HOME OF CONSTRUCTION

Half-Year Report 2024

KEY DATA

OPERATING DATA

in EUR m	1-6/2024	1-6/2023	Change
Production output[1]	3,116	3,017	3.3%
Foreign share	55.2%	55.2%	0.0 PP
Order backlog	8,564	8,995	-4.8%
Order intake	3,228	3,808	-15.2%
Staffing level (average)	20,823	20,135	3.4%

EARNINGS INDICATORS

in EUR m	1-6/2024	1-6/2023	Change
Revenue	2,907.8	2,891.1	0.6%
EBITDA	148.1	136.7	8.4%
EBIT	42.2	34.1	23.7%
EBT	34.8	27.5	26.4%
Profit/loss for the period	27.5	18.6	47.8%
Earnings per share (in EUR)	0.45	0.31	45.2%

FINANCIAL POSITION INDICATORS

in EUR m	30.06.2024	31.12.2023	Change	30.06.2023
Total assets	4,175	4,136	0.9%	4,280
Equity (incl. non-controlling interests)	811	860	-5.8%	790
Equity ratio	19.4%	20.8%	-1.4 PP	18.5%
Net debt	327	-40	<-100.0%	224

CASH FLOW AND INVESTMENTS

in EUR m	1-6/2024	1-6/2023	Change
Cash flow from operating activities	-67.3	-85.1	-21.0%
Cash flow from investing activities	-163.6	-101.7	60.8%
Cash flow from financing activities	-136.8	-21.7	>100.0%
CAPEX[2]	183.0	152.1	20.3%
Depreciation/amortisation/impairment	106.0	102.6	3.3%

KEY DATA REGARDING SHARES

in EUR m	30.06.2024	31.12.2023	Change	30.06.2023
Number of shares	39,278,250	39,278,250	-	39,278,250
Market capitalisation	549.9	498.8	10.2%	509.0

[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.

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DEAR SHAREHOLDERS, DEAR STAKEHOLDERS,

The first half of 2024 was very positive. Our production output increased by 3.3% to a record EUR 3.1 bn. Our order backlog of more than EUR 8.5bn is the third highest in PORR's history, once again demonstrating our resilience in a challenging environment. In infrastructure construction we continue to be very active, for example on the Semmering Base Tunnel and the ElbX Tunnel for the SuedLink power line. We are also already seeing slight signs of recovery in residential construction. In industrial construction, demand for data centres for example remains strong.

What's more, we are particularly pleased with our significant improvement in earnings. EBIT rose by 23.7% to EUR 42.2m. The EBIT margin was 1.4% and is therefore right on track. At the same time, we have further expanded our vertical integration and our permanent business through selective acquisitions.

So, we are well positioned overall for the second half of the year. We are already looking forward to building on our existing success stories with new projects and plans. As always, we would like to thank you for the trust you have placed in us.

August 2024, Vienna

Sincerely, Your Executive Board

Karl-Heinz Strauss
Chairman of the Executive Board and CEO

Klemens Eiter
Executive Board member and CFO

Claude-Patrick Jeutter
Executive Board member and COO

Jürgen Raschendorfer
Executive Board member and COO

HIGHLIGHTS

IMPRESSIVE TUNNEL

The twin-tube Semmering Base Tunnel between Lower Austria and Styria is around 27 kilometres long. In June, PORR and the Rhomberg Sersa Rail Group were awarded the contract for the railway engineering equipment. This includes telecommunications, electrical equipment with high-voltage systems, distribution boards, lighting and escape route labelling as well as signage. Planning has already begun and construction is due to start in June 2025.

SUCCESSFUL ENVIRONMENT RATING

For PORR, sustainable construction is the present and the future. This commitment is reflected in the Green and Lean strategy. That is why PORR is constantly implementing measures to reduce its carbon footprint. The global non-profit environmental organisation Carbon Disclosure Project, CDP for short, has awarded the construction company a B rating in the areas of water security and climate change. PORR can thereby build on the achievements of the previous year.

NECESSARY EXPANSION

PORR is designing and building operating theatres, intensive care rooms, diagnostic laboratories and a sterilisation room across three overground and one underground floor for the Kielce hospital in Poland. A helipad will be installed on the roof. Completion is planned for May 2026. As with the oncological hospital in Wroclaw and the clinic, teaching and research building in Szczecin, PORR is once again demonstrating its expertise in the field of medical infrastructure.

PORR 2025

The goals of the future programme PORR 2025 programme are to secure sustainable profitable growth and improve resilience to any cyclical and geopolitical influences. Far-reaching measures such as adjusting cost and organisational structures and optimising the broad service portfolio are being implemented to achieve this. At the same time, growth topics and innovative digital technologies are being driven forward in order to guarantee PORR's future competitiveness.

	STRATEGY	GOALS
Markets	**More Focus** PORR remains convinced of the long-term potential of its seven European home markets. The aim is to safeguard and expand the strong market position in Europe. The focus is on selective, results-oriented growth and sustainable construction.	· Unite **economy, environment and society** in building 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)
Finances	**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 · **Optimise the capital structure:** Improve the 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 THE FIRST HALF OF 2024	MEASURES 2025
Markets	· Record **output**: EUR 3,116m · Selective acquisitions for targeted increase in **depth of added value and permanent business**: – PANNONIA Group – Waggershauser Group – Parts of the VAMED Group (pending approval by the competition authority)	· 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	· **LEAN Transformation** – **Ongoing** transformation for **around 8,800 employees** – Programme **completed by around 1,600 employees** – Implement **shop-floor management** at additional **pilot construction** sites in building construction, civil engineering and foundation engineering as well as infrastructure projects · **Building Information Modeling** successfully transferred to line organisation · **Digital construction folder**: Group-wide rollout of the integrated document filing system launched	· Group-wide rollout of **BIM and LEAN** · Task force to avoid and further reduce **loss-making construction sites** · Digitalise the supply chain and construction processes through **innovative IT solutions** (Sequello, DigiTun)
Staff and organisation	· Expansion of **Women@PORR** & **We@PORR**: Mentoring programme, Micro-Workshops and "Ask Our" initiative · Implement **mandatory e-learning**: Data Protection, Information Security, Compliance · New in **PORR Academy**: Online courses on Human Rights and Social Media · Rollout of **Future Managers Programme 2.0**	· Digitalise administrative processes/ **process automation** with Robotics · Expand **PORR Academy**
Finances	· **Increased financial performance:** – Trade receivables reduced by EUR 127m versus 30 June 2023 – Total assets reduced by EUR 105m or 2.5% versus 30 June 2023 · **Improvement of capital structure:** – Gross debt reduced by 13.7% versus 30 June 2023 – Further decrease in hybrid capital – Equity ratio improved to 19.4%	· **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%

PORR ON THE STOCK EXCHANGE

GOOD MOOD ON THE STOCK MARKET

The first half of 2024 continued to be shaped by economic uncertainties and geopolitical tensions. A strong US economy contrasted with subdued economic growth in Europe and a cautious stance from central banks. In view of high inflation data and a robust economy, the US Federal Reserve (Fed) postponed the interest rate cuts it had originally planned and kept the key interest rate unchanged.

In the eurozone, the ongoing economic recovery slowed, affected by geopolitical tensions that dampened the economic climate. Despite a decline in inflation, the European Central Bank (ECB) initially hesitated to cut interest rates. In June, however, it reduced the key interest rate by 0.25 PP to 4.25% due to the gradual improvement in economic conditions.

In anticipation of an imminent turnaround in interest rates, there was positive movement in share indices. Their temporary absence meant that the Dow Jones Industrial Average, the leading index in the USA, rose only slightly by 3.8% in the first half of the year. In Europe, on the other hand, the main indices saw strong gains: The EURO STOXX 50 was up by 8.2%, while the DAX 40 rose by 8.9%. Austria's leading index, the ATX, achieved solid growth of 5.1%.

