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Interim Report on the 1st Quarter 2023

KEY DATA

Operating data

in EUR m	1–3/2023	1–3/2022	Change
Production output[1]	1,271	1,161	9.5%
Foreign share	57.7%	56.8%	0.9 PP
Order backlog	8,211	8,033	2.2%
Order intake	1,278	1,429	-10.6%
Staffing level (average)	19,383	19,559	-0.9%

Earnings indicators

in EUR m	1–3/2023	1–3/2022	Change
Revenue	1,266.3	1,110.8	14.0%
EBITDA	54.0	50.3	7.3%
EBIT	9.9	6.0	63.7%
EBT	4.5	0.6	> 100.0%
Profit for the period	2.6	0.4	> 100.0%

Financial position indicators

in EUR m	3/31/2023	12/31/2022	Change
Total assets	4,139	4,147	-0.2%
Equity (incl. non-controlling interests)	795	799	-0.5%
Equity ratio	19.2%	19.3%	-0.1 PP
Net debt	100	-59	< -100.0%

Cash flow and investments

in EUR m	1–3/2023	1–3/2022	Change
Cash flow from operating activities	-80.4	-82.2	-2.2%
Cash flow from investing activities	-40.1	-36.5	10.0%
Cash flow from financing activities	41.7	-107.7	< -100.0%
CAPEX[2]	63.9	58.5	9.1%
Depreciation/amortisation/impairment	44.2	44.3	-0.3%

Key data regarding shares

in EUR m	31.3.2023	31.12.2022	Change
Number of shares	39,278,250	39,278,250	-
Market capitalisation	530.3	461.9	14.8%

[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, dear stakeholders,

The year 2023 has got off to a promising start for PORR: It once again increased its production output by 9.5% in the first quarter. The order backlog is up by 2.2% to a new record level of EUR 8,211m. We have acquired major orders in industrial construction as well as in the permanent business in Austria and Poland. Earnings before taxes increased once again. This means that, despite seasonality, EBT is positive and totals EUR 4.5m.

The environment also gives grounds for optimism: Europe is providing positive impetus with things like the Green Deal and the Recovery and Resilience Facility. They provide reinforcement to our Green and Lean strategy: This includes measures to drive sustainability and the energy transition as well as increasing digitalisation in construction and LEAN Construction – all topics that will define our industry in the coming years and that we will play a trailblazing role in shaping. With our future programme PORR 2025, we are well on track for growth.

We look forward to another successful year together with you and would like to thank you for your trust and support.

May 2023, Vienna

Sincerely,
Your Executive Board

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

PORR ON THE STOCK EXCHANGE

Uneven global performance

The international stock markets had a dynamic start to 2023. Key factors included a noticeable easing of soaring inflation rates, a recession that was milder than feared, and the end of China's strict COVID policy. The decline in inflation rates led to increased expectations of an end to hikes in base rates. Nevertheless, both the US Federal Reserve and the European Central Bank raised their key interest rates again – albeit to a more moderate extent. Currently, the base rates are at 5.25% and 3.75% respectively. In March, negative headlines from the American and Swiss banking sectors caused increased uncertainty and weighed on the international stock market environment.

In the overall picture, the American leading index Dow Jones Industrial Average rose by a marginal 0.4% against the end of the previous year. On the one hand, this is due to weak economic data coupled with the expected increases in interest rates. On the other hand, two regional banks had to be rescued by the government and financial institutions in the course of the first quarter of 2023, a development poorly received by the market. The European benchmark index EURO STOXX 50 and the German DAX 40 developed in parallel and gained 13.7% and 12.2% respectively. In contrast, the Austrian leading index ATX was more clearly affected by the price slide in the banking sector and could only achieve a small gain of 2.7% in the first quarter of 2023.

PORR share has good start to the year

The PORR share had already reached its year low of EUR 11.72 on 2 January. From there it outperformed the market. The publication of the preliminary figures at the end of February provided further positive impetus. The PORR share thereby reached its year high of EUR 14.60 on 8 March. However, it was then unable to escape the cloudy market environment and experienced a temporary downward trend. At the end of the quarter, a pronounced sideways movement began. On 31 March, the PORR share closed at EUR 13.50, an above-market increase of 14.8% against the previous year. Market capitalisation on the reporting date was EUR 530.3m.

