely be passed on to the client. If this is not the case, suitable strategic procurement measures are being implemented in order to counter the cost increase as efficiently as possible.

Development of Output

The indicator production output covers all classic design and construction services, waste management, raw materials sales and facility management, i.e. all significant services rendered by PORR. For companies fully included in the consolidated group, this output broadly corresponds to the revenue defined and reported in accordance with IFRS. In contrast to revenue, production output also includes the output from consortiums and companies accounted for under the equity method, as well as those of minor significance, in line with the interest held by the Group and differences in definitions reconciled pursuant to commercial criteria.

In the first half of 2022, PORR generated production output of EUR 2,766m. Price increases and the segments AT / CH and CEE were the main contributors to the 10.8% rise in output.

The expansion of output in the segment AT / CH to EUR 1,502m was primarily driven by railway and structural engineering as well as the province of Lower Austria. Overall, the segment increased its output by 13.8%.

A slight increase in production output was also recorded in the segment DE, climbing by EUR 18m to EUR 400m. The significantly higher contribution of PORR Oevermann was the main factor here.

The segment PL generated production output of EUR 314m and was thereby 1.6% below the previous year. While the railway engineering unit saw a very positive development, infrastructure construction experienced a decrease.

The production output of CEE rose by 28.1% to stand at EUR 249m. Both building construction and parts of civil engineering in every one of the three home markets integrated here – Czech Republic, Slovakia and Romania – contributed to this growth.

The areas of Major Projects, Slab Track International and Golf Cooperation Council (GCC) made a particular contribution to production growth in the segment Infrastructure International. Production output in this segment rose by 9.1% to EUR 261m.

With the home markets accounting for 95.3% of total production output in the first half of 2022, PORR's seven European home markets remain the clear focus. Austria was still the largest market with a share of 46.2%. The second and third-largest home markets were Germany and Poland with 23.6% and 12.1% respectively. The Czech Republic and Slovakia accounted for around 5.7% combined, while Switzerland contributed 4.2% and Romania 3.6%.

Order Balance

As of 30 June, PORR's order backlog reached a new high. With a rise of 2.6%, it totalled EUR 8,049m. Once again, the majority of the operating segments reported significant growth, whereby the CEE segment was a particularly strong contributor. The order intake decreased slightly by 6.9% and stood at EUR 3,046m at the end of the first half. Here too the CEE segment achieved significant growth.

The largest orders received in the first half of the year included several major projects in infrastructure construction. The largest new order is the Drammen Bybrua – the construction of a new city bridge in Norway. PORR also won several major contracts to expand other urban infrastructure, such as the thermal waste processing plant in Rzeszów in Poland, the port in Constanta in Romania and the revitalisation of the Barrandov Bridge in Prague. In the field of building construction, PORR was awarded a number of major contracts in industrial construction – in addition to several large-scale residential and office construction projects in Vienna and Munich. These include the WUM medical simulation centre in Warsaw and the BOE research building in Vienna. PORR was also able to win two important follow-up contracts with the interior works of the VIO Plaza in Vienna and the High Energy Photonics Center of Siemens Healthineers.

Financial Performance

The construction industry is subject to seasonal fluctuations typical for the sector. The first half is traditionally weaker than the second and is thereby not necessarily indicative of the full year. This is due to the weaker construction output in the winter months that also affects earnings.

The general market trend of rising costs is also reflected in PORR's financial performance. The revenue increase resulting from the price hikes contrasts with higher prices for purchasing (raw) materials.

In the first half of 2022, PORR's revenue totalled EUR 2,595.9m. The revenue growth of 13.4% versus the prior-year period was primarily caused by the general price increases in the construction industry. Income from companies accounted for under the equity method rose sharply by 29.7% to EUR 35.9m.Higher results from consortiums were a key factor here.

Expenses for materials and other related production services rose faster than revenue, by 18.3%. This was primarily caused by the 21.2% rise in material expenses due to the significant price hikes on the procurement market. Expenses for purchased services also climbed by 17.0%, another relatively sharper rise. In contrast, staff costs increased less sharply in relation and grew by 7.8%. The efficiency measures implemented – not least in the course of PORR 2025 – led staff costs as a percentage of revenue to decrease by 1.4 PP.

While other operating income improved by 10.5%, a reduction of 2.3% was achieved in other operating expenses. This was primarily thanks to lower costs for damages and other project-related expenses compared to the previous year.

The overall picture shows that the cost increases of materials and other related production services are broadly reflected in revenue. Therefore the cost have been passed on to customers. In parallel, the disproportionately slow rise in staff costs and absolute savings in other operating expenses led to a significant improvement in EBITDA of 10.3% to EUR 125.8m. Depreciation, amortisation and impairment was at almost the same level as the previous year at EUR 93.7m. EBIT thereby stood at EUR 32.0m and were 51.2% above the previous year's level. The financial result was practically unchanged at EUR -9.9m. This resulted in a significant improvement in EBT to EUR 22.1m (1-6/2021: EUR 11.5m).

After deducting the lower tax result of EUR -6.5m (1-6/2021: EUR -2.8m), PORR generated a profit for the period of EUR 15.6m in the first half of 2022. Compared to the first half of the previous year, this represents an improvement of EUR 7.0m.

Financial Position

As of 30 June 2022, PORR's total assets stood at EUR 4,034.7m. They were thereby broadly the same as at year-end 2021.

The non-current assets showed a significant decrease due to the repayment of the hybrid capital of EUR 25.3m by UBM Development AG. Under current assets, cash and cash equivalents fell by a total of EUR 303.1m because of seasonal factors on the one hand and due to settling financial liabilities and repaying the 2017 hybrid bond on the other.

The repayment of EUR 51.1m of this hybrid bond in February 2022 also led to a reduction in equity. In addition, the first-time application of the amendments to IAS 37 as of 1 January 2022 also reduced other reserves by EUR 22.1m. Overall, equity decreased by 10.0% to EUR 742.1m due to these effects. The equity ratio was 18.4% as of the reporting date.

Seasonal factors as well as the growth in output led to an increase in trade receivables of EUR 213.4m. This was partly offset by the rise in trade payables (EUR +153.8m versus year-end).

Net debt increased due to seasonal factors rising by EUR 263.8m to EUR 198.4m as of 30 June 2022 (31 December 2021: EUR -65.m). However, compared to 30 June 2021, this was a reduction of EUR 111.7m.

Cash Flows

The improved profit for the period led to higher operating cash flow in the first half of 2022. This rose by 7.4% against the comparable period to EUR 116.6m.

Cash flow from operating activities decreased by EUR 62.9m to EUR -104.2m against the previous period. This is due to in particular the payment of the cartel fine in the second quarter 2022 of EUR 62.4m. Additionally the usual seasonal increase in trade receivables is reflected. As a result of the price and output increases against the previous year, this item underwent a higher increase in the first half of 2022. The rise in inventories is due to both the higher cost level and, in particular, the hedging of (raw) materials.