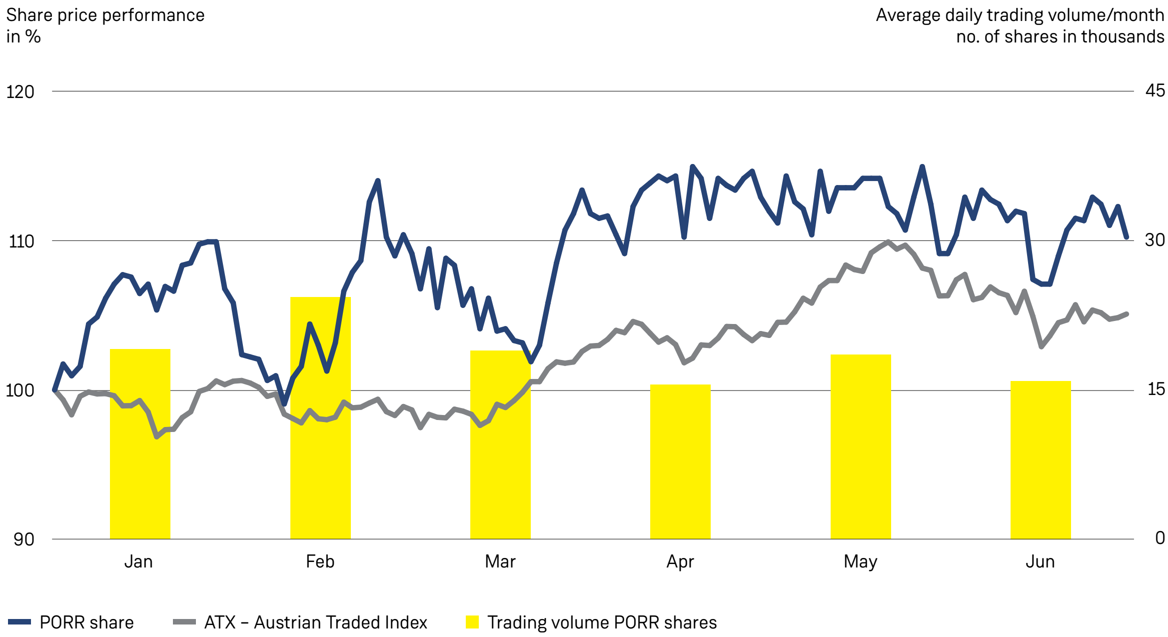
PORR SHARE OUTPERFORMS MARKET

Since the beginning of the year, the PORR share has consistently outperformed the market. The share reached its year low of EUR 12.58 on 7 February. In the months that followed, the share price rose significantly and reached its current high of EUR 14.60 on 17 April and 27 May. With a closing price of EUR 14.00 on 30 June 2024, the PORR share continued its positive trend, albeit with a slight levelling off compared to the previous highs of 2024. Against the end of the previous year, the PORR share thereby recorded a price increase of 10.2%. Market capitalisation stood at around EUR 549.9m as of 30 June.

INTERNATIONAL SHAREHOLDER STRUCTURE

The syndicate (Strauss Group, IGO Industries Group) holds the majority of the shares outstanding, with 50.4%. According to an analysis conducted in July 2024, the free float of 49.6% was primarily distributed across Austria (24.6%) and the USA (12.5%). Investors from Germany held around 1.4% of the free float. Around 8.3% of shares were held by institutional investors from the rest of Europe. Retail investors accounted for 33.5% of the free float shares.

Share price and trading volumes of the PORR share in the first half of 2024 (index)



U5 Europaviertel Frankfurt
Germany

GROUP MANAGEMENT REPORT

+3.3%
Production output

EUR 8,564m
Order backlog

EUR 3,228m
Order intake

EUR 691m
Liquidity reserve

EUR 42m
EBIT

19.4 %
Equity ratio

Production output by market
(in EUR m)

Austria
1,397

Germany
747

Poland
451

Czech Republic
151

Slovakia
20

Romania
271

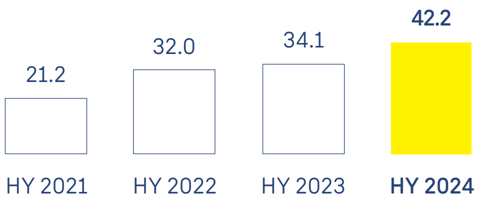
Switzerland
39

Project markets
-

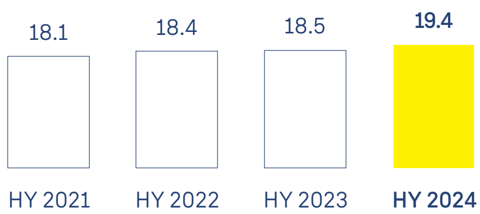
Other
40

Total
3,116

EBIT
(in EUR m)



Equity ratio
(in %)



Staff members by market
(Average)

Austria
10,560

Germany
2,944

Poland
2,538

Czech Republic
1,157

Slovakia
366

Romania
1,784

Switzerland
336

Project markets
530

Other
608

Total
20,823

All 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.

MARKETS AND PERFORMANCE

ECONOMIC ENVIRONMENT

Steady recovery

The global economy started the new year with positive momentum, whereby different degrees of stimulus are leading to uneven growth. While Asia benefited from rising technology exports and robust domestic demand, the service sector performed particularly well in Europe. Overall, global economic growth exceeded expectations. As the various cyclical factors subside, the trend has recently begun to standardise and normalise. The International Monetary Fund (IMF) is forecasting an increase in global economic output of 3.2% for 2024 as a whole. At the same time, inflation is likely to fall further. However, due to persistently high energy costs – especially as a result of the ongoing conflict in the Middle East – the decline in the rate of inflation is likely to slow. This will ensure restraint among central banks and a continued high interest rate level.

This effect was also evident in the USA, where the Fed has so far refrained from lowering interest rates. The key interest rate remained unchanged at 5.5%. The reasons for this are the continuing, albeit weakening, economic growth and the recent rise in inflation. At the same time, the robust labour market and solid consumer spending are contributing to a positive economic climate. The IMF is forecasting economic growth of 2.6% for the year as a whole.

In contrast to the USA, economic growth in the eurozone exceeded expectations at the beginning of the year. This was due to the strong positive momentum in the services sector and net exports being higher than forecast. Falling energy prices and a levelling off of price increases in the services sector led to a decrease in inflation. As a result, the ECB made its first interest rate cut in June, bringing the current key interest rate to 4.25%. For the remainder of the year, experts anticipate that additional monetary easing will lead to a rise in investment activity and an associated increase in economic output. The Institute for Advanced Studies (IHS) therefore expects economic growth of 0.8% in 2024 compared to the previous year.

The Austrian economy is also on the road to recovery following the muted performance of the previous year. However, due to the low level of investment activity at home and abroad and the resulting weak economic performance in industry, the IHS is only forecasting slight growth of 0.3%. On the other hand, the continuing subdued domestic economy and weak consumer demand are contributing to lower inflation rates. Despite rising real incomes, the IHS therefore expects inflation to stabilise. On the other hand, the significant growth in economic activity in the service sector, which is contributing to the overall economic recovery, is having a positive effect.

The Kiel Institute for the World Economy (ifw) forecasts that German economic output will grow by 0.2% in 2024. This growth, which is below the European average, is primarily due to a lack of impetus from international trade. The export-oriented German industry recorded a downward trend. Despite rising real incomes, this has led to subdued consumer demand. Nevertheless, the continued flattening of inflation and the persistently robust labour market provided positive stimulus. The end of the tight monetary policy is also expected to lead to an increase in investment activity in the country.

In PORR's Eastern European home markets – Poland, the Czech Republic, Slovakia and Romania – rising real incomes in particular contributed to a pleasing development. The resulting sharp rise in consumer spending lifted the region's growth rates well above those of the eurozone. This more than compensated for the muted demand for exports due to weak German industry. At the same time, falling inflation has already enabled central banks to cut interest rates more frequently. The Polish, Romanian and Czech central banks have all reduced their key interest rates. The Vienna Institute for International Economic Studies (WIIW) anticipates the strongest economic growth in Poland, where an increase of 3.3% is expected. Romania should continue to benefit from the high level of investment as part of the NextGenerationEU budget and achieve an increase in economic output of 3.0%. Slower growth of 1.2% and 2.0% respectively is forecast for the Czech Republic and Slovakia.

Construction sector remains uneven

European construction volumes declined slightly at the start of 2024. According to Eurostat, they fell by around 1.5% in the first five months compared to the same period of the previous year. For the year as a whole, Euroconstruct is forecasting a decrease of 2.7%. However, experts remain cautiously optimistic in the medium term and expect a return to growth as early as 2025.

The current trend is exclusively attributable to building construction. New residential construction in particular is under pressure due to tighter financing conditions. The first signs of an easing are expected from summer 2024, assisted by national and international subsidy programmes and a gradual loosening of the tight monetary policy. However, a sustained turnaround for the European market as a whole is not expected before 2025.

In non-residential building construction, the renovation and modernisation of existing buildings is proving to be a key growth factor. The continued strong demand for healthcare and educational buildings as well as data centres is almost offsetting the cyclical decline in office and warehouse construction.

Civil engineering and infrastructure construction is continuing its dynamic growth trajectory and recorded an average increase in production volume of 1.8% in the first five months. Due to the long-term financing provided by the NextGenerationEU budget and the numerous national investment programmes, growth is expected to continue in the medium term.

DEVELOPMENT OF OUTPUT

The indicator production output includes traditional design, planning and construction services as well as services from landfill operations and raw material sales and therefore all of PORR's key services. For fully consolidated companies, this output corresponds approximately to the revenue defined and reported in accordance with IFRS. In contrast to revenue, production output also includes the output from joint ventures and companies accounted for using the equity method and subordinate companies in line with the interest held by the Group. Differences in definitions are reconciled pursuant to commercial criteria.

PORR's production output totalled EUR 3,116m in the first half of 2024 and was therefore 3.3% higher than the comparable period of the previous year. The increase in output is primarily due to the areas of tunnelling and major projects in Romania.

PORR's focus remains on its seven home markets, where it generated a total of 98.7% of its output. Austria is still the most important market with a 44.8% share of total output. Germany and Poland accounted for 24.0% and 14.5% respectively. While Romania contributed 8.7% to production output, the Czech Republic and Slovakia together accounted for 5.5%. 1.3% of total output was generated in Switzerland.