Share buyback programme

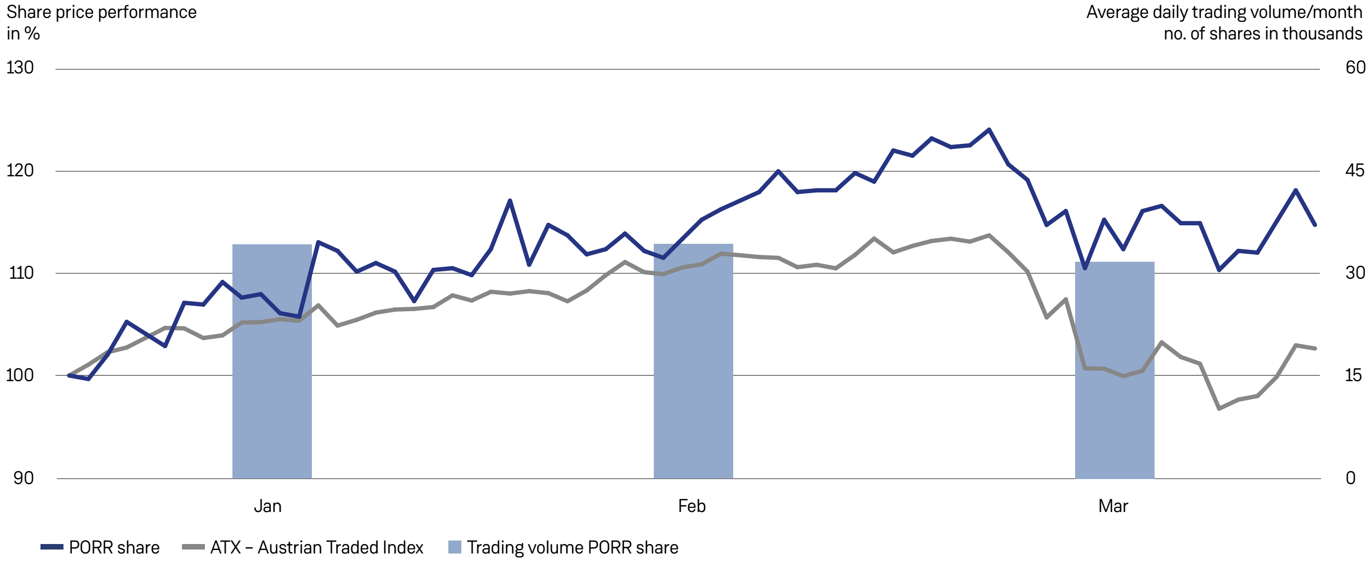
As part of the ongoing share buyback programme, 320,741 shares were repurchased in the first quarter of 2023. With this, PORR AG now holds a total of 802,595 treasury shares as of the reporting date of 31 March.

The details of the ongoing buyback programme are available on the PORR website at **porr-group.com/en/ir**.

International investor base

The syndicate (Strauss Group, IGO Industries Group) holds the majority of the shares outstanding, with 50.4%. The free float of 49.6% is primarily distributed among Austria (22.9%) and the USA (11.1%). Investors from Great Britain and Germany held around 6.2% and 5.5% respectively. Around 7.7% of the shares were divided among the rest of Europe. 36.3% of the free-float shares are held by Retail investors.

Share price and trading volumes of the PORR share in Q1 2023 (index)



GROUP MANAGEMENT REPORT

Markets and Performance

Global economic recovery begins

The global economy started 2023 with favourable conditions. The loosening of China's strict COVID policy has led to an easing of tension in international supply chains. In addition, the high inflation rates have eased off. On the other hand, poorer financing conditions meant that several banks in the USA and a major bank in Switzerland found themselves in a critical situation and had to be rescued by national governments and financial institutions. Nevertheless, the central banks assume that further interest rate increases will be necessary. The experts from the International Monetary Fund (IMF) currently expect economic growth of 2.8% for 2023.

The US Federal Reserve recently increased its base rate only slightly. It currently stands at 5.25%. In parallel, real disposable income continues to decline. The IMF therefore expects gross domestic product (GDP) to grow by only 1.6% in 2023.

The eurozone has also seen a decline in inflation so far this year. This is due in particular to lower increases in energy and food prices. Nevertheless, private spending continues to feel the pressure and any economic recovery is therefore likely to be delayed. In addition, there is increased uncertainty on the European financial market, triggered by the problems of the major Swiss bank Credit Suisse. Nevertheless, the European Central Bank (ECB) has already taken several steps to raise interest rates in 2023. Currently, the key interest rate is 3.75%. Further rate hikes are expected at least in the first half of 2023. The European Commission is currently forecasting economic growth of 0.9% for the eurozone in 2023.

The experts of the Austrian Institute of Economic Research (WIFO) do not expect any economic upswing for the Austrian economy until the second half of 2023. The easing on the energy markets, caused by the mild winter, and the tight monetary policy were only able to slow down the high inflation rates comparatively late in the day. However, the positive effects from the easing price pressure and the recovery in export demand are not expected to set in until summer. The labour market remains robust. WIFO expects a slight increase of 0.3% in Austrian economic output.