At EUR -44.5m, cash flow from investing activities fell by almost half compared to the previous year (-44.6%). The reason for this is, on the one hand, slightly lower investment activity in property, plant and equipment and investment property. On the other hand, it is attributable, in particular, to the income from the repayment of hybrid capital by UBM Development AG of EUR 25.3m and other proceeds from the sale of property, plant and equipment and investment property.

Cash flow from financing activities reflects the repayment of hybrid capital totalling EUR 51.1m and the repayment of the bonded loans (Schuldscheindarlehen) of EUR 30.0m as well as settling other financing. There was also a dividend payout in the first half of 2022. This caused cash flow from financing activities to fall below the previous year's level to EUR -155.5m.

As of 30 June 2022, cash and cash equivalents amounted to EUR 461.9m (31 December 2021: EUR 765.0m), which corresponds to an increase of 13.5% against 30 June 2021 and reflects PORR's stable cash base. Taking into account the investment certificates of EUR 38.8m, the cash-like assets (total of cash and cash equivalents and investment certificates) stood at EUR 500.7m and were thereby EUR 53.7m higher than on 30 June 2021.

Investments

In the first half of 2022, no major investments were made beyond the usual investments to replace machinery and construction site equipment and to buy new equipment.

Investment activity is measured by applying the CAPEX indicator (capital expenditure). This includes investments in intangible assets, property, plant and equipment, and assets under construction including investments financed by leases. CAPEX decreased by EUR 16.7m against the same period of the previous year to EUR 114.2m. This resulted in a CAPEX ratio of 4.1% in relation to production output (1–6/2021: 5.2%).

Opportunity and Risk Management

Effective risk management has long been one of PORR's most important principles when carrying out any economic activity and safeguards its competitive ability. If risks have an impact on one of PORR's business fields or markets, this can have a negative effect on the company's earnings. That is why the aim of risk management is to identify risks as soon as possible and then minimise them while still maintaining the company's earnings potential. Risk management at PORR is aimed at organisational processes and controls that can be used to identify risks at an early stage. Efforts are made to continuously develop and improve countermeasures.

There have been no significant changes to the Group's opportunity and risk profile since the 2021 Annual Report that would lead to a change in the assessment of the risk position for PORR. The description in the Risk Report of the 2021 Annual Report from page 79 onwards thereby remains valid.

Staff

In the first half of 2022, PORR employed 20,181 people on average. The 1.9% rise was mainly due to the increase in output.

Forecast Report

The International Monetary Fund (IMF) has forecast global economic growth of 3.2% for the current year. At the same time, economic forecasts have become noticeably gloomier worldwide over the first half of the year. Disruptions in international supply chains, high inflation rates and shortages of (raw) materials are the global consequences of the pandemic, which in some cases is still ongoing, and the continuing Ukraine conflict. Added to this is a tightening of monetary policy by the central banks, which have already taken the first steps to raise interest rates to combat the increased inflation rates.

In the Eurozone, the experts of the European Commission see economic growth of 2.6%. In addition to the geographical proximity to the Ukraine conflict, the European economy is burdened in particular by uncertainty regarding oil and gas supplies. To counter increased inflation, the European Central Bank raised the base interest rate to 0.5%. Further interest rate hikes are expected in the course of the year. The Recovery and Resilience Facility, on the other hand, continues to support the economic recovery after the pandemic.

The EU's financial resources are continuously providing positive impetus in the construction sector as well. This has led to stable demand, especially in infrastructure construction – which is largely independent of the increased interest rate environment. In addition to the megatrends of mobility and digitalisation, the long-term EU budget together with NextGenerationEU addresses sustainability with the European Green Deal in particular. The energy transition is also playing a key role in the transformation to a net-zero Europe: Here, PORR provides expertise in power plant construction, geothermal plants, a patent for the construction of foundations for wind power plants, and know-how in refurbishment and revitalisation. Significantly higher inflation rates and the ongoing pandemic underline the need for affordable housing and the growing demand for healthcare facilities. Urbanisation and health are thereby two more long-term megatrends in the construction sector.

In the short term, the construction industry faces numerous sources of uncertainty. The conflict in Ukraine continues to affect international supply chains. However, thanks to optimised warehousing and efficient procurement management, PORR is currently not affected by any construction site stoppages. Alternative strategies are being developed with regard to energy supply. Due to the low use of gas-powered equipment, natural gas plays a subordinate role on the construction sites and at the majority of PORR branches. At sites with asphalt mixing plants, a switch to alternative energy sources is being made, based on the technical options in each case.

The prices of raw materials, construction materials and other materials have reached new highs in recent months. However, the situation seems to be stabilising. The rises, which were still very pronounced in spring, have recently slowed down. PORR is pursuing a consistent bid management policy: Since the start of the sharp price increases, the PORR pricing model has been adapted accordingly. This largely allows the increased costs of materials and other resources to be passed on to the client. This has resulted in an improved order portfolio from a risk and margin perspective.

Labour shortages on the market are still apparent. PORR is countering this in the long term with flexible working models, the PORR Education Campus and attractive further training and career opportunities.

Based on the current performance in the first half of 2022, the Executive Board expects production output of EUR 5.7 bn to EUR 5.9 bn for the 2022 business year. Despite ongoing uncertainty surrounding price and cost developments and in relation to international supply chains, the Executive Board expects an improvement in earnings versus the previous year. In the medium term, the Executive Board continues to strive for a target EBT margin at Group level of 3.0% by 2025. The consistent continuation of the PORR 2025 future programme and the focus on selective, intelligent growth support the goal of sustainable profitability. Positive effects are expected from consistent acquisition and risk management, the continuous optimisation of construction processes and advancing digitalisation through BIM and LEAN.

The assessment of how the business will perform is based on the current targets in the individual segments as well as the opportunities and risks arising in the respective markets. The future development of the Ukraine conflict and its consequences and intensification cannot be estimated at present. This is accompanied by increased uncertainty in connection with gas deliveries from Russia and the energy supply that depends on them. This means, potential significant increases in energy and construction material prices cannot be ruled out. Any assessment of economic performance is therefore subject to forecasting risks.

Segment Report

Segment AT / CH

Key data

in EUR m	1-6/2022	1-6/2021	Change
Production output	1,502	1,320	13.8%
EBT	21.5	14.6	46.8%
Order backlog	3,329	3,169	5.0%
Order intake	1,676	1,837	-8.8%
Average staffing levels	10,258	9,960	3.0%

The segment AT / CH covers the entire country-level responsibility for the two home markets of Austria and Switzerland. Here PORR is represented with its full range of services. In addition to this permanent business – with the focal points of residential construction, office construction and road construction – come the national competencies in railway engineering, structural engineering, specialist civil engineering and environmental engineering. The areas of large-scale building construction projects, German industrial construction and Slab Track Austria for Europe are also housed here. In addition, equity interests such as IAT, ÖBA – Österreichische Betondecken, Prajo, TKDZ, and ALU-SOMMER have also been integrated into segment AT / CH.