ORDER BALANCE

The order backlog stood at EUR 8,564m, continuing its high level. Compared to the previous year, there was a decrease of 4.8%, which is due to the cancellation of a large-scale order on the hand and to the already well-filled pipeline in tunnelling on the other. Compared to 31 December 2023, however, the order backlog saw an increase of EUR 112,1m. The order intake fell by 15.2% to EUR 3,228m. In the comparative period, several major projects were acquired, particularly in civil engineering, resulting in an above-average volume of contracts. In Germany and Poland, on the other hand significant increases were recorded.

The largest new orders include numerous infrastructure projects in addition to an extensive project to build a data centre. PORR was awarded the contract to build a waste-to-energy plant in Gorlice, Poland, and the railway engineering equipment for the Semmering Base Tunnel in Austria among other new orders. With the expansion of the S16 between Barczewo and Biskupiec and the construction and extension of the road between Tarnopol and Siemianówka, PORR was awarded two large-scale road construction contracts in Poland. In Austria and Germany residential construction is already picking up again. Here PORR was awarded multiple contracts including those to build the residential complexes An der Schanze, construction lot A, and Donaustadtstraße 37 in Vienna and Quartier Garstedt in Norderstedt, Germany.

STAFF

PORR employed around 20,823 staff members in the first half of 2024. The 3.4% increase against the previous year was mainly driven by increased activity in infrastructure construction.

FINANCIAL PERFORMANCE

The construction industry is subject to seasonal fluctuations typical for the sector. The first half of the year usually reports weaker earnings due to the lower construction output in the winter months. It therefore only allows limited conclusions to be drawn for the financial year as a whole.

In the first half of 2024, the PORR Group's revenue totalled EUR 2,907.8m. The slight increase of 0.6% is below the growth in output of +3.3%. Income from companies accounted for using the equity method fell by EUR 1.2m to EUR 18.8m.

Both the cost of materials and purchased services developed favourably. Overall, an absolute reduction of EUR 41.5m was achieved. The cost of materials fell by 0.5% to EUR 584.9m and the share of revenue it accounted for fell by 0.2 PP to 20.1%. The cost of other purchased services fell by 2.8% and totalled EUR 1,344.6m, with a 1.6 PP decline in its share of revenue.

As a result of the increase in output, particularly in civil engineering, and the inflation-related increase in salaries, staff expenses rose by 7.0% to EUR 744.4m. Staff expenses as a share of revenue rose by 1.5 PP to 25.6%. Overall, own construction costs (total of material and staff expenses) increased by 3.6% to EUR 1,329.4m.

Other operating income rose faster than revenue, increasing by 8.8%. At the same time, other operating expenses also grew by 2.5%.

The absolute savings in the item materials and other related production services, together with the increase in output, led to an 8.4% improvement in EBITDA to EUR 148.1m.

Depreciation, amortisation and impairment expense rose slightly by 3.3% as a result of increased investment activity in recent years. EBIT of EUR 42.2m were 23.7% higher than the previous year. The EBIT margin in relation to revenue rose by 0.3 PP to 1.5%.

The financial result totalled EUR -7.4m (1-6/2023: EUR -6.6m). This led to a 26.4% improvement in EBT to EUR 34.8m (1-6/2023: EUR 27.5m).

As the tax result of EUR -7.3m was below the comparative figure for last year (1-6/2023: EUR -8.9m), the profit for the period improved by 47.8% to EUR 27.5m. Earnings per share of EUR 0.45 were significantly higher than the previous year's figure (1-6/2023: EUR 0.31).

FINANCIAL POSITION

As of 30 June 2024, the PORR Group's total assets stood at EUR 4,174.8m, representing only a slight change (+0.9%) against the end of the previous year (31 December 2023: EUR 4,135.7m).

While non-current assets rose by 8.8% overall, primarily due to the increase in property, plant and equipment and intangible assets, current assets fell by 3.8%. The reduction in receivables compared to 30 June 2023 is particularly pleasing, as these saw a material reduction of EUR 127.4m or 6.7%. Cash and cash equivalents decreased to EUR 256.3m compared to the end of the year due to seasonal factors (31 December 2023: EUR 631.3m).

Equity fell by EUR 49.6m to EUR 810.6m compared to 31 December 2023. The decrease is due in particular to the early repayment of profit participation rights with a nominal value of EUR 40.0m. In addition, interest payments on hybrid capital and the distribution of the dividend for 2023 led to a reduction in equity in the first half of 2024. The equity ratio was 19.4% as of 30 June 2024 (30 June 2023: 18.5%).

In line with the previous year, gross debt (sum of lease liabilities and financial liabilities) was reduced once again. Compared to 30 June 2023, there was a decrease of EUR 92.4m or 13.7% to EUR 583.8m (31 December 2023: EUR 591.6m). On the other hand, there was a significant seasonal increase in trade payables of 27.4% compared to 31 December 2023. Overall, liabilities rose by 2.7% against the year-end figure to EUR 3,364.1m.

As of 30 June 2024, net debt stood at EUR 327.2m, of which EUR 78.7m is attributable to the company acquisitions made in the first half of 2024, the Waggershauser Group in particular, and the purchase of gravel resources and real estate. Together with the effect from the repayment of profit participation capital with a nominal value of EUR 40.0m, this led to an extraordinary increase in net debt of EUR 118.7m. This resulted in a rise in net debt from operating activities, which is common for the season, to EUR 208.5m. Compared to 30 June 2023 (EUR 224.3m), this represents an operational reduction of 7.1% (31 December 2023: EUR -40.1m).

CASH FLOWS

Although the profit for the period under review was significantly higher than in the previous year (up by EUR 7.3m to EUR 27.5m), the operating cash flow fell by EUR 18.0m to EUR 114.1m due to high tax payments. Nevertheless, the improved working capital caused cash flow from operating activities to increase sharply by EUR 17.9m, whereby it totalled EUR -67.3m.

Cash flow from investing activities reflects the acquisition activity in the first half of 2024. In particular, the purchase of gravel resources of the PANNONIA Group and the acquisition of the Waggershauser Group led to an overall increase of EUR 61.9m in cash outflows from investing activities.

In addition to the repayment of profit participation rights with a nominal value of EUR 40.0m, leasing and financial liabilities were also reduced (EUR -54.8m). As a result, cash flow from financing activities totalled EUR -136.8m. In the same period of the previous year, this was primarily positively affected by the temporary increase in bonded loans (Schuldscheindarlehen) as part of their refinancing (1-6/2023: EUR -21.7m).

In total, free cash flow decreased by EUR 44.0m compared to the same period of the previous year and stood at EUR -230.8m. Cash and cash equivalents amounted to EUR 256.3m as of 30 June 2024. The liquidity reserve remained at a high level of EUR 691.3m.

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 finance leases.

In the reporting year, the main investments were in replacement and new construction equipment as well as some high aperiodic investments such as gravel resources (PANNONIA Group). CAPEX increased by EUR 30.9m year-on-year to EUR 183.0m, resulting in a CAPEX ratio in relation to production output of 5.9% (1-6/2023: 5.0%). Due to the extraordinary investment in gravel resources, a CAPEX ratio of 4.0% to 4.5% is expected at the end of the year.

FORECAST REPORT

The global economy continues to be in a recovery phase. Having performed better than expected at the start of the year, experts are forecasting slightly weaker but still positive momentum for the remainder of the year. The IMF is standing by its growth forecast of 3.2% year on year.

However, growth expectations have shifted between the major economic blocs of Europe, the USA and Asia. While Europe and Asia have recently been able to recover, forecasts for the USA have been revised downwards. This is also reflected in the latest reports on the US job market, which led to uncertainty and significant price falls on the global capital market.

Cautious optimism is prevailing in Europe. Despite the turnaround in interest rates in June, inflation continues to fall and, at an estimated 2.6% in July, is approaching the target of below 2.0%. The ECB is therefore expected to cut interest rates again in September to a base rate of 4.0%, which should provide renewed stimulus for the economy. While growth of 0.8% is forecast for the eurozone in 2024, the economies in most of PORR's home markets are likely to see much more dynamic growth.

A turnaround is also expected in the European construction industry in the short to medium term. The weak residential construction sector is currently dampening overall construction volumes, but national stimulus programmes and subsidies should initiate a reversal by 2025 at the latest. Ongoing demographic change and urbanisation are ensuring that demand for affordable housing remains high. The Austrian, German and Polish governments have already implemented measures to address this. In Poland, growth is thereby expected to return to residential construction already this year.

Non-residential building construction, including public building construction and industrial construction, is stable and experiencing growth together with the economy as a whole. The attempt to transform Europe into a green continent, which is being pursued across Europe, is ensuring continuous demand for the modernisation and renovation of existing properties. In new construction, the main growth drivers are the healthcare and education sectors. Demand in industrial construction remains robust due to the deglobalisation of production and supply chains. At the same time, strong growth in the technology sector, particularly in the field of artificial intelligence, has significantly increased demand for data centres.

Civil engineering is also benefiting from the expansion of digital infrastructure. Alongside the planned extension of the energy infrastructure, this is a key growth driver for pipeline construction. Decarbonising Europe is the focus of European funding under the multi-annual NextGenerationEU budget and the Recovery and Resilience Facility. This is driving investment in sustainable mobility – particularly railway construction – and the expansion of renewable energy sources at a high level. An additional focus is on the expansion and, in some cases, urgently needed modernisation of the existing transport infrastructure.