The German economy had an unexpectedly positive performance in the first quarter of 2023. Both industrial production and exports underwent very pleasing growth, while inflation declined significantly. Reasons for this were the mild winter and high gas storage levels. Only real income, and thereby consumer spending, continues to be burdened by the high inflation rates of the past. Nevertheless, Germany managed to avoid a prolonged recession. In February, the European Commission forecast low German economic growth of 0.2%.

For PORR's Eastern European home markets, the Vienna Institute for International Economic Studies (WIIW) expects an economic recovery in the near future. With declining inflation rates and in the absence of a massive energy crisis – the countries have been able to drastically reduce their gas consumption and break free of their dependence on Russia – growth is even set to exceed the European average. The European Recovery and Resilience Facility provides additional support. The experts of the WIIW currently expect growth rates of between 0.2% and 3.0% for 2023.

European construction industry robust

In the first quarter of 2023, the European construction industry recorded clear growth. The production volume in the construction industry rose in the year to date by 0.2%. Increases were recently recorded in both building construction and civil engineering. The mild weather conditions caused a significant increase in production volumes in building construction, especially in Austria and Slovakia. In Poland, financial support from European Union funds provided strong, positive stimulus in civil engineering.

EU funding – both from the Recovery and Resilience Facility and from the EU Green Deal – continues to bolster civil engineering. The need for sustainable mobility and efficient infrastructure therefore remains an important growth driver. In building construction, the higher interest rate environment is having an impact on residential construction in particular. On the other hand, industrial construction has stabilised its production volume.

The cost situation continued to ease in the first quarter of 2023. Prices for important building materials such as steel, wood and copper have stabilised at a high level and even started to trend downward at times. In terms of energy, there were also signs of a clear easing due to falling diesel prices. The acute shortage of labour therefore remains the main limiting factor in the sector at present.

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 using the equity method, as well as those of minor significance, in line with the interest held by the Group. Differences in definitions reconciled pursuant to commercial criteria are also taken into account.

In the first quarter of 2023, PORR generated production output of EUR 1,271m. The growth of 9.5% is due in particular to the increase of output in Polish building construction. In addition, significant growth was achieved in the segments AT / CH and CEE.

Around 96.0% of production output is generated on PORR's seven home markets. The most important home market, Austria, contributed 42.3%. Germany accounted for 25.6% of output. Poland generated a share of 16.3%, while Romania accounted for 5.7%. The Czech Republic and Slovakia combined were responsible for 3.9% of total output. Switzerland's share was 2.2%.

Order balance

As of 31 March 2023, the order backlog stood at EUR 8,211m, once again surpassing its highest level to date. Compared to the previous year, it rose by 2.2%. A significant increase was seen above all in the area of large-scale building construction projects. The order intake temporarily decreased by 10.6%. This is due in particular to the segment International Infrastructure. In April, the consortium PORR - MARTI was awarded the contract for the construction lot H53 Pfons-Brenner. Taking this into account would result in a significant increase in incoming orders of around 23%.

In the first three months of 2023, several major contracts came from industrial construction. In Austria these include the expansion of clean room capacities for ams-Osram in Premstätten and the construction of new logistics facilities near Graz. Other important projects also came from the tunnelling sector. In addition to the renovation of the Cramberger and Fachinger tunnels near Frankfurt, this includes the complete renovation of the Arlberg tunnel in Austria. In building construction, the largest order came from Prague with the expansion of a simulation centre at Motol University Hospital. In addition, there were some significant new orders in residential and office construction in Hallwang near Salzburg, as well as in Warsaw and Berlin.

Financial performance

The construction industry is subject to seasonal fluctuations typical for the sector. The first quarter is traditionally the weakest of the year and generally reports low earnings. The reason for this is the weaker construction output in the winter months that also affects earnings.

In the first quarter of 2023, PORR generated revenue of EUR 1,266.3m. The growth of 14.0% is mainly attributable to the increase in output on the home markets. The lower profit transfers from consortiums led to lower earnings from companies accounted for using the equity method, totalling EUR 4.9m and contrasting with EUR 17.7m in the previous year.

The cost of materials and other related production services increased against the previous year to total EUR 855.3m. Their share of revenue rose by 2.3 PP. While expenditure on materials remained practically proportionate to revenue, purchased services experienced a disproportionately sharp rise of 20.2%. In contrast, staff expenses rose only slightly by 1.5%. As a result, their share of revenue decreased by 2.9 PP and thereby exceeded the increase in the cost of materials and other related production services. Own construction costs as a percentage of revenue fell by 3.1 PP to 43.5%.

Both other operating expenses (2.1% decrease) and other operating income (14.9% decrease) were below the comparable values for the same period of the previous year in terms of absolute figures.