In the first half of 2022, the production output of the segment AT / CH totalled EUR 1,502m and was thereby 13.8% higher than the comparable period of the previous year. The area of railway construction and structural engineering in particular managed to achieve significant growth with Slab Track Austria in Europe – including new Green and Lean projects. In Lower Austria, building construction in particular contributed to the positive development. EBT of the AT / CH segment grew by 46.8% to EUR 21.5m. In addition to the growth in output, this rise was mainly driven by an improvement in results in the operating business.

The order backlog of the AT / CH segment amounted to EUR 3,329m as of the reporting date and was thereby 5.0% above the same date of the previous year. The increase was mainly generated by the area of major projects in building construction. The order intake decreased by 8.8% to EUR 1,676m as a result of the comparatively high value of the previous year, which included several major building construction projects. The focus in both countries in the AT / CH segment remains on selective growth. In addition to Stadtstraße in Vienna, in this segment PORR won several major projects in motorway construction such as the general overhaul of the A9 near Trieben with a total of nine bridges and building an underpass on the S7 near Königsdorf. In building construction, the AT / CH segment acquired several major projects in residential, office and industrial construction in Vienna such as the residential complex Podhagskygasse, lot B, as well as the Florido Liner office building, and interior works for the VIO Plaza. The latter is one of two follow-up contracts in building construction.

The international framework conditions of the Austrian and Swiss construction industry have worsened considerably in the first half of 2022. After a short-term easing of the steady price rises for (raw) materials in winter, the upward momentum accelerated again from the first quarter onwards. A slight easing has been visible since early summer, as the monthly price rises slowed down. In some cases, June even saw a decline against the previous month, such as in Austrian bridge construction and in residential and housing construction. It was partly possible to pass the increased construction costs on to clients. In parallel to this development, the rising interest rate level is causing a slowdown in the strong growth of recent years. The demand pressure in residential construction is slowly decreasing, thereby putting the brakes on significant price increases. In contrast, civil engineering continues to be robust – not least due to the fixed investment programmes of public clients.

The Austrian Institute of Economic Research (WIFO) expects construction investments to grow by 1.1% year-on-year in 2022. For the following years, the experts forecast a similar trend. At the same time, they expect the current bottlenecks in the international supply chains to subside, which should also further weaken the prevailing high price hikes. Increased energy costs, both in Austria and Switzerland, have led to a rise in investments in energy-efficient renovation and refurbishment.

Segment DE

Key data

in EUR m	1-6/2022	1-6/2021	Change
Production output	400	382	4.7%
EBT	-6.3	-9.9	36.1%
Order backlog	1,122	1,195	-6.1%
Order intake	294	456	-35.5%
Average staffing levels	2,183	2,246	-2.8%

The majority of PORR's activities in Germany are bundled in the segment DE. On its second largest market, the company offers building construction, specialist civil engineering and infrastructure services provided by highly qualified experts employed by the company to facilitate high levels of in-depth value creation. PORR has a strong position on the German infrastructure market with its discrete areas of structural engineering, tunnelling, and traffic route construction. Furthermore the segment DE is home to German equity interests including PORR Oevermann and Stump-Franki Spezialtiefbau. This allows PORR to cover the entire value chain in specialist civil engineering.

In the first half of 2022, the production output of the DE segment reached EUR 400m and was thereby 4.7% higher than the previous year. A key factor here was building construction by PORR Oevermann, which had several major projects in the construction phase. With its risk reduction in structural engineering, the DE segment achieved a slight improvement in its EBT. That said, it continues to be hampered by old projects that are coming to an end and totalled EUR -6.3m.

The order backlog of the DE segment slipped back by 6.1% to EUR 1,122m. This mainly resulted from finalising a major project in structural engineering. PORR's focus regarding the order books continues to be on mitigating risk – including by reducing the area of structural engineering. The strong completion rate of major projects in building construction by PORR Oevermann also contributed to the decrease. The order intake reached EUR 294m and was thereby 35.5% below the previous year. The high value used as a comparison included numerous major projects in building construction. Building construction in the East Region in particular is currently facilitating a selective approach to new contracts thanks to the fully utilised capacities. In addition to the new build and conversion of the residential and commercial building Alte Akademie in Munich, PORR is also responsible for the shell construction of a building in Hamburg's Überseequartier. In industrial construction, the DE segment acquired a project to build an aircraft hangar for Airbus.

In Germany, the high level of construction activity at the start of the year was an important driver of general economic growth in the first quarter. However, uncertainty grew as the conflict in Ukraine intensified. The producer price index for commercial products increased by 14.2% in the year to the end of June. Nevertheless, construction activity and new orders remain at a high level. The experts of the Hauptverband der deutschen Bauindustrie (HDB) have forecast a largely stable revenue trend for 2022 as a whole.

Currently, the HDB expects the only slowdown in new orders in 2022 to be in public-sector construction. In residential construction, the tighter monetary policy of the central banks presents an additional burden. On the other hand, demand for affordable housing continues to be strong and is also being addressed by the federal government. The experts therefore do not see any impact on incoming orders before 2023. A structural change is currently taking place in commercial building construction – irrespective of the development of costs and interest rates: While trade, warehouse and co-working space is in demand, the need for retail space is declining. In civil engineering, the government's investment subsidies in particular – EUR 8.2 bn for Deutsche Bahn and EUR 18.3 bn for federal transport routes – are supporting sustained demand for PORR's competencies.

Segment PL

Key data

in EUR m	1-6/2022	1-6/2021	Change
Production output	314	318	-1.6%
EBT	7.6	4.1	85.5%
Order backlog	1,459	1,699	-14.1%
Order intake	304	373	-18.6%
Average staffing levels	2,509	2,452	2.3%

The segment PL holds complete responsibility for Poland, PORR's third largest home market. All Polish equity interests held by PORR are included in this segment. In civil engineering PORR is one of the leading providers in the fields of road, infrastructure and railway construction, as well as specialist civil engineering. In building construction, the focus is on office, industrial and hotel construction as well as on buildings and facilities for the public sector.

In the first half of 2022, the PL segment generated production output of EUR 314m and was thereby slightly below the value of the previous year with a decline of 1.6%. While multiple major projects were completed in infrastructure construction, especially in the north of Poland, which had a negative impact on output, the area of railway construction performed well. The PL segment generated EBT of EUR 7.6m. The railway construction business in particular contributed to this 85.5% improvement.