As of 30 June 2024, civil engineering accounted for 56.6% of PORR's order backlog. PORR enjoys success in order acquisition thanks to its exceptionally broad service portfolio, which allows it to serve as a one-stop shop. In residential construction, which accounted for 9.2% of the order books, the focus is on cautious project acquisition. The share of non-residential building construction reached 29.4%. Long-term partnerships and a high degree of customer satisfaction are the priority here.

Based on an order backlog of EUR 8.6 bn (+1.5% compared to the previous quarter), the Executive Board continues to expect a moderate increase in output for 2024. At the same time, it anticipates a rise in EBIT. In the medium term, the Executive Board expects the EBIT margin to increase to 3.0%.

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. Should the geopolitical situation intensify, this could have a negative impact on PORR and its business activities. Any assessment of economic development is therefore subject to forecasting risks.

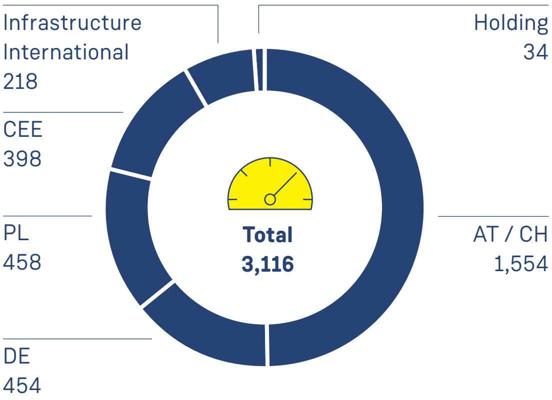
OPPORTUNITY AND RISK MANAGEMENT

Active risk management is an integral part of responsible corporate management at PORR and secures the company's competitiveness long term. Should risks become apparent on one of PORR's business fields or markets, this could have a negative effect on the company's earnings. That's why the aim of risk management is to identify risks and minimise them while still maintaining the company's earnings potential. The required organisational processes and controls, which help to pinpoint risks early on, as well as measures to counteract them, should be continuously developed and improved.

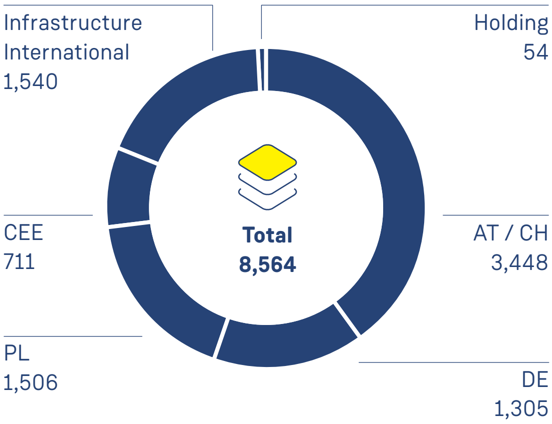
Since the Annual and Sustainability Report 2023, there have been no significant changes to the opportunity/risk profile from which new or changed risks for PORR can be derived. So, the description in the Risk Report of the Annual and Sustainability Report 2023 from page 123 onwards remains valid.

SEGMENT REPORT

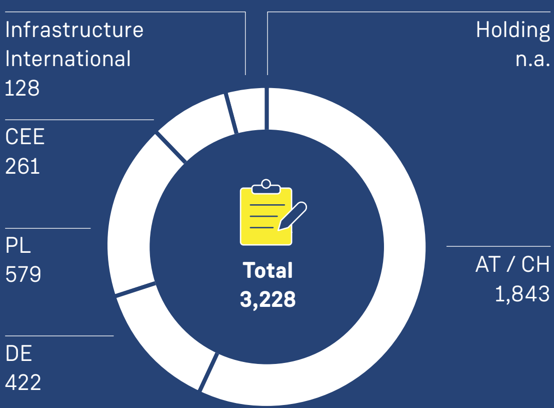
Production output by segment
(in EUR m)



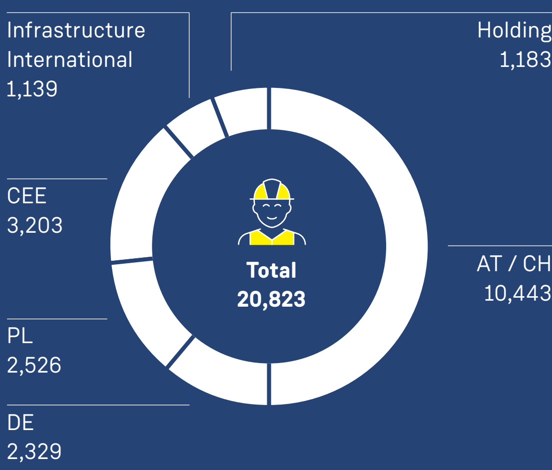
Order backlog by segment
(in EUR m)



Order intake by segment
(in EUR m)



Number of staff by segment
(average)



The figures have been rounded off using the compensated summation method.

SEGMENT AT / CH

Key data

in EUR m	1-6/2024	1-6/2023	Change
Production output	1,554	1,559	-0.3%
Revenue	1,388	1,397	-0.6%
EBIT	34.0	31.1	9.3%
Order backlog	3,448	3,631	-5.0%
Order intake	1,843	1,878	-1.8%
Average staffing levels	10,443	10,310	1.3%

The segment AT / CH includes country responsibility for the home markets of Austria and Eastern Switzerland. PORR is represented here with its full range of services. In addition to the permanent business – with the focal points of road, residential and industrial construction – the national competencies in in railway and pipeline construction, office and special civil engineering, steel construction and environmental engineering are bundled in this segment. 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, Schwarzl, pde Integrale Planung and PORR Verkehrstechnik are integrated in the segment AT / CH.

Segment performance

In the first half of 2024, the production output of segment AT / CH was almost unchanged at EUR 1,554m. At the same time, revenue decreased by 0.6% to EUR 1,388m. While there was a slight decrease in the province of Vienna, the area of rail transport technology reported pleasing growth.

EBIT of the segment AT / CH came in at EUR 34.0m and thereby 9.3% above the previous year's value. With an EBIT margin in relation to revenue of 2.5%, the segment AT / CH once again delivered a very good result (1-6/2023: 2.2%).

The order backlog in the segment AT / CH shrank by 5.0% to EUR 3,448m. This is due in particular to the area of major projects in building construction, where an order was cancelled in the last year. The order intake totalled EUR 1,843m, only slightly down by 1.8% on the same period of the previous year.

The largest new order received by the segment AT / CH was in railway construction. Together with a partner, PORR is responsible not only for the electrification of the Semmering Base Tunnel, but also for mechanical systems such as air conditioning and ventilation. Five of the ten largest new acquisitions came from the residential construction sector, including the An der Schanze, construction lot A, and Donaustadtstraße 37 residential complexes in Vienna and the Carisma residential complex in Obsteig, Tyrol. Other significant new projects were acquired in road construction, such as construction lot 2 of the S10 Nord Mühlviertler motorway and the renovation of the A2motorway in the area of Pinggau – Markt Allhau. In industrial construction, new PORR contracts included the solid construction work for one of Voestalpine's first electric arc furnaces.

Market performance

The Austrian construction industry recorded a slight decline in production volumes in the first months of 2024. A significant reduction was observed in building construction in particular, while civil engineering stagnated at the previous year's level. In Switzerland, on the other hand, the national construction volume increased slightly, although building construction also showed some weakness here. While the order intake decreased in Switzerland, there was a slight increase in Austria, particularly in civil engineering, which recorded average growth of 14.3% in the period to May.

Although residential construction is likely to continue to be burdened by the difficult financing environment in the short term, there are signs of an easing in the medium term. The Austrian government recently announced stimulus measures for private residential construction that are expected to take effect from the second half of 2024. An ongoing reversal in the trends is forecast for 2025.

In the meantime, significant growth impetus in building construction will come primarily from the renovation and thermal modernisation of existing buildings. This area shows a continuous upward trend, which is being assisted by factors such as national subsidies.

Civil engineering remains the main growth driver in both Austria and Switzerland. This is primarily due to the stable high level of investment from national and international budget funds. In addition, the Austrian government, together with the Austrian Federal Railways (ÖBB), has increased the budget for the expansion of railway infrastructure to EUR 21.1 bn for the period 2024-2029. In the energy sector, the government's sustainability strategy is providing serious positive impetus for developing additional renewable energy sources.

SEGMENT DE

Key Data

in EUR m	1-6/2024	1-6/2023	Change
Production output	454	458	-0.9%
Revenue	457	482	-5.1%
EBIT	2.7	1.2	>100.0%
Order backlog	1,305	1,274	2.4%
Order intake	422	297	42.0%
Average staffing levels	2,329	2,252	3.4%

The segment DE comprises the majority of PORR's activities in Germany. Here the company is active in the fields of building construction, industrial construction, structural engineering and steel construction. It also trades in mineral raw materials and offers specialist civil engineering and tunnelling services as well as environmental engineering and traffic route construction. This gives PORR a powerful position along the entire value chain in German infrastructure construction. The segment DE also includes German subsidiaries such as BBGS with the service area Government Services. The subsidiaries Oevermann, Stump-Franki and Radmer Kies have been operating under the PORR brand since the start of 2024. By bundling these activities under the PORR name, the focus is on a one-stop shop for a comprehensive range of services.