The increase in output led to a 7.3% rise in earnings (EBITDA) to EUR 54.0m. Depreciation, amortisation and impairment remained at the previous year's level of EUR 44.2m. This resulted in EBIT that was 63.7% higher and totalled EUR 9.9m (1-3/2022: EUR 6.0m). The financial result also remained practically unchanged at EUR -5.4m. Overall, earnings before taxes (EBT) for the first quarter increased significantly to EUR 4.5m (1-3/2022: EUR 0.6m). The EBT margin in relation to production output improved by 0.3 PP to 0.4%.

Taking into account income tax of EUR -1.8m (1-3/2022: EUR -0.2m), PORR achieved a net profit for the period of EUR 2.6m in the first quarter of 2023, which represents a further improvement of EUR 2.3m compared to the previous year.

Financial position

As of 31 March 2023, the total assets of PORR Group stood at EUR 4,138.5m and were therefore 0.2% lower than at the end of the previous year.

While non-current assets rose due to the increase in property, plant and equipment, current assets decreased. This is due in particular to the seasonal reduction in cash and cash equivalents, with a simultaneous increase in trade receivables.

There were also no significant changes in equity. It amounted to EUR 795.1m at the end of the reporting period; the equity ratio was 19.2%.

Non-current liabilities increased by a total of EUR 68.7m. This is mainly due to the successful refinancing of bonded loans (Schuldscheindarlehen). This led to a temporary increase in liabilities as of the reporting date, which will, however, be reduced again by the end of the year with the maturity and repayment of the expiring bonded loan tranches. In terms of current liabilities, the increase in trade payables was more than offset by the sharp reduction in other liabilities.

As of 31 March 2023, PORR recorded a seasonal increase in net debt to EUR 99.9m (31 December 2022: EUR 59.0m). Compared to 31 March 2022, this represented a reduction of EUR 34.6m.

Cash flows

The operating cash flow remained almost constant at EUR 45.6m. Cash flow from operating activities improved by 2.2% and amounted to EUR -80.4m.

The cash flow from investing activities decreased slightly to EUR -40.1m because of higher payments for investments in tangible assets.

Cash flow from financing activities was at EUR 41.7m and turned positive due to the refinancing of bonded loans (Schuldscheindarlehen). In the previous year, the repayment of hybrid capital worth EUR 51.1m had a significant influence on this item.

Cash and cash equivalents amounted to a high EUR 578.4m as of 31 March 2023 (31 December 2022: EUR 655.8m). Compared to 31 March 2022, these showed an increase of EUR 39.7m.

Investments

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.

In the first quarter of 2023, investments mainly involved replacing and buying new construction equipment in addition to some aperiodic major investments. CAPEX increased by EUR 5.3m to EUR 63.9m compared to the same quarter of the previous year, resulting in a CAPEX ratio of 5.0% in relation to production output (1-3/2022: 5.0%).

Staff

In the first three months of 2023, PORR employed 19,383 people on average. This represents a 0.9% decrease against the previous year.

Forecast Report

The IMF expects economic growth of 2.8% in 2023. The first half of the year in particular is likely to still be characterised by high inflation rates and the associated interest rate hikes by the central banks. The increasing recovery of the global economy is set to follow; however, the geopolitical risks emanating from the Ukraine conflict will remain.

The ECB raised its base rate to 3.75% in May. Further interest rate increases cannot be ruled out depending on the future data. On this basis, the European Commission expects economic output in the eurozone to grow by 0.9% in the current year. Weaker consumer spending remains a major issue. The high core inflation rate is putting additional pressure on this, while the rise in energy prices is slowly stabilising at a high level. In addition, there is an extremely robust labour market with low unemployment and a persistent shortage of labour.

In PORR's largest home markets of Germany and Austria, experts see economic growth of 0.3% and 0.2% respectively in 2023. In both countries, inflation is currently still well above the European average and above the ECB's target inflation rate. A significant economic recovery is expected from the second half of 2023.

The European construction industry has been largely resilient in this environment so far, with full order books and a recent significant easing in international supply chains. Due to stricter financing conditions, lower demand in residential construction is expected for the rest of the year, but this will be offset by strong demand for refurbishment and the thermal renovation of existing buildings as well as for industrial construction and public building construction. In civil engineering, the European Recovery and Resilience Facility is ensuring stable contract awards, as are investment programmes by national road and rail operators.

Also in the construction sector, the sharply rising inflation rates have largely come to rest at a high level. Internationally traded commodities such as copper, wood and steel have experienced a clear stabilisation of prices so far this year. The Austrian construction cost indices as well as the German producer price indices for industrial products have also been extremely stable. In some cases there was even a slight decline on a monthly basis.

In the medium and long term, the main issues for the construction industry remain the same. The trends towards decarbonisation and digitalisation offer extensive opportunities, but at the same time pose challenges for the entire industry. In parallel, deglobalisation ensures a focus on local supply chains. In addition, there is still high demand for social housing and healthcare facilities. Like labour and skills shortages, this is a result of demographic change.