The order backlog shrank by 14.1% to EUR 1,459m, although it still covers twice the annual output of the PL segment. The decrease resulted in particular from finalising several major projects in infrastructure and railway construction. The order intake decreased by 18.6% to EUR 304m. The approach to accepting new contracts and participating in bids has been highly selective. Irrespective of this, the decline in new orders can be attributed in particular to the building construction sector – and not least to client restraint because of cost increases. PORR's largest incoming orders include the design & build contract for part of the Medical Simulation Center at the University of Warsaw. In addition, the PL segment was commissioned with the construction of a thermal waste treatment plant including energy recovery in Rzeszów – fully in line with circular economy principles.

The Polish economy proved very resilient with regard to the Ukraine conflict. On the one hand, a temporary improvement in the availability of building materials and supplies at the beginning of the year made it possible to replenish suppliers' stocks. This is now contributing to the continuous processing of construction projects. On the other hand, Poland – unlike Germany and Austria – is less dependent on Russian energy supplies. In fact, the complete phase-out of Russian gas is planned for the end of the year. To this end, LNG terminals and pipelines are currently being built – also with PORR as contractor – which in turn is driving demand in pipeline construction. With the final approval of the national reconstruction plan by the European Commission, demand in infrastructure construction is expected to remain high in the future. In building construction – which accounts for a much smaller share of total construction volume in Poland than in Western Europe – the increase in the number of building permits issued in recent years provides a solid basis.

In response to rising inflation rates for (raw) materials, a higher percentage for indexing construction contracts was recently approved by the government. In contrast, the price index for construction and production rose by 7.9% over the course of the year.

Segment CEE

Key data

in EUR m	1-6/2022	1-6/2021	Change
Production output	249	194	28.1%
EBT	0.2	0.0	> 100.0%
Order backlog	904	699	29.3%
Order intake	393	254	55.1%
Average staffing levels	2,215	2,172	2.0%

The segment CEE focuses on the home markets of the Czech Republic, Slovakia and Romania. The local equity interests are integrated here as well. Here PORR offers construction services in building construction and civil engineering, whereby the goal is to provide complete coverage of permanent business in the Czech Republic and Romania. Selected major projects in the infrastructure sector are also undertaken.

The output of the CEE segment rose in the first half of 2022 by 28.1% to EUR 249m. One major project in Romania road construction and one in Romanian railway construction were the main drivers of this increase. In the Czech Republic, both building construction and civil engineering saw positive momentum. The CEE segment generated positive earnings of EUR 0.2m and its performance is thereby in line with planning.

At the end of the reporting period, the order backlog of the CEE segment stood at EUR 904m and was thereby 29.3% higher than the comparable period. This was the result of a significant follow-up contract in Romanian road construction. The order intake increased by more than half to EUR 393m. The EUR 139m increase mainly came from Romania, although the Czech Republic and Slovakia also reported noticeable growth. In the first half of the year, major contracts were won in the infrastructure sector in all three home markets. In the Czech Republic, PORR is responsible for the Nová Paka bypass and the renovation of the Barrandov Bridge in Prague. In Romania, it acquired orders including the modernisation and expansion of the port of Constanța and the revitalisation of the public transport infrastructure in Reșița. PORR is also involved in the construction of the Višňové tunnel in the north of Slovakia.

The construction industry in the CEE countries also got off to a positive start to the year in the first quarter. However, with the escalation of the Ukraine conflict, uncertainties in the market intensified here as well. The rapid rise in the cost of (raw) materials could be observed in all three of PORR's home markets. This is being accompanied on the one hand by the lack of skilled labour and construction materials due to the geographical proximity to Ukraine. Interruptions to international supply chains are also adding to the stressful situation. PORR is countering this with long-term supplier relationships and an optimised procurement strategy. On the other hand, the decline in foreign direct investment is dampening demand.

Despite continuing uncertainty in connection with the Ukraine conflict, experts still expect growth in PORR's home markets. In building construction – in addition to residential construction, which remains stable – growth is expected in healthcare and education construction. In the proportionally larger civil engineering segment, the focus is on road and railway construction projects. In addition to investment programmes by national public clients, infrastructure construction is boosted in particular by the European Recovery and Resilience Facility. Accordingly, the expansion of energy and transport infrastructure is a priority in every country.

Segment Infrastructure International

Key data

in EUR m	1-6/2022	1-6/2021	Change
Production output	261	240	9.1%
EBT	1.3	0.7	88.4%
Order backlog	1,131	1,013	11.6%
Order intake	312	329	-5.1%
Average staffing levels	1,538	1,386	11.0%

The segment Infrastructure International is home to PORR's expertise in international tunnelling, railway construction and specialist civil engineering as well as Slab Track International. The area of Major Projects and the responsibility for the project markets of Norway, Qatar and the United Arab Emirates (UAE) are also integrated here. In this area, PORR focuses on contracts in infrastructure construction and on cooperation with local partners. The PORR export products are offered from here for the international markets in a highly selective way and only when there is clear value added.

In the reporting period, the Infrastructure International segment generated production output of EUR 261m. In addition to the area of Major Projects and Slab Track International, the growth was also due to a slight increase in output in the GCC region. The Infrastructure International segment once again generated positive EBT of EUR 1.3m, whereby tunnelling was a particular contributor to this increase.

The order backlog rose by 11.6% and totalled EUR 1,131m as of the reporting date. A key project in the area of Major Projects and Slab Track International was a huge contributor to this growth. The order intake in the first half of the year stood at EUR 312m. The decrease is due to the comparatively high value from the previous year because of a tunnelling project. The largest new order in the Infrastructure International segment is the construction of the Drammen Bybrua, a new city bridge in Norway.

Uncertainty on the global market intensified significantly with the military escalation of the Ukraine conflict. PORR's project markets have also been affected by this development. Higher inflation rates are currently leading not only to an increase in construction costs but also to a rise in interest rates. This can also have an impact on demand in the construction business.

In its project markets, PORR focuses on civil engineering, which is less dependent on economic cycles. Nevertheless, there have been significant cost increases, interruptions to international supply chains, and a continuing shortage of skilled workers. In Norway, demand is expected to remain stable due to the 2022-2033 National Transport Plan. In Qatar and the UAE, PORR has reduced risks in the project portfolio and is now benefiting from regular demand in public transport.

In tunnelling as well as in the area of Major Projects and Slab Track International, there is still strong potential in the form of the Trans-European TEN-T rail network. This, together with the financing secured through the multiannual EU budget, ensures positive ongoing momentum. Emerging opportunities will be pursued here on the international markets after careful risk analysis and only if there is clear value added.