Segment performance

The production output of the segment DE remained stable at EUR 454m. Revenue slipped back by 5.1% to EUR 457m. This is mainly due to the high comparative value from the previous year.

The segment DE generated a pleasing increase in EBIT to EUR 2.7m. The improvement is due to the areas of Government Services and transport route construction. EBIT margin in relation to revenue doubled to 0.6% (1-6/2023: 0.3%).

The order backlog increased by 2.4% to EUR 1,305m as of 30 June, which is partly attributable to a major new order. Accordingly, the order intake increased significantly by 42.0% and totalled EUR 422m.

The segment DE won the Group's largest new order in the first half of 2024, an extensive data center project near Frankfurt. The repeat order from a longstanding PORR client demonstrates the company's high level of reliability towards its customers. Another major order came from the residential construction sector. PORR is part of the future Garstedt urban development in Norderstedt.

Market performance

At the start of 2024, the German construction industry recorded a positive trend in construction investment. The order intake rose by 2.9% in the year to May, driven in particular by public building construction and civil engineering. In terms of revenue, the construction industry maintained its level from the previous year, albeit with significant differences between the sectors. While building construction showed significant declines, civil engineering rose by 8.1%.

The ifw is forecasting further growth in construction investment for the second half of the year. A continuous increase is expected in civil engineering, favoured by increased infrastructure investments and maintenance measures by Deutsche Bahn, among others. The federal government has budgeted an investment sum of EUR 10.8 bn for this purpose in 2024. In addition, EUR 10.2 bn is available for federal trunk roads and waterways. At the same time, the expansion of the energy infrastructure will also provide additional economic stimulus.

In building construction, there are signs of a trend reversal following the previously very subdued performance. This recovery is partly due to tax incentives and subsidies for renovation. In line with the overall economic recovery, growth in commercial construction is also expected, and building permits have already increased significantly. An increase in construction activity is forecast for factory and workshop buildings in particular.

Positive impetus is also expected from residential construction around the end of the year. Rising real incomes and falling construction prices are set to be a factor here. In addition, the challenging financing environment is slowly easing. The stable volume of subsidies for energy-efficient refurbishment will continue to ensure solid demand for home renovations.

SEGMENT PL

Key Data

in EUR m	1-6/2024	1-6/2023	Change
Production output	458	478	-4.2%
Revenue	463	493	-6.0%
EBIT	8.3	6.7	22.6%
Order backlog	1,506	1,397	7.8%
Order intake	579	410	41.3%
Average staffing levels	2,526	2,590	-2.5%

The segment PL encompasses the entire country responsibility for Poland. All of PORR's Polish shareholdings, such as Stump Franki, are included in this segment. As a reliable partner with technical expertise and a holistic understanding of construction, PORR is a leader in Polish civil engineering. It offers services in the fields of infrastructure, railway construction, power plant construction and specialist civil engineering. In building construction, the focus is not only on residential and office construction, but also on the construction of hospitals, hotels, educational facilities, industrial plants and public buildings.

Segment performance

The segment PL generated production output of EUR 458m. This represents a decrease of 4.2% against the very high level of the previous year, attributable to the areas of building construction and railway construction. This was also evident in revenue, which decreased by 6.0% to EUR 463m.

The segment PL achieved EBIT of EUR 8.3m. This corresponds to a strong increase of 22.6%. The EBIT margin in relation to revenue stood at 1.8% (1-6/2023: 1.4%).

The order backlog rose by 7.8% to EUR 1,506m as of the reporting date, which is primarily attributable to the infrastructure area. There was a significant increase in the order intake of 41.3% to EUR 579m. In addition to infrastructure construction, this is also driven by industrial construction.

The largest new order in the first half of the year in the segment PL was the construction of the waste-to-energy plant in Gorlice. In addition, PORR won several major orders in Polish provincial road construction with the expansion of the S16 motorway between Barczewo and Biskupiec, the construction of the road between Siemianówka and Tarnopol, and the Rogoźno bypass. In non-residential building construction, PORR is responsible for the expansion of Szczecin Airport and the construction of the Bardzka Hotel in Wrocław.

Market performance

In the first six months of 2024, Polish construction volumes fell by an average of 7.0%. In building construction, significant losses were recorded by residential construction in particular while civil engineering volumes also fell short of the previous year's level. Despite these declines, Euroconstruct is forecasting growth of 3.5% for the year as a whole, with all sectors of the construction industry likely to contribute to this positive result. The decline in construction prices for the first time in more than two years is providing positive impetus.

The optimistic growth prospects for the Polish economy are boosting expectations in non-residential building construction in particular. In order to avoid capacity bottlenecks, more investments are being made in industrial construction, which are expected to increase order volumes in the medium term. In addition, the expansion of healthcare infrastructure is an important growth driver in public building construction, making this area a key pillar for the entire sector.

In Polish residential construction, a trend reversal is expected as early as 2024. Euroconstruct recently adjusted its forecasts accordingly. Supporting measures such as funding credit instalments and the "Mieszkanie na start" programme to subsidise home ownership play a key role in this.

In the medium to long term, civil engineering will remain the key growth driver in the industry. The ongoing need to expand and modernise transport infrastructure continues to provide strong positive impetus. The creation and expansion of sustainable and independent energy infrastructure is also generating positive momentum. International, national and local funding programmes ensure reliable financing for road, energy and hydrotechnical infrastructure.

SEGMENT CEE

Key Data

in EUR m	1-6/2024	1-6/2023	Change
Production output	398	285	39.7%
Revenue	388	276	40.7%
EBIT	11.4	1.3	>100.0%
Order backlog	711	870	-18.2%
Order intake	261	290	-9.9%
Average staffing levels	3,203	2,505	27.9%

The segment CEE focuses on the home markets of the Czech Republic, Slovakia and Romania. The local shareholdings are also integrated here. In this segment PORR offers construction services in building construction and civil engineering. The broad range is complemented by large-scale projects in infrastructure and specialist civil engineering. The focus is on integrated project management along the entire value chain. PORR is also particularly active in asphalt construction on these three home markets.

Segment performance

The segment CEE achieved an increase in output of 39.7% to EUR 398m. This was mainly driven by major projects in Romania and by Romanian civil engineering. In revenue too there was a significant uplift of 40.7% to EUR 388m.

The segment CEE was able to achieve very strong EBIT of EUR 12.5m. This is due to infrastructure construction in Romania in particular. The EBIT margin in relation to revenue stood at 3.2% (1-6/2023: 1.0%).

The order backlog of the segment CEE totalled EUR 711m as of the reporting date. The 18.2% decline is mainly due to working off orders in civil engineering and major infrastructure projects in Romania. The order intake fell by 9.9% compared to the same period of the previous year and totalled EUR 261m. The decrease was the result of a reduction in Romanian civil engineering in particular.

Accordingly, the largest new order in the first half of the year came from the Czech Republic and Slovakia. In Prague PORR is responsible for the construction of the Residence U Sluncové apartment blocks. In Slovakia the segment CEE was awarded the contract to renovate the railway line between Devínska Nová Ves and Marchegg, Austria.

Market performance

In the year to date, the construction industry in the three home markets has experienced subdued growth. Euroconstruct and the Eastern European Construction Forecasting Association (EECFA) are predicting a stagnation in construction volumes for the year as a whole. However, civil engineering remains the most important pillar of the industry, supported by financing from the NextGenerationEU budget.

In the Czech Republic, an increase in the construction volume of transport infrastructure is expected. At the same time, energy efficiency requirements for existing buildings are driving increased demand in the area of renovation and modernisation. A lower interest rate environment and positive economic prospects are boosting expectations in both residential and non-residential building construction. Significant growth momentum is expected from 2025.

In Slovakia, significant growth is forecast for 2024 in non-residential building construction and civil engineering. This is due in particular to increased investment in the healthcare and agricultural sectors. The turnaround in residential construction is expected in 2025, with more favourable financing conditions and falling land prices likely to have a significant impact.

In Romania, the expansion and modernisation of road and railway infrastructure is also generating positive momentum. However, this will slow somewhat in the current year due to delays in the awarding of projects in light of the upcoming autumn elections. The slower than expected decrease in inflation is also causing uncertainty, while the continuous reduction in the base interest rate is providing a welcome boost.

SEGMENT INFRASTRUCTURE INTERNATIONAL

Key Data

in EUR m	1-6/2024	1-6/2023	Change
Production output	218	185	17.9%
Revenue	158	180	-12.3%
EBIT	-2.2	5.4	<-100.0%
Order backlog	1,540	1,713	-10.1%
Order intake	128	894	-85.7%
Average staffing levels	1,139	1,328	-14.2%

PORR's expertise in tunnelling is bundled in the segment Infrastructure International along with the Slab Track International division. The patented railway product enables greater efficiency, quality and speed in rail transport and is also offered on international markets. The overarching responsibility for the project markets of Norway, Qatar and the United Kingdom (UK) is also anchored here. On its project markets, PORR focuses on individual infrastructure construction contracts and on cooperation with local partners. These PORR infrastructure export products are offered by the segment Infrastructure International on a highly selective basis on international markets and only where there is clear added value.

Segment performance

The production output of the segment Infrastructure International totalled EUR 218m. The 17.9% increase came from tunnelling, where significant major projects entered the build phase. In contrast to that there was a decrease in revenue of 12.3% to EUR 158m.