With its Green and Lean strategy, PORR is ideally positioned for these four megatrends. This is also confirmed by the new record order backlog of EUR 8,211m, which clearly reflects current developments. 55.2% of the projects in the order backlog are currently attributable to civil engineering. The share of residential construction projects currently stands at 10.0%.

Based on this high order backlog and the current frameworks, the Executive Board expects output for the 2023 financial year to at least match the previous year's level as well as a further increase in earnings.

The assessment of how the business will perform is based on the current goals in the individual segments as well as the opportunities and risks arising in the respective markets. The geopolitical situation may have stabilised recently but should the situation with the Ukraine conflict or with energy supply intensify, this could have a negative impact on PORR and its business activities. Any assessment of economic development is therefore subject to forecasting risks.

Opportunity and risk management

Effective risk management is an integral part of responsible management at PORR and secures the company's competitiveness long term. 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. The organisational processes and controls that help to pinpoint risks early on should be continuously developed and improved along with measures to counter those risks.

There have been no significant changes to the Group's opportunity and risk profile since the Annual and Sustainability Report 2022 that would lead to a change in the assessment of the risk position for PORR. The description in the Risk Report of the Annual and Sustainability Report 2022 from page 125 onwards thereby remains valid.

Segment Report

Segment AT / CH

Key Data

in EUR m	1-3/2023	1-3/2022	Change
Production output	637	598	6.5%
Order backlog	3,524	3,371	4.5%
Order intake	848	816	3.9%
Average staffing levels	9,656	9,671	-0.2%

The segment AT / CH covers PORR's country responsibility on the two home markets of Austria and Eastern 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, industrial construction and road construction – come the national competencies in railway engineering, structural engineering, specialist civil engineering, steel construction 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, the equity interests pde Integrale Planung, IAT, ÖBA, Prajo, TKDZ and ALU-SOMMER have been integrated into the segment AT / CH.

The production output of the segment AT / CH was EUR 637m and thereby 6.5% higher than the previous year. In addition to railway construction and structural engineering, this growth is primarily attributable to the federal provinces of Styria and Upper Austria. The order backlog showed an increase of 4.5% to EUR 3,524m, with major orders being added in the area of large-scale building construction projects in particular. The order intake rose by 3.9% to EUR 848m. Major new contracts include the complete overhaul of the Arlberg tunnel and the expansion of clean room capacities for the semiconductor production of ams-Osram in Premstätten. In the residential construction sector, PORR was awarded the contract to build the Einleitenweg residential complex in Hallwang near Salzburg, amongst others.

In both Austria and Switzerland, the construction industry benefitted from the mild weather conditions in the first quarter. This was particularly evident in the significant increase in activity in building construction. A pleasing development was also recorded in civil engineering. Parallel to this, the costs of (raw) materials stabilised in both countries. This is likely to continue for the rest of the year, supported by the higher interest rate environment and the reticent investment activity in building construction. Residential construction in particular is coming under pressure due to stricter financing conditions. In civil engineering, on the other hand, the investment programmes of national road and rail operators are ensuring constant demand and unabated construction activity.

Segment DE

Key Data

in EUR m	1-3/2023	1-3/2022	Change
Production output	197	186	5.6%
Order backlog	1,372	1,175	16.8%
Order intake	134	136	-1.7%
Average staffing levels	2,236	2,193	2.0%

The majority of PORR's activities in Germany are bundled in the segment DE. Here 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. Therefore PORR has a strong position on the German infrastructure market with its discrete areas of structural engineering, tunnelling, and traffic route construction. The segment DE is home to the German equity interests including PORR Oevermann and Stump-Franki Spezialtiefbau. This allows PORR to cover the entire value chain in civil engineering.

At EUR 197m, the segment DE recorded production output that was 5.6% higher than the previous year. Increases were achieved above all in the high-margin areas of PORR Oevermann and Grundbau Stump-Franki. The order backlog stood at EUR 1,372m at the end of the reporting period. The sharp increase of 16.8% is mainly due to the divisions of structural engineering, PORR Oevermann and Grundbau Stump-Franki. The order intake slipped back by 1.7% to EUR 134m. The segment's largest new order is the construction of over 200 residential units as part of the Havelufer Quartier project in Berlin.

In the German construction sector, the positive growth in revenue continued in the first quarter. Particularly in civil engineering, significant increases were achieved in some areas. The cost situation also continued to ease. In March, the producer price index for commercial products was already below the previous year's average. Nevertheless, the experts of the Hauptverband der Deutschen

Bauindustrie (HDB) expect revenue to decrease in 2023. The decisive factor here is residential construction, which has come under pressure. In civil engineering and commercial construction, however, only minor losses are expected. Here demand remains strong for logistics space and for the modernisation and refurbishment of transport infrastructure.