Interim Consolidated Financial Statements as of 30 June 2022

Consolidated Income Statement

in TEUR	1–6/2022	1–6/2021	4–6/2022	4–6/2021
Revenue	2,595,911	2,288,262	1,485,077	1,319,908
Own work capitalised in non-current assets	826	1,905	421	1,027
Income from companies accounted for under the equity method	35,862	27,643	18,164	17,772
Other operating income	88,652	80,200	47,672	43,411
Cost of materials and other related production services	-1,728,920	-1,461,103	-1,004,061	-860,178
Staff expenses	-669,750	-621,409	-373,933	-342,652
Other operating expenses	-196,812	-201,492	-97,919	-103,897
EBITDA	**125,769**	**114,006**	**75,421**	**75,391**
Depreciation, amortisation and impairment expense	-93,746	-92,820	-49,431	-49,792
EBIT	**32,023**	**21,186**	**25,990**	**25,599**
Income from financial investments and other current financial assets	5,502	1,955	2,959	979
Finance costs	-15,444	-11,690	-7,445	-5,774
EBT	**22,081**	**11,451**	**21,504**	**20,804**
Income tax expense	-6,479	-2,840	-6,252	-5,008
Profit for the period	**15,602**	**8,611**	**15,252**	**15,796**
of which attributable to shareholders of parent	6,306	-2,973	11,443	8,821
of which attributable to holders of profit-participation rights/hybrid capital	7,058	8,688	3,545	4,376
of which attributable to non-controlling interests	2,238	2,896	264	2,599
Basic earnings per share, total (in EUR)	0.16	-0.10	0.29	0.31
Diluted earnings per share, total (in EUR)	0.16	-0.10	0.29	0.31

Statement of Comprehensive Income

in TEUR	1–6/2022	1–6/2021	4–6/2022	4–6/2021
Profit for the period	**15,602**	**8,611**	**15,252**	**15,796**
Other comprehensive income				
Remeasurement of defined benefit obligations	8,379	5,706	5,324	4,255
Measurement of equity instruments	-185	48	483	10
Income tax expense (income) on other comprehensive income	-2,318	-1,464	-1,401	-1,108
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	**5,876**	**4,290**	**4,406**	**3,157**
Exchange rate differences	-441	3,851	-1,271	4,379
Gains/losses from cash flow hedges				
in the period under review	-605	65	-1,119	-72
Income tax expense (income) on other comprehensive income	128	-16	258	18
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**-918**	**3,900**	**-2,132**	**4,325**
Other comprehensive income	**4,958**	**8,190**	**2,274**	**7,482**
Total comprehensive income for the period	**20,560**	**16,801**	**17,526**	**23,278**
of which attributable to shareholders of parent	11,105	5,110	13,556	16,157
of which attributable to holders of profit-participation rights/hybrid capital	7,058	8,688	3,545	4,376
of which attributable to non-controlling interests	2,397	3,003	425	2,745

Consolidated Cash Flow Statement

in TEUR	1–6/2022	1–6/2021
Profit for the period	15,602	8,611
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	96,564	93,513
Interest income/expense	8,644	8,650
Income from companies accounted for under the equity method	-300	-948
Dividends from companies accounted for under the equity method	3,574	6,231
Profits from the disposal of fixed assets	-4,662	-6,465
Decrease in long-term provisions	-4,058	-2,282
Deferred income tax	1,212	1,223
Operating cash flow	**116,576**	**108,533**
Decrease/increase in short-term provisions	-58,909	6,528
Increase in tax liabilities	4,135	-
Increase in inventories	-36,341	-12,475
Increase in receivables	-246,023	-244,716
Increase in payables (excluding banks)	127,036	111,924
Interest received	5,620	2,839
Interest paid	-13,000	-10,422
Other non-cash transactions	-3,290	-3,483
Cash flow from operating activities	**-104,196**	**-41,272**
Proceeds from sale of property, plant and equipment and disposal of investment property	11,776	16,814
Proceeds from the sale of financial assets	25,414	-
Proceeds from repayment of loans	710	679
Investments in intangible assets	-3,579	-8,045
Investments in property, plant and equipment and investment property	-76,205	-86,359
Investment in financial assets	-1,340	-1,794
Investment in loans	-1,200	-1,555
Proceeds from the sale of consolidated companies less cash and cash equivalents	85	-
Payouts for the purchase of subsidiaries less cash and cash equivalents	-113	-
Cash flow from investing activities	**-44,452**	**-80,260**
Dividends/interest from profit-participation rights/hybrid capital	-30,118	-16,188
Payouts to non-controlling interests	-1,670	-1,127
Repayment of profit-participation rights/hybrid capital	-51,075	-
Repayment of bonded loans (Schuldscheindarlehen)	-30,000	-
Obtaining loans and other financing	5,501	60,246
Redeeming loans and other financing	-47,865	-99,903
Acquisition of non-controlling interests	-296	-
Cash flow from financing activities	**-155,523**	**-56,972**
Cash flow from operating activities	**-104,196**	**-41,272**
Cash flow from investing activities	**-44,452**	**-80,260**
Cash flow from financing activities	**-155,523**	**-56,972**
Change to cash and cash equivalents	**-304,171**	**-178,504**
Cash and cash equivalents as of 1 Jan	765,034	582,545
Currency differences	1,040	2,955
Cash and cash equivalents as of 30 Jun	**461,903**	**406,996**
Tax paid	1,451	1,617

Consolidated Statement of Financial Position

in TEUR	30.6.2022	31.12.2021
Assets		
Non-current assets		
Intangible assets	186,517	187,496
Property, plant and equipment	1,039,981	1,028,654
Investment property	24,394	25,453
Shareholdings in companies accounted for under the equity method	82,497	85,404
Other financial assets	8,835	34,860
Other non-current financial assets	69,678	67,423
Deferred tax assets	25,136	19,634
	1,437,038	**1,448,924**
Current assets		
Inventories	128,848	93,033
Trade receivables	1,708,299	1,494,853
Other financial assets	167,496	156,133
Other receivables and current assets	83,426	68,500
Cash and cash equivalents	461,903	765,034
Assets held for sale	47,654	38,525
	2,597,626	**2,616,078**
Total assets	**4,034,664**	**4,065,002**

Equity and liabilities		
Equity		
Share capital	39,278	39,278
Capital reserve	358,833	358,833
Profit-participation rights/hybrid capital	246,521	299,954
Other reserves	63,018	92,476
Equity attributable to shareholders of parent	**707,650**	**790,541**
Non-controlling interests	34,441	33,869
	742,091	**824,410**
Non-current liabilities		
Bonds and bonded loans (Schuldscheindarlehen)	248,306	264,747
Provisions	138,558	149,821
Non-current financial liabilities	351,026	359,657
Other non-current financial liabilities	9,689	7,910
Deferred tax liabilities	42,631	43,968
	790,210	**826,103**
Current liabilities		
Bonds and bonded loans (Schuldscheindarlehen)	16,493	29,997
Provisions	224,269	252,996
Current financial liabilities	83,345	85,212
Trade payables	1,317,756	1,163,968
Other current financial liabilities	56,802	49,822
Other current liabilities	760,872	803,566
Tax payables	28,641	24,735
Liabilities held for sale	14,185	4,193
	2,502,363	**2,414,489**
Total equity and liabilities	**4,034,664**	**4,065,002**