Due to a negative arbitration decision, EBIT of the segment Infrastructure International went down to EUR -2.2m (1-6/2023: EUR 5.4m). The EBIT margin in relation to revenue was slightly negative at -1.0% (1-6/2023: 2.9%).

The order backlog fell by 10.1% and totalled EUR 1,540m. This is primarily due to continuously working off major projects. The order intake stood at EUR 128m. The decline of 85.7% is the result of having acquired several major projects in the comparative period. As a result, PORR's capacity utilisation is at a very high level, which led to the acquisition of new orders being deliberately avoided in some cases.

The main order bookings in the first half of the year include an extension to the contract for the Limberg III pumped storage power plant. PORR is also responsible for building a rescue tunnel for the Schmitten Tunnel in Salzburg, Austria, among other new orders.

Market performance

PORR concentrates on strict risk management on its project markets. Emerging opportunities and possible projects are only pursued after careful scrutiny. Project acquisition is only undertaken if there are clear and decisive advantages. While the focus in the UK and Norway is on completing ongoing projects, the risk profile in Qatar has already been significantly reduced and orders are only accepted on a very selective basis.

In tunnelling, PORR is benefiting from the planned expansion of the trans-European transport network (TEN-T), whose long-term financing is secured through the NextGenerationEU budget. This guarantees a steady pipeline of railway and tunnelling projects. In addition to PORR's comprehensive expertise, the patented Slab Track System provides a significant competitive advantage with increased efficiency and quality in high-speed rail transport while simultaneously reducing maintenance requirements. Accordingly, PORR expects the solid market growth in tunnelling to continue.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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CONSOLIDATED
INCOME STATEMENT

in TEUR	1–6/2024	1–6/2023	4–6/2024	4–6/2023
Revenue	2,907,756	2,891,133	1,632,157	1,624,848
Own work capitalised in non-current assets	2,258	1,372	1,301	971
Income from companies accounted for under the equity method	18,771	20,016	6,978	15,131
Other operating income	90,262	82,959	52,074	48,082
Cost of materials and other related production services	-1,929,492	-1,970,976	-1,096,932	-1,104,095
Staff expenses	-744,427	-695,658	-409,894	-395,370
Other operating expenses	-197,004	-192,160	-97,773	-106,923
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**148,124**	**136,686**	**87,911**	**82,644**
Depreciation, amortisation and impairment expense	-105,959	-102,601	-57,046	-58,434
Earnings before interest and tax (EBIT)	**42,165**	**34,085**	**30,865**	**24,210**
Income from financial investments and other current financial assets	14,104	13,082	5,820	8,755
Finance costs	-21,504	-19,658	-9,927	-9,934
Earnings before tax (EBT)	**34,765**	**27,509**	**26,758**	**23,031**
Income tax expense	-7,306	-8,927	-5,250	-7,094
Profit for the period	**27,459**	**18,582**	**21,508**	**15,937**
of which attributable to shareholders of the parent	17,115	11,852	16,067	13,712
of which attributable to holders of profit-participation rights/hybrid capital	8,156	7,058	4,158	3,545
of which attributable to non-controlling interests	2,188	-328	1,283	-1,320
Basic earnings per share, total (in EUR)	0.45	0.31	0.42	0.36
Diluted earnings per share, total (in EUR)	0.45	0.31	0.42	0.36

STATEMENT OF COMPREHENSIVE INCOME

in TEUR	1–6/2024	1–6/2023	4–6/2024	4–6/2023
Profit for the period	**27,459**	**18,582**	**21,508**	**15,937**
Other comprehensive income				
Remeasurement of defined benefit obligations	552	3,287	-24	159
Income tax on other comprehensive income	-153	-674	-5	175
Items which cannot be reclassified to profit or loss (non-recyclable)	**399**	**2,613**	**-29**	**334**
Exchange rate differences	-330	7,578	2,380	5,901
Gains from cash flow hedges				
in the period under review	1,386	2,011	616	1,426
Income tax on other comprehensive income	-319	-462	-142	-328
Items which can subsequently be reclassified to profit or loss (recyclable)	**737**	**9,127**	**2,854**	**6,999**
Other comprehensive income	**1,136**	**11,740**	**2,825**	**7,333**
Total comprehensive income for the period	**28,595**	**30,322**	**24,333**	**23,270**
of which attributable to shareholders of the parent	18,213	23,565	18,892	20,873
of which attributable to holders of profit-participation rights/hybrid capital	8,156	7,058	4,158	3,545
of which attributable to non-controlling interests	2,226	-301	1,283	-1,148

CONSOLIDATED
CASH FLOW STATEMENT

in TEUR	1-6/2024	1-6/2023
Profit for the period	27,459	18,582
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	105,969	102,475
Interest income/expense	7,655	7,833
Income from companies accounted for under the equity method	-1,624	-1,299
Dividends from companies accounted for under the equity method	2,376	4,101
Profits from the disposal of fixed assets	-10,756	-6,260
Decrease in long-term provisions	-3,548	-1,993
Current income tax expense	7,287	3,880
Income taxes paid	-20,760	-1,134
Deferred income tax	19	5,906
Operating cash flow	**114,077**	**132,091**
Increase in short-term provisions	44,504	22,393
Decrease/increase in inventories	4,237	-2,569
Increase in receivables	-265,930	-260,592
Increase in payables	44,885	28,747
Interest received	11,391	7,968
Interest paid	-15,989	-12,845
Other non-cash transactions	-4,435	-333
Cash flow from operating activities	**-67,260**	**-85,140**
Proceeds from the disposal of intangible assets	-	23
Proceeds from sale of property, plant and equipment and disposal of investment property	14,745	11,371
Proceeds from the sale of financial investments	-	773
Proceeds from repayment of loans	1,353	1,751
Payments for investments in intangible assets	-6,319	-2,358
Payments for investments in property, plant and equipment and investment property	-143,485	-111,913
Payments for investments in financial investments	-6,907	-514
Payments for investments in loans	-1,193	-830
Proceeds from the sale of consolidated companies less cash and cash equivalents	1,551	-
Payouts for the purchase of subsidiaries less cash and cash equivalents	-23,324	-
Cash flow from investing activities	**-163,579**	**-101,697**
Paid dividends and interest from profit-participation rights/hybrid capital	-40,013	-33,482
Payouts to non-controlling interests	-928	-1,247
Acquisitions of treasury shares	-	-7,033
Proceeds from hybrid capital	133,334	-
Repayment of profit-participation rights/hybrid capital	-174,325	-
Repayment of lease financing	-45,188	-32,241
Proceeds from loans and other financing	26,150	166,878
Repayment of loans and other financing	-35,781	-114,568
Cash flow from financing activities	**-136,751**	**-21,693**
Cash flow from operating activities	**-67,260**	**-85,140**
Cash flow from investing activities	**-163,579**	**-101,697**
Cash flow from financing activities	**-136,751**	**-21,693**
Change to cash and cash equivalents	**-367,590**	**-208,530**
Cash and cash equivalents as of 1 Jan	631,342	655,803
Currency differences	1,485	4,253
Changes to cash and cash equivalents resulting from changes to the consolidated group	-8,984	-
Cash and cash equivalents as of 30 Jun	**256,253**	**451,526**

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

in TEUR	30.6.2024	31.12.2023	30.6.2023
Assets			
Non-current assets			
Intangible assets	215,018	185,367	191,120
Property, plant and equipment	1,251,943	1,166,363	1,127,301
Investment property	37,960	34,951	34,419
Shareholdings in companies accounted for under the equity method	81,686	76,485	76,676
Other financial investments	2,672	2,659	8,499
Other financial assets	56,990	56,760	70,665
Deferred tax assets	37,603	24,718	24,337
	1,683,872	**1,547,303**	**1,533,017**
Current assets			
Inventories	115,004	119,034	126,887
Trade receivables	1,783,233	1,512,696	1,910,593
Other financial assets	182,098	182,019	153,606
Other receivables and current assets	153,443	142,178	69,163
Cash and cash equivalents	256,253	631,342	451,526
Non-current assets held for sale	850	1,124	34,904
	2,490,881	**2,588,393**	**2,746,679**
Total assets	**4,174,753**	**4,135,696**	**4,279,696**

Equity and liabilities			
Equity			
Share capital	39,278	39,278	39,278
Capital reserve	358,833	358,833	358,833
Profit-participation rights/hybrid capital	204,818	247,525	244,121
Other reserves	180,798	189,320	114,993
Equity attributable to shareholders of parent	**783,727**	**834,956**	**757,225**
Non-controlling interests	26,891	25,289	32,772
	810,618	**860,245**	**789,997**
Non-current liabilities			
Provisions	148,272	145,421	142,734
Lease liabilities	319,819	321,023	341,874
Financial liabilities	193,992	197,213	199,108
Other financial liabilities	6,405	5,883	4,027
Deferred tax liabilities	39,033	26,752	52,722
	707,521	**696,292**	**740,465**
Current liabilities			
Provisions	374,365	332,106	293,153
Lease liabilities	62,996	60,287	59,577
Financial liabilities	6,943	13,037	75,562
Trade payables	1,419,476	1,114,344	1,533,493
Other financial liabilities	36,131	37,598	44,566
Other liabilities	724,478	978,011	717,302
Tax payables	32,225	43,776	21,165
Non-current liabilities held for sale	-	-	4,416
	2,656,614	**2,579,159**	**2,749,234**
Total equity and liabilities	**4,174,753**	**4,135,696**	**4,279,696**