Segment PL

Key Data

in EUR m	1-3/2023	1-3/2022	Change
Production output	204	135	51.4%
Order backlog	1,343	1,406	-4.5%
Order intake	82	71	14.4%
Average staffing levels	2,593	2,487	4.3%

The segment PL holds the country 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 rail 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.

The segment PL generated production output of EUR 204m and was thereby 51.4% above the previous year's value. The areas of building construction, infrastructure construction and industrial construction in particular saw some significant increases. The order backlog decreased by 4.5% against the comparable date of the previous year, totalling EUR 1,343m. In road and railway construction, several major projects entered the execution phase. The order intake stood at EUR 82m; the 14.4% increase is mainly due to the building construction sector. The most significant new acquisition is the design & build project for the office building THE FORM in Warsaw.

Cost increases in the Polish construction industry have also slowed down significantly since autumn – not least due to the price cap on energy. The mild weather conditions in the first three months of 2023 had a positive impact on revenue performance. A major limiting factor remained the acute shortage of labour. In the context of the EU Green Deal, there is a need to catch up in the refurbishment of buildings as well as in increasing their energy efficiency. In civil engineering, the European Recovery and Resilience Facility offers interesting projects in the infrastructure sector.

Segment CEE

Key Data

in EUR m	1-3/2023	1-3/2022	Change
Production output	110	85	29.2%
Order backlog	885	808	9.5%
Order intake	130	134	-2.6%
Average staffing levels	2,404	2,173	10.6%

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 in the Czech Republic and Romania. Selected major projects in the infrastructure sector are also undertaken.

The output volume of the segment CEE was EUR 110m in the first quarter of 2023. The 29.2% increase was primarily attributable to Romania, where significant increases in output were achieved in both building construction and civil engineering. The order backlog grew by 9.5% to EUR 885m, for which Romanian civil engineering was largely responsible. The order intake showed a slight decline of 2.6% to EUR 130m. The largest new order involves a road modernisation in Oradea, Romania. In the health/infrastructure sector, the expansion of the simulation centre of the Motol University Hospital in Prague was acquired, along with another contract to optimize the public transport system in Reșița, Romania.

Despite stricter financing conditions, the construction market in PORR's home markets is robust. The financial resources distributed by the EU as part of the Recovery and Resilience Facility are having a particular impact here. As of the end of March 2023, Romania had already received around 2.5% of its gross domestic product in the form of financial support. In Slovakia and the Czech Republic it was around 2.0% and 0.8% respectively. This is sustaining demand for transport infrastructure in particular. On the cost side, the high inflation rates are also easing. Looking at the year as a whole, the WIIW experts continue to see investment activity in these three home markets to hold steady at the very least.

Segment Infrastructure International

Key Data

in EUR m	1-3/2023	1-3/2022	Change
Production output	100	138	-27.5%
Order backlog	964	1,184	-18.6%
Order intake	61	242	-74.7%
Average staffing levels	1,353	1,551	-12.8%

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, UK, 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.

The production output of the segment Infrastructure International decreased by 27.5% and totalled EUR 100m in the first quarter of 2023. This is mainly due to the completion of several tunnelling projects. This subsequently also meant a reduction of 18.6% in the order backlog. As of the end of the reporting period, the order backlog amounted to EUR 964m. The order intake declined by 74.7% to EUR 61m, as a major contract had been acquired in the comparable period of the previous year. The largest acquisitions in the segment International Infrastructure came from tunnelling.

With the renovation of the Cramberger and Fachinger tunnels near Frankfurt, PORR is making a significant contribution to improving Germany's transport infrastructure. The award of the contract for the H53 Pfons-Brenner lot is not included in the order backlog and order intake until the second quarter. Taking it into account would lead to a significant increase in both figures.

The fact that inflation rates for raw materials and energy are stabilising globally at a high level is also noticeable in PORR's project markets. Here it is aiming for selective growth in infrastructure construction. Norway wants to push ahead with the expansion of transport infrastructure. In Qatar and the UAE, PORR is now focusing on small and medium-sized projects. In the UK project market, PORR is well positioned with a strong team in railway construction. The project pipeline in international tunnelling is uninterrupted – especially for the patented Slab Track Austria system. The construction of the trans-European rail network TEN-T is providing positive impetus and ensuring continued activity in contracts being awarded.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

These interim consolidated financial statements of the PORR Group have been prepared under application of the accounting policies and measurement methods used in the consolidated statements as of 31 December 2022 and the standards applicable for the first time since 1 January 2023. They consist respectively of a condensed statement of financial position, an income statement, a statement of comprehensive income, a cash flow statement and a condensed statement of changes in Group equity.