Statement of Changes in Group Equity

in TEUR	Share capital	Capital reserve	Revaluation reserve	Remeasurement of defined benefit obligations	Measurement of equity instruments
Balance as of 1 Jan 2021	**29,095**	**251,287**	**7,622**	**-47,918**	**114**
Total profit for the period	-	-	-	-	-
Other comprehensive income	-	-	-	4,241	36
Total comprehensive income for the period	**-**	**-**	**-**	**4,241**	**36**
Dividends/interest from profit-participation rights/hybrid capital	-	-	-	-	-
Income tax on interest for holders of profit-participation rights/hybrid capital	-	-	-	-	-
Changes to the consolidated group/acquisition of non-controlling interests	-	-	-	-	-
Balance as of 30 Jun 2021	**29,095**	**251,287**	**7,622**	**-43,677**	**150**
Balance as of 31 Dec 2021	**39,278**	**358,833**	**11,225**	**-36,301**	**-214**
Adjustment due to first-time application of the amendments to IAS 37	-	-	-	-	-
Balance as of 1 Jan 2022	39,278	358,833	11,225	-36,301	-214
Total profit for the period	-	-	-	-	-
Other comprehensive income	-	-	406	5,594	269
Total comprehensive income for the period	**-**	**-**	**406**	**5,594**	**269**
Dividends/interest from profit-participation rights/hybrid capital	-	-	-	-	-
Profit-participation rights/hybrid capital	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-
Balance as of 30 Jun 2022	**39,278**	**358,833**	**11,631**	**-30,707**	**55**

Foreign currency translation reserves	Reserve for cash flow hedges	Profit-participation rights/hybrid capital	Retained earnings and non-retained profit	Equity attributable to shareholders of parent	Non-controlling interests	Total
-7,778	**-688**	**325,854**	**78,397**	**635,985**	**14,564**	**650,549**
17	-	8,688	-2,990	5,715	2,896	8,611
3,757	49	-		8,083	107	8,190
3,774	**49**	**8,688**	**-2,990**	**13,798**	**3,003**	**16,801**
-	-	-16,188	-	-16,188	-1,127	-17,315
-	-	-	4,047	4,047	-	4,047
-	-	-	-	-	-	-
-4,004	**-639**	**318,354**	**79,454**	**637,642**	**16,440**	**654,082**
-503	**-422**	**299,954**	**118,691**	**790,541**	**33,869**	**824,410**
-	-	-	-22,125	-22,125	-	-22,125
-503	-422	299,954	96,566	768,416	33,869	802,285
	-	7,058	6,306	13,364	2,238	15,602
-576	-477	-	-417	4,799	159	4,958
-576	**-477**	**7,058**	**5,889**	**18,163**	**2,397**	**20,560**
-	-	-10,587	-19,531	-30,118	-1,670	-31,788
-	-	-49,904	-1,201	-51,105	-	-51,105
-	-	-	2,435	2,435	-	2,435
-	-	-	-141	-141	-155	-296
-1,079	**-899**	**246,521**	**84,017**	**707,650**	**34,441**	**742,091**

Notes to the Interim Consolidated Financial Statements as of 30 June 2022

1. General Information

The PORR Group consists of PORR AG and its subsidiaries, hereafter referred to as the “Group”. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1100 Vienna. The company is registered with the Commercial Court of Vienna under reference number FN 34853f. The Group’s main activities are project planning and execution of construction works of every kind.

The interim consolidated financial statements of the PORR Group have been prepared in accordance with IAS 34, Interim Financial Reporting in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union, the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the standards to be applied for the first time from 1 January 2022. The effects of the first-time application of the new standards are presented in note 3.

In accordance with IAS 34, the interim consolidated financial statements do not contain all the disclosures required in the annual financial statements. Therefore, these interim consolidated financial statements should be read in conjunction with the consolidated financial statements of the PORR Group as of 31 December 2021. In accordance with IAS 34, the consolidated results of the interim consolidated financial statements are not necessarily indicative of the annual result.

The reporting currency is the euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in these interim consolidated financial statements.

2. Consolidated Group and Acquisitions

In these interim financial statements, the following two companies have been fully consolidated for the first time:

Due to first-time consolidation	**Date of initial consolidation**
PORR Stahl- und Systembau GmbH & Co KG	1.1.2022

No significant assets or liabilities were included as a result of this consolidation.

Due to new foundations	**Date of initial consolidation**
JV PORR - TM.E.	25.5.2022

No significant assets or liabilities were included as a result of this consolidation.

One company underwent a merger.

A total of 52 (previous year: 51) domestic and 37 (previous year: 39) foreign associates and joint ventures were included under application of the equity method.

3. Accounting Policies and Measurement Methods

The accounting policies and measurement methods applied in the consolidated financial statements as of 31 December 2021, which are presented in the notes to the consolidated annual financial statements, have been applied unchanged to the interim consolidated financial statements. The exception being the following standards and interpretations applied for the first time, whereby only the first-time application of the amendments to IAS 37 had a material impact on the Group.

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
Amendments to IFRS 3 Reference to the 2018 Conceptual Framework	14.5.2020	28.6.2021	1.1.2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	14.5.2020	28.6.2021	1.1.2022
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	14.5.2020	28.6.2021	1.1.2022
Annual Improvements to IFRSs 2018 - 2020 Cycle IFRS 1, IFRS 9, IFRS 16 and IAS 41	14.5.2020	28.6.2021	1.1.2022

Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
The amendments specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The following table shows the effect of the first-time application of IAS 37 on the items of the consolidated statement of financial positions as of 1 January 2022.

in TEUR	Consolidated statement of financial position as of 1.1.2022	Adjustment from first-time application of IAS 37	Consolidated statement of financial position as of 31.12.2021 without adjustments IAS 37
Equity and liabilities			
Other reserves	70,351	-22,125	92,476
Equity	**802,285**	**-22,125**	**824,410**
Deferred tax liabilities	35,800	-8,168	43,968
Non-current liabilities	**795,810**	**-30,293**	**826,103**
Total equity and liabilities	**2,384,196**	**-30,293**	**2,414,489**

The following standards and interpretations have been published since the preparation of the consolidated financial statements as of 31 December 2021 but are not yet mandatory or have not yet been adopted by the European Union.

Standards and interpretations already adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
Amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021	31.3.2021	30.8.2021	1.4.2021
IFRS 17 Insurance Contracts	18.5.2017	19.11.2021	1.1.2023
Amendments to IFRS 17	25.6.2020	19.11.2021	1.1.2023
IAS 1 Disclosure of Accounting Policies	12.2.2021	2.3.2022	1.1.2023
IAS 8 Definition of Accounting Estimates	12.2.2021	2.3.2022	1.1.2023
IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	7.5.2021	11.8.2022	1.1.2023

Standards and interpretations not yet adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of initial application
Changes to IAS 1 Classification of Liabilities as Current or Non-Current	23.1.2020	1.1.2023
IFRS 17 Initial Application of IFRS 17 and IFRS 9 - Comparative Information	9.12.2021	1.1.2023

No significant impact on the Group is expected.