STATEMENT OF CHANGES IN **GROUP EQUITY**

in TEUR	Share capital	Capital reserve	Revaluation reserve	Reserve for remeasurement of defined benefit obligations	Measurement of equity instruments
Balance as of 1 Jan 2023	**39,278**	**358,833**	**13,929**	**-37,178**	**180**
Total profit for the period	-	-	-	-	-
Other comprehensive income	-	-	-	2,604	-
Total comprehensive income for the period	**-**	**-**	**-**	**2,604**	**-**
Dividend payout	-	-	-	-	-
Income tax on interest for holders of profit-participation rights/hybrid capital	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Share-based payments					
Balance as of 30 Jun 2023	**39,278**	**358,833**	**13,929**	**-34,574**	**180**
Balance as of 1 Jan 2024	**39,278**	**358,833**	**18,390**	**-39,260**	**180**
Total profit for the period	-	-	-	-	-
Other comprehensive income	-	-	-	402	-
Total comprehensive income for the period	**-**	**-**	**-**	**402**	**-**
Dividend payout	-	-	-	-	-
Profit-participation rights/hybrid capital	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-
Share-based payments	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-
Balance as of 30 Jun 2024	**39,278**	**358,833**	**18,390**	**-38,858**	**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
-265	**1,863**	**247,526**	**140,439**	**764,605**	**34,320**	**798,925**
-57	-	7,058	11,909	18,910	-328	18,582
8,049	1,549	-	-489	11,713	27	11,740
7,992	**1,549**	**7,058**	**11,420**	**30,623**	**-301**	**30,322**
-	-	-10,463	-23,019	-33,482	-1,247	-34,729
-	-	-	2,406	2,406	-	2,406
-	-	-	-7,033	-7,033	-	-7,033
			106	106	-	106
7,727	**3,412**	**244,121**	**124,319**	**757,225**	**32,772**	**789,997**
10,907	**-271**	**247,525**	**199,374**	**834,956**	**25,289**	**860,245**
-	-	8,156	17,115	25,271	2,188	27,459
-369	1,067	-	-2	1,098	38	1,136
-369	**1,067**	**8,156**	**17,113**	**26,369**	**2,226**	**28,595**
-	-	-11,306	-28,707	-40,013	-998	-41,011
-	-	-39,557	-1,051	-40,608	-	-40,608
-	-	-	2,445	2,445	-	2,445
-	-	-	578	578	-	578
-	-	-	-	-	374	374
10,538	**796**	**204,818**	**189,752**	**783,727**	**26,891**	**810,618**

NOTES TO THE **INTERIM CONSOLIDATED FINANCIAL STATEMENTS** AS OF 30 JUNE 2024

1. GENERAL INFORMATION

The PORR Group consists of PORR AG and its subsidiaries. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1100 Vienna, Austria. The company is registered with the commercial court of Vienna under reference number FN 34853f. The Group deals mainly with the planning and execution of a whole range of building construction activities.

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 2024. 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 2023. The consolidated results of the interim financial statements according to IAS 34 are not necessarily indicative of the annual results.

The euro is the reporting currency as well as the functional currency of PORR AG and the majority of its subsidiaries included in these interim consolidated financial statements.

2. CONSOLIDATED GROUP AND ACQUISITIONS

	6/2024	2023
Fully consolidated companies as of 1 Jan	**128**	**134**
Mergers	-	-2
Liquidations	-1	-1
Sales	-1	-3
Removal due to loss of control	-2	-
Additions due to foundations	3	-
Additions due to acquisitions	12	-
Fully consolidated companies as of 30 Jun/31 Dec	**139**	**128**
of which domestic subsidiaries	73	63
of which foreign subsidiaries	66	65

The assets and liabilities which were removed from the consolidated group due to loss of control break down as follows:

in TEUR	2024
Non-current assets	
Property, plant and equipment	2,683
Other financial assets	61
Deferred tax assets	308
Current assets	
Inventories	2,088
Trade receivables	8,575
Other financial assets	218
Other receivables and current assets	823
Cash and cash equivalents	9,433
Non-current liabilities	
Provisions	-92
Current liabilities	
Provisions	-544
Trade payables	-14,969
Other financial liabilities	-7,272
Other liabilities	-228

The sale price of TEUR 2,000 was settled in cash. The gains on sale of TEUR 542 are recognised in other operating income. The agreements for two joint operations were amended in such a way that control no longer exists, which is why they are now included pro rata in the interim consolidated financial statements.

The following companies were fully consolidated for the first time in these interim financial statements.

Due to new foundations	Date of initial consolidation
JV PORR - TM.E. Projekt ITPO	1.2.2024
PORR EPC GmbH	22.5.2024
EAU Eichentstraße Projektentwicklungs GmbH	14.6.2024

No material assets and liabilities were included in this context.

Due to acquisitions	Date of initial consolidation
Poleczki Madrid Office Spolka z ograniczona odpowiedzialnoscia	27.3.2024
Elektro Horvath GesmbH	2.5.2024
PANNONIA Kiesgewinnung GmbH	22.5.2024
PANNONIA Umwelttechnik GmbH	22.5.2024
PANNONIA Beteiligungs-GmbH	22.5.2024
PANNONIA Energie GmbH	22.5.2024
Mulden & Containerservice GmbH	22.5.2024
KÖHLER Kies und Transport GmbH	22.5.2024
Asphalt-Mischwerk Waggershauser GmbH + Co.KG	12.6.2024
A. Waggershauser Straßenbau Beteiligungs-GmbH	12.6.2024
A. Waggershauser Straßenbau GmbH + Co. KG	12.6.2024
Sanitär-Elementbau Gesellschaft m.b.H.	17.6.2024

TEUR 2,100 was used to acquire Elektro Horvath GesmbH and paid in cash. The purchase price was allocated to assets and liabilities as follows:

in TEUR	2024
Non-current assets	
Goodwill	443
Property, plant and equipment	179
Deferred tax assets	22
Current assets	
Inventories	195
Trade receivables	631
Other financial assets	1
Other receivables and current assets	33
Cash and cash equivalents	1,007
Current liabilities	
Trade payables	-117
Other financial liabilities	-10
Other liabilities	-130
Tax payables	-154
Purchase price	**2,100**

The acquisition resulted in the recognition of non-tax-deductible goodwill as the purchase price includes the benefits from synergic effects; this was allocated to the cash-generating unit PBG Austria.

TEUR 26,061 was used to acquire Asphalt-Mischwerk Waggershauser GmbH + Co. KG, A. Waggershauser Straßenbaubeteili-gungs-GmbH and A. Waggershauser Straßenbau GmbH + Co. KG (Waggershauser Group) and paid in cash. The provisional purchase price was allocated to assets and liabilities as follows:

in TEUR	2024
Non-current assets	
Goodwill	25,697
Other intangible assets	1
Property, plant and equipment	9,741
Shareholdings in companies accounted for under the equity method	26
Other financial assets	17
Other non-current financial assets	1,354
Current assets	
Inventories	249
Trade receivables	6,574
Other financial assets	143
Other receivables and current assets	53
Cash and cash equivalents	5,397
Non-current liabilities	
Provisions	-1,268
Lease liabilities	-5,244
Deferred tax liabilities	-1,118
Current liabilities	
Lease liabilities	-428
Financial liablities	-256
Trade payables	-4,499
Other financial liabilities	-4,318
Other liabilities	-6,002
Tax payables	-58
Purchase price	**26,061**

The acquisition resulted in the recognition of non-tax-deductible goodwill as the purchase price includes the benefits from synergic effects; this was allocated to the cash-generating unit Oevermann. The purchase price allocation is to be regarded as provisional, particularly with regard to property, plant and equipment and provisions.

TEUR 1,120 was used to purchase an additional 40% in Sanitär-Elementbau Gesellschaft m.b.H. and paid in cash. The purchase price was allocated to assets and liabilities as follows:

in TEUR	2024
Non-current assets	
Other intangible assets	2
Property, plant and equipment	4,248
Other non-current financial assets	12
Deferred tax assets	592
Current assets	
Inventories	1,851
Trade receivables	8,867
Other financial assets	1,153
Other receivables and current assets	134
Cash and cash equivalents	26
Non-current liabilities	
Provisions	-1,172
Lease liabilities	-24
Deferred tax liabilities	-1,113
Current liabilities	
Lease liabilities	-12
Trade payables	-556
Other financial liabilities	-171
Other liabilities	-7,854
Tax payables	-2
Lucky Buy	-2,740
Fair value of the equity interest already held	-2,121
Purchase price	**1,120**

The acquisition resulted in the realisation of income of TEUR 2,740, which was recognised in other operating income. A reassessment was carried out before the badwill was recognised.

The acquisition of PANNONIA Kiesgewinnung GmbH and its subsidiaries (PANNONIA Group) relates to the acquisition of gravel resources and their partial debt financing and does not constitute a business combination pursuant to IFRS 3. TEUR 25,400 was spent on the acquisition and paid in cash. This acquisition is presented as an asset deal in these interim consolidated financial statements.