CONSOLIDATED INCOME STATEMENT

in TEUR	1-3/2023	1-3/2022
Revenue	1,266,285	1,110,834
Own work capitalised in non-current assets	401	405
Income from companies accounted for using the equity method	4,885	17,698
Other operating income	34,877	40,980
Cost of materials and other related production services	-855,272	-724,859
Staff expenses	-300,288	-295,817
Other operating expenses	-96,846	-98,893
EBITDA	**54,042**	**50,348**
Depreciation, amortisation and impairment expense	-44,167	-44,315
EBIT	**9,875**	**6,033**
Income from financial investments and other current financial assets	4,327	2,543
Finance costs	-9,724	-7,999
EBT	**4,478**	**577**
Income tax expense	-1,833	-227
Profit for the period	**2,645**	**350**
of which attributable to shareholders of the parent	-1,860	-5,137
of which attributable to holders of profit-participation rights/hybrid capital	3,513	3,513
of which attributable to non-controlling interests	992	1,974
Basic earnings per share, total (in EUR)	-0.05	-0.13
Diluted earnings per share, total (in EUR)	-0.05	-0.13

STATEMENT OF COMPREHENSIVE INCOME

in TEUR	1-3/2023	1-3/2022
Profit for the period	**2,645**	**350**
Other comprehensive income		
Remeasurement of defined benefit obligations	3,128	3,055
Change in fair value of equity instruments	-	-668
Income tax on other comprehensive income	-849	-917
Items which cannot be reclassified to profit or loss (non-recyclable)	**2,279**	**1,470**
Exchange rate differences	1,677	830
Gains from cash flow hedges		
in the year under review	585	514
Income tax on other comprehensive income	-134	-130
Items which can subsequently be reclassified to profit or loss (recyclable)	**2,128**	**1,214**
Other comprehensive income	**4,407**	**2,684**
Total income for the period	**7,052**	**3,034**
of which attributable to shareholders of the parent	2,692	-2,451
of which attributable to holders of profit-participation rights/hybrid capital	3,513	3,513
of which attributable to non-controlling interests	847	1,972

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	1-3/2023	1-3/2022
Profit for the period	2,645	350
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	44,119	45,703
Interest income/expense	6,254	4,813
Income from companies accounted for using the equity method	764	224
Dividends from companies accounted for using the equity method	2,897	1,722
Profits from the disposal of fixed assets	-3,954	-2,573
Decrease in long-term provisions	-6,828	-3,319
Deferred income tax	-271	-1,735
Operating cash flow	**45,626**	**45,185**
Increase in short-term provisions	2,778	11,575
Increase in tax liabilities	644	1,491
Decease/Increase in inventories	3,418	-10,538
Increase in receivables	-45,660	-51,819
Decrease in payables (excluding banks)	-83,434	-72,719
Interest received	3,932	2,253
Interest paid	-7,138	-7,280
Other non-cash transactions	-566	-315
Cash flow from operating activities	**-80,400**	**-82,167**
Proceeds from sale of property, plant and equipment and disposal of investment property	6,519	5,043
Proceeds from the sale of financial assets	292	85
Proceeds from repayment of loans	536	496
Payments for investments in intangible assets	-961	-1,942
Payments for investments in property, plant and equipment and investment property	-45,762	-37,867
Payments for investments in financial assets	-500	-501
Payments for investments in loans	-268	-209
Payouts/proceeds for the purchase of subsidiaries less cash and cash equivalents	-	-1,613
Cash flow from investing activities	**-40,144**	**-36,508**
Paid dividends and interest from profit-participation rights/hybrid capital	-8,063	-10,587
Payouts to non-controlling interests	-366	-
Acquisition of non-controlling interests	-	-296
Acquisitions of own shares	-4,284	-
Repayment of profit-participation rights/hybrid capital	-	-51,075
Proceeds from bonded loans (Schuldscheindarlehen)	140,000	-
Repayment of bonded loans (Schuldscheindarlehen)	-91,500	-30,000
Proceeds loans and other financing	25,964	4,500
Repayment loans and other financing	-20,079	-20,249
Cash flow from financing activities	**41,672**	**-107,707**
Cash flow from operating activities	**-80,400**	**-82,167**
Cash flow from investing activities	**-40,144**	**-36,508**
Cash flow from financing activities	**41,672**	**-107,707**
Change to cash and cash equivalents	**-78,872**	**-226,382**
Cash and cash equivalents as of 1 Jan	655,803	765,034
Currency differences	1,508	111
Cash and cash equivalents as of 31 Mar	**578,439**	**538,763**
Tax paid	1,460	471