The interim consolidated financial statements as of 30 June 2022 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements as of 31 December 2021.

4. Estimates and Assumptions

Producing interim consolidated financial statements in accordance with IFRSs requires management to make estimates and assumptions that affect the amount and disclosure of assets and liabilities in the statement of financial position, income and expense, as well as entries regarding contingent liabilities in the interim report. Actual results may deviate from these estimates.

5. Seasonal Influence and Impacts of COVID-19 and the Ukraine Crisis

In comparison to other industry sectors, the construction industry experiences seasonal variations with regard to revenue and profit due to weather-related factors. Revenue and profit are, as a rule, lower in the winter months than in the summer months. As a result of the fixed costs that exist, earnings are lower in the first half of the year than in the second. These seasonal fluctuations are less pronounced in building construction than in civil engineering and road construction.

There were no COVID-19-related restrictions on rendering services in the first half of 2022. A further TEUR 106 of fixed cost subsidies were recognised in Austria as of 30 June 2022. Due to the Austrian Quarantine Ordinance, TEUR 734 was reimbursed along with TEUR 1,006 for in-company testing. Of the investment premiums applied for in Austria, TEUR 74 was paid out as of 30 June 2022.

PORR has no companies, projects or other significant economic activities in Russia or Ukraine. The Ukraine conflict has therefore only had an indirect effect on PORR's net assets and financial position to date, which mostly reflects the sharp rise in energy and commodity prices within a very short period. The material price risk is mostly mitigated by medium and long-term framework agreements with key suppliers and price adjustment clauses with customers. As far as energy procurement is concerned, a procurement mix of price fixing or weekly exchange prices is chosen depending on the situation, which minimises and diversifies price volatility and risk. Procurement management counteracts possible supply bottlenecks in the supply chains due to the Ukraine crisis through forward-looking and diversified procurement strategies, which is why no (raw) material-related restrictions have occurred in construction operations to date.

6. Revenue

1-6/2022 in TEUR	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Revenue							
Building construction							
Commercial/office construction	111,914	7,089	33,080	7,358	-	-	159,441
Industrial engineering	125,498	-	699	10,511	-	-	136,708
Miscellaneous building construction	171,020	118,278	11,187	24,406	-	-	324,891
Residential construction	240,477	32,263	23,139	25,264	-	-	321,143
Civil engineering							
Railway construction	82,668	15,513	94,355	30,936	16,193	-	239,665
Bridge/overpass construction	49,788	17,566	44,085	6,940	29,852	-	148,231
Miscellaneous civil engineering	217,308	97,286	31,527	17,490	36,564	3,405	403,580
Road construction	158,342	59,604	77,396	113,238	11,107	-	419,687
Tunnelling	15,031	16,699	18,798	-	102,267	-	152,795
Other sectors	192,606	41,648	15,023	2,360	2,119	36,014	289,770
Revenue	**1,364,652**	**405,946**	**349,289**	**238,503**	**198,102**	**39,419**	**2,595,911**
Revenue recognised over time	1,281,215	402,281	349,289	238,503	198,102	35,945	2,505,335
Revenue recognised at a point of time	83,437	3,665	-	-	-	3,474	90,576

1-6/2021 in TEUR	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Revenue							
Building construction							
Commercial/office construction	86,703	4,362	44,824	5,787	-	-	141,676
Industrial engineering	106,582	-	560	1,526	-	-	108,668
Miscellaneous building construction	137,723	85,070	12,741	9,064	931		245,529
Residential construction	273,243	29,598	2,801	24,447	-	-	330,089
Civil engineering							
Railway construction	45,466	4,016	68,917	8,417	5,021	-	131,837
Bridge/overpass construction	35,661	17,603	27,174	1,967	43,345	-	125,750
Miscellaneous civil engineering	218,024	97,040	45,612	12,358	9,971	6,007	389,012
Road construction	150,799	53,764	82,924	98,666	14	-	386,167
Tunnelling	2,198	50,555	36,045	-	117,578	-	206,376
Other sectors	147,935	33,545	10,317	1,618	6,847	22,899	223,161
Revenue	**1,204,334**	**375,553**	**331,915**	**163,850**	**183,707**	**28,906**	**2,288,265**
Revenue recognised over time	1,135,877	372,353	331,916	163,848	183,706	25,501	2,213,201
Revenue recognised at a point of time	68,458	3,200	-	-	-	3,405	75,063

7. Earnings per Share

in TEUR	1-6/2022	1-6/2021
Profit/loss for the year attributable to shareholders of parent	6,306	-2,973
Weighted average number of issued shares	39,061,755	28,878,505
Basic earnings per share	**0.16**	**-0.10**
Diluted earnings per share	**0.16**	**-0.10**

8. Non-current Assets and Liabilities Held for Sale

The non-current assets and liabilities held for sale relate to the six companies of the PWW Group for which the signing of the purchase agreement took place on 24 September 2021 and for which closing is still imminent.

With the Acquisition and Transfer Agreement dated 28 June 2022 and closing on 2 August 2022, PORREAL GmbH and Alea GmbH were sold. The material assets and liabilities that were reclassified to this item break down as follows:

in TEUR	30.6.2022
Property, plant and equipment	3,251
Other assets	5,182
Financial liabilities	-2,596
Other liabilities	-7,164

In addition, non-current assets held for sale relate to two properties in the segment AT / CH. For one property, the purchase agreement has now been signed; closing is still imminent. Purchase negotiations are currently underway for the other property, with signing planned by 30 September 2022. There is also a property in the DE segment for which the company has received Supervisory Board approval to sell and is actively looking for a buyer.

9. Share Capital

	No. 2022	EUR 2022	No. 2021	EUR 2021
Ordinary bearer shares	39,278,250	39,278,250	39,278,250	39,278,250
Total share capital	**39,278,250**	**39,278,250**	**39,278,250**	**39,278,250**

Following a proposal by the Executive Board and Supervisory Board, the Annual General Meeting of PORR AG passed a resolution, on 17 June 2022, to pay out a dividend of EUR 0.50 per share entitled to dividends from the net retained profits for the 2021 business year.

At the end of the reporting period, the company held a total of 216,495 treasury shares, corresponding to 0.55% of the share capital.