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in TEUR	31.03.2023	31.12.2022
Assets		
Non-current assets		
Intangible assets	193,961	194,128
Property, plant and equipment	1,083,352	1,055,267
Investment property	34,419	33,923
Shareholdings in companies accounted for using the equity method	76,424	78,408
Other financial assets	8,421	8,372
Other non-current financial assets	66,552	70,700
Deferred tax assets	20,003	17,502
	1,483,132	**1,458,300**
Current assets		
Inventories	120,903	124,323
Trade receivables	1,706,609	1,665,040
Other financial assets	143,335	147,658
Other receivables and current assets	71,666	61,215
Cash and cash equivalents	578,439	655,803
Assets held for sale	34,417	34,456
	2,655,369	**2,688,495**
Total assets	**4,138,501**	**4,146,795**

Equity and liabilities		
Equity		
Share capital	39,278	39,278
Capital reserve	358,833	358,833
Profit-participation rights/hybrid capital	242,976	247,526
Other reserves	119,230	118,968
Equity attributable to shareholders of parent	**760,317**	**764,605**
Non-controlling interests	34,801	34,320
	795,118	**798,925**
Non-current liabilities		
Provisions	138,205	144,512
Non-current lease liabilities	327,452	318,778
Non-current financial liabilities	230,930	166,827
Other non-current financial liabilities	2,916	2,647
Deferred tax liabilities	43,385	41,425
	742,888	**674,189**
Current liabilities		
Provisions	273,569	271,338
Current lease liabilities	57,996	55,640
Current financial liabilities	62,133	55,743
Trade payables	1,353,514	1,233,040
Other current financial liabilities	41,984	33,947
Other current liabilities	787,998	1,000,921
Tax payables	19,161	18,574
Liabilities held for sale	4,140	4,478
	2,600,495	**2,673,681**
Total equity and liabilities	**4,138,501**	**4,146,795**

STATEMENT OF CHANGES IN GROUP EQUITY

in TEUR	Share capital	Capital reserve	Revaluation reserve	Remeasurement of defined benefit obligations	Change in fair value of equity instruments
Balance as of 31 Dec 2021	39,278	358,833	11,225	-36,301	-214
Adjustment according to new or changed IFRS	-	-	-	-	-
Balance as of 1 Jan 2022	**39,278**	**358,833**	**11,225**	**-36,301**	**-214**
Total profit for the year	-	-	-	-	-
Other comprehensive income	-	-	406	1,575	-521
Total income for the year	**-**	**-**	**406**	**1,575**	**-521**
Dividend payout	-	-	-	-	-
Profit-participation rights/hybrid capital	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-
Capital increases	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-
Balance as of 31 Mar 2022	**39,278**	**358,833**	**11,631**	**-34,726**	**-735**
Balance as of 1 Jan 2023	**39,278**	**358,833**	**13,929**	**-37,178**	**180**
Total profit for the year	-	-	-	-	-
Other comprehensive income	-	-	-	2,269	-
Total income for the year	**-**	**-**	**-**	**2,269**	**-**
Dividend payout	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-
Acquisitions of treasury shares	-	-	-	-	-
Balance as of 31 Mar 2023	**39,278**	**358,833**	**13,929**	**-34,909**	**180**

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
-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**
-	-	3,513	-5,137	-1,624	1,974	350
841	384	-	1	2,686	-2	2,684
841	**384**	**3,513**	**-5,136**	**1,062**	**1,972**	**3,034**
-	-	-10,587	-	-10,587	-	-10,587
-	-	-49,874	-1,201	-51,075	-	-51,075
-	-	-	2,435	2,435	-	2,435
-	-	-	-	-	-	-
-	-	-	-125	-125	-171	-296
338	**-38**	**243,006**	**92,539**	**710,126**	**35,670**	**745,796**
-265	**1,863**	**247,526**	**140,439**	**764,605**	**34,320**	**798,925**
	-	3,513	-1,860	1,653	992	2,645
2,316	451	-	-484	4,552	-145	4,407
2,316	**451**	**3,513**	**-2,344**	**6,205**	**847**	**7,052**
-	-	-8,063	-	-8,063	-366	-8,429
-	-	-	1,854	1,854	-	1,854
-	-	-	-4,284	-4,284	-	-4,284
2,051	**2,314**	**242,976**	**135,665**	**760,317**	**34,801**	**795,118**

FINANCIAL CALENDAR

29.8.2023	**Publication** half-year report 2023
20.11.2023	**Interest payment** hybrid bond 2021
23.11.2023	**Publication** report on the 3rd quarter 2023

CONTACT

Investor Relations & Strategy
ir@porr-group.com

Group Communications
comms@porr-group.com

This interim report on the first quarter 2023 is available free of charge from the company, 1100 Vienna, Absberggasse 47, and can also be downloaded from **https://porr-group.com/en/investor-relations/reporting/zwischenberichte/**.

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PORR AG
Absberggasse 47, 1100 Vienna
T +43 50 626-0
office@porr-group.com
porr-group.com

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

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PORR AG
Absberggasse 47
1100 Vienna
T +43 50 626-0
porr-group.com