10. Financial Instruments

The carrying amount of the financial instruments as per IFRS 9 corresponds to the fair value, with the exception of bonds subject to fixed interest rates (fair value hierarchy level 3), deposits from banks subject to fixed interest rates (fair value hierarchy level 3), and other financial liabilities subject to fixed interest rates (fair value hierarchy level 3).

in TEUR	Measurement category	Carrying amount as of 30.6.2022	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 30.6.2022
Assets							
Other financial assets	FVTOCI	3,093		3,093		Level 3	3,093
Other financial assets	FVTPL	488			488	Level 3	488
Other financial assets	FVTPL	5,254			5,254	Level 1	5,254
Trade receivables	AC	972,854	972,854				
Other financial assets	AC	172,478	172,478				
Other financial assets	FVTPL	38,839			38,839	Level 1	38,839
Other financial assets	FVTPL	23,614			23,614	Level 3	23,614
Derivatives (without hedges)	FVTPL	2,242			2,242	Level 2	2,242
Cash and cash equivalents		461,903	461,903				
Liabilities							
Bonded loans (Schuldscheindarlehen)							
at fixed interest rates	AC	52,960	52,960			Level 3	52,577
at variable interest rates	AC	211,839	211,839				
Bank loans							
at fixed interest rates	AC	12,949	12,949			Level 3	12,003
at variable interest rates	AC	45,953	45,953				
Lease obligations[1]		375,468	375,468				
Trade payables	AC	1,317,756	1,317,756				
Other financial liabilities	AC	47,559	47,559				
Derivatives (without hedges)	FVTPL	16,780			16,780	Level 2	16,780
Derivatives (with hedges)		2,152		2,152		Level 2	2,152
by category							
Financial assets at amortised cost	AC	1,145,332	1,145,332				
Cash and cash equivalents		461,903	461,903				
Fair value through profit & loss	FVTPL	53,657			53,657		
Fair value through OCI	FVTOCI	3,093		3,093			
Financial liabilities at amortised cost	AC	1,689,016	1,689,016				

in TEUR	Meas-urement category	Carrying amount as of 31.12.2021	Measured at amortised cost	Fair value other com-prehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 31.12.2021
Assets							
Other financial assets	FVTOCI	28,586		28,586		Level 3	28,586
Other financial assets	FVTPL	488			488	Level 3	488
Other financial assets	FVTPL	5,786			5,786	Level 1	5,786
Trade receivables	AC	913,794	913,794				
Other financial assets	AC	157,768	157,768				
Other financial assets	FVTPL	39,901			39,901	Level 1	39,901
Other financial assets	FVTPL	23,614			23,614	Level 3	23,614
Derivatives (without hedges)	FVTPL	2,273			2,273	Level 2	2,273
Cash and cash equivalents		765,034	765,034				
Liabilities							
Bonded loans (Schuldscheindarlehen)							
at fixed interest rates	AC	52,949	52,949			Level 3	54,357
at variable interest rates	AC	241,795	241,795				
Bank loans							
at fixed interest rates	AC	13,250	13,250			Level 3	13,366
at variable interest rates	AC	54,740	54,740				
Lease obligations[1]		376,879	376,879				
Trade payables	AC	1,163,968	1,163,968				
Other financial liabilities	AC	57,732	57,732				
Derivatives (without hedges)	FVTPL	10,513			10,513	Level 2	10,513
Derivatives (with hedges)		934		934		Level 2	934
by category							
Financial assets at amortised cost	AC	1,071,562	1,071,562				
Cash and cash equivalents		765,034	765,034				
Fair value through profit & loss	FVTPL	61,549			61,549		
Fair value through OCI	FVTOCI	28,586		28,586			
Financial liabilities at amortised cost	AC	1,584,434	1,584,434				

[1] Lease obligations fall under the scope of IFRS 16..

11. Segment Reporting

Segment reporting is prepared in accordance with the internal reporting structure and management of the PORR Group.

in TEUR 1–6/2022	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Production output (Group)	1,501,687	399,854	313,422	249,059	261,408	40,413	2,765,843
Segment revenue	1,364,652	405,946	349,289	238,503	198,102	39,419	2,595,911
Intersegment revenue	10,121	409	135	136	2,092	57,379	
EBT (Earnings before tax = segment earnings)	21,502	-6,314	7,622	241	1,302	-2,272	22,081

in TEUR 1–6/2021	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Production output (Group)	1,319,892	382,067	318,442	194,411	239,683	41,577	2,496,072
Segment revenue	1,204,335	375,553	331,916	163,848	183,706	28,905	2,288,263
Intersegment revenue	13,274	2,775	399	2,947	3,372	53,521	
EBT (Earnings before tax = segment earnings)	14,647	-9,881	4,110	5	691	1,879	11,451

12. Related Party Disclosures

There have been no significant changes in relationships between related companies or any resultant obligations or guarantees since 31 December 2021.

Transactions in the reporting period between companies included in the PORR Group's consolidated financial statements and the UBM Group companies primarily relate to purchased construction services. The hybrid capital of UBM Development AG totalling TEUR 25,330 was repaid on 10 June 2022, in addition to interest on the hybrid capital of TEUR 2,186 (previous year: TEUR 1,520) that was paid out to PORR AG in the first half of 2022.

In addition to subsidiaries and associates, related parties include the companies of the IGO Industries Group as they or their controlling entity has a significant influence over PORR AG through the shares they hold, as well as the Strauss Group, as a member of the Executive Board of PORR AG has significant influence over it. In addition to people who have a significant influence over PORR AG, related parties also include the members of the Executive and Supervisory Boards of PORR AG as well as their close family members.

13. Audit Disclosure

These interim financial statements of the PORR Group have neither been audited nor subjected to an audit opinion.

14. Events after the End of the Reporting Period

With the Acquisition and Transfer Agreement dated 28 June 2022 and closing on 2 August 2022, PORREAL GmbH and Alea GmbH were sold.

Vienna, 30 August 2022

The Executive Board
Karl-Heinz Strauss m.p.
Klemens Eiter m.p. (from 1 May 2022)
Jürgen Raschendorfer m.p.
Josef Pein m.p.

Statement of all Legal Representatives

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, 30 August 2022

Karl-Heinz Strauss
Chairman of the Executive Board and CEO

Klemens Eiter
Executive Board Member and CFO

Josef Pein
Executive Board Member and COO

Jürgen Raschendorfer
Executive Board Member and COO

Financial Calendar 2022

18.11.2022	**Interest payment** PORR Corporate Bond 2021 (hybrid bond)
28.11.2022	**Publication** report on the 3rd quarter 2022

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This interim report on the first half 2022 is available free of charge from the company, 1100 Vienna, Absberggasse 47, and can also be downloaded from **https://porr-group.com/en/ir-interimreports/**.

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Collet Ltd.

Disclaimer
This half-year report also contains statements relating to the future which are based on estimates and assumptions which are made by managerial staff to the best of their current knowledge. Future-related statements may be identified as such by expressions such as “expected”, “target” or similar constructions. Forecasts related to the future development of the Group take the form of estimates based on information available at the time of the interim report going to press. Actual results may differ from the forecast if they are shown to be based on inaccurate assumptions or are subject to unforeseen risks.

Every care has been taken to ensure that all information contained in every part of this interim report is accurate and complete. The figures have been rounded off using the compensated summation method. We regret that we cannot rule out possible round-off, typesetting and printing errors.

This report is a translation into English of the half-year report issued in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

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