The acquisition of Poleczki Madrid Office Spolka z ograniczona odpowiedzialnoscia involves the acquisition of a leased property and its partial debt financing and does not represent a business combination pursuant to IFRS 3. TEUR 7,423 was spent on the acquisition and paid in cash.

In May 2024, PORR AG and STRABAG SE acquired parts of the VAMED Group via a joint holding company. These include the acquisition of the operational management and construction projects of Vienna General Hospital (AKH), the Austrian project development business of VAMED, and its Austrian thermal spa holdings. The purchase price for PORR AG amounts to TEUR 45,000 and will be paid in instalments. The transaction is subject to approval by the relevant competition authorities, which is why the investment has not yet been recognised in these interim consolidated financial statements.

EAU Eichenstraße Projektentwicklungs GmbH acquired Eiche Projektentwicklungs GmbH and all of its subsidiaries (Eiche Holding GmbH & Co KG, Eiche Eins GmbH & Co KG, Eiche Zwei GmbH & Co KG, Eiche Drei GmbH & Co KG, ILLICIUM GmbH & Co KG and RUMEX GmbH & Co KG) by way of a purchase and transfer agreement dated 28 June 2024, effective with the closing date of 12 July 2024. The investment has not yet been recognised in these interim consolidated financial statements.

A total of 59 (previous year: 57) domestic and 38 (previous year: 36) foreign associated companies 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 2023, which are presented in the notes to the consolidated annual financial statements, have been applied unchanged to the interim consolidated financial statements with the exception of the following standards and interpretations applied for the first time, whereby their first-time application has not had a material impact on the Group.

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of entry into force
Amendments to IAS 1 Classification of Liabilities as Current or Non-Current	23.1.2020	19.12.2023	1.1.2024
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	22.9.2022	20.11.2023	1.1.2024
Amendment to IAS 1 Non-Current Liabilities with Covenants	31.10.2022	19.12.2023	1.1.2024
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	25.5.2023	15.5.2024	1.1.2024

The following standards and interpretations have been published since the preparation of the consolidated financial statements as of 31 December 2023 but are not yet mandatory or have not yet been adopted by the European Union.

Standards and interpretations not yet adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of entry into force acc. to IASB
Amendments to IAS 21 Lack of Exchangeability	15.8.2023	1.1.2025
Amendments to IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments	30.5.2024	1.1.2026
Annual Improvements Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	18.7.2024	1.1.2026
IFRS 18 Presentation and Disclosure in Financial Statements	9.4.2023	1.1.2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	9.5.2024	1.1.2027

Overall, no material impact is expected from the amendments to the standards and interpretations not yet adopted. The qualitative and quantitative effects of the application of IFRS 18 on the consolidated financial statements of the PORR Group are currently being evaluated.

The interim consolidated financial statements as of 30 June 2024 use the same consolidation methods and basis for currency translation as were used in the annual financial statements as of 31 December 2023.

4. SOURCES OF ESTIMATION UNCERTAINTY

Preparing 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 IN THE CONSTRUCTION SECTOR, CLIMATE CHANGE, AND MACROECONOMIC AND GEOPOLITICAL BACKDROP

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 has been no material change in the environmental and climate-related effects on the net assets, financial position and financial performance since 31 December 2023. An analysis of the risks in connection with environmental and climate protection in the first half of the year did not lead to the identification of any obligations requiring recognition or contingent liabilities requiring disclosure that are not already taken into account in these interim consolidated financial statements.

Any developments in the geopolitical and macroeconomic situation and any resulting uncertainties are constantly monitored for potential effects on the interim consolidated financial statements of the PORR Group. An analysis did not lead to any specific indications of a possible need for impairment of assets and goodwill and deferred taxes on loss carryforwards. To mitigate the risk of rising prices, diesel prices are still being hedged, for example, as are interest expenses from financial liabilities. Current risks from the geopolitical and macroeconomic situation that would lead to a probable outflow of resources due to uncertain obligations from past events were taken into account when recognising liabilities and provisions. As of 30 June 2024 there were no indications of impairment. Overall, it did not result in any material changes compared to 31 December 2023.

6. REVENUE

1-6/2024 in TEUR	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Revenue							
Building construction							
Commercial/office construction	96,168	17,384	78,006	2,161	-	-	193,719
Industrial engineering	165,057	8,284	52,892	28,644	-	-	254,877
Miscellaneous building construction	169,655	151,674	9,610	11,422	-	-	342,361
Residential construction	180,078	47,272	17,457	28,540	-	31,568	304,915
Civil engineering							
Railway construction	121,793	14,953	79,256	27,491	24,448	-	267,941
Bridge/overpass construction	46,387	25,906	18,517	20,086	16,344	-	127,240
Miscellaneous civil engineering	238,332	97,010	67,600	23,857	190	303	427,292
Road construction	200,810	73,695	131,857	244,776	4,556	-	655,694
Tunnelling	6,548	12,956	8,240	-	110,631	-	138,375
Other sectors	163,301	7,895	25	1,426	1,880	20,815	195,342
Revenue	**1,388,129**	**457,029**	**463,460**	**388,403**	**158,049**	**52,686**	**2,907,756**
Revenue recognised over time	1,325,109	453,321	457,865	387,716	158,049	52,511	2,834,571
Revenue recognised at a point of time	63,020	3,708	5,595	687	-	175	73,185

1-6/2023 in TEUR	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Revenue							
Building construction							
Commercial/office construction	120,641	16,159	67,143	1,877	-	-	205,820
Industrial engineering	191,369	5,859	43,435	32,472	-	-	273,135
Miscellaneous building construction	201,973	134,113	20,755	9,240	-	-	366,081
Residential construction	190,534	53,978	45,896	33,156	-	33,720	357,284
Civil engineering							
Railway construction	110,707	14,499	116,913	31,687	14,830	-	288,636
Bridge/overpass construction	42,938	19,176	23,599	13,834	15,251	-	114,798
Miscellaneous civil engineering	192,768	101,926	37,491	25,803	45,327	6,508	409,823
Road construction	171,107	72,843	100,860	123,121	7,582	-	475,513
Tunnelling	7,107	16,902	18,073	-	90,920	-	133,002
Other sectors	167,429	46,055	18,841	4,874	6,377	23,465	267,041
Revenue	**1,396,573**	**481,510**	**493,006**	**276,064**	**180,287**	**63,693**	**2,891,133**
Revenue recognised over time	1,316,795	478,812	492,886	275,521	180,287	61,784	2,806,085
Revenue recognised at a point of time	79,778	2,698	120	543	-	1,909	85,048

7. EARNINGS PER SHARE

in TEUR	1-6/2024	1-6/2023
Profit for the year attributable to shareholders of parent	17,115	11,852
Weighted average number of issued shares	38,368,458	38,493,487
Basic earnings per share (in EUR)	**0.45**	**0.31**
Diluted earnings per share (in EUR)	**0.45**	**0.31**

Diluted earnings per share are the same as basic earnings per share because the issuance of employee shares under the LTIP is linked to performance criteria and the potential impact of future performance only affects diluted earnings per share once the defined performance conditions are met at the end of the reporting period.

Share-based payment arrangement

PORR AG pursues a strategic direction aimed at sustainable growth and increasing the value of the company in the long term. For this reason, the Supervisory Board of PORR AG approved a share-based payment arrangement (Long Term Incentive Program, LTIP for short) with effect from 31 May 2023. The agreement is a performance-based share remuneration model, which extends over a three-year term (performance period) and requires a personal investment by the participants based on an annual retention as a percentage of the bonus and premium agreement payments in cash, as well as at least 20,000 shares for members of the Executive Board by the end of the term. Remuneration is paid in the form of ordinary shares (a maximum of 500,000 shares will be issued) after three years of meeting the Group's annual EBT targets for 2023-2025, as approved by the Supervisory Board. The annual share allocation is calculated in each case at a strike price of EUR 13.67 and amounts to 25% of the bonus base value set in the individual target agreement. The aim of the LTIP is to bind the members of the Executive Board and other managers in the company in the long term and to increase their motivation and the way they identify with the company's goals. The agreement is also intended to further enhance the appeal of the PORR Group as an employer.

The fair value of the share-based payments on the grant date is EUR 13.44 per expected share, giving the LTIP with a three-year term a maximum value of EUR 3,663,717. Staff expense for the first half of 2024 amounted to EUR 577,698 (previous year: EUR 106,473). The reserve as of 30 June 2024 amounted to EUR 1,323,009 (31 December 2023: EUR 745.311). Due to the fulfillment of the performance criteria for 2023, 92,268 shares have already been allocated under the LTIP.

Accounting policies

The share-based payment is recognised at fair value on the grant date and is earned over the performance period of the beneficiaries. As compensation is settled through equity instruments, no ongoing revaluation is performed. The impacts of share-based payment transactions are recognised in the consolidated financial statements pro rata over the three-year performance period in staff expense and in equity reserves. No ongoing remeasurement is needed as the remuneration is to be settled in the form of equity (ordinary shares).

8. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

The non-current assets held for sale relate to a property in the segment DE for which the signing has already taken place but the closing is still pending as of 30 June 2024.

9. SHARE CAPITAL

	No. 2024	EUR 2024	No. 2023	EUR 2023
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 30 April 2024, to pay out a dividend of EUR 0.75 per share entitled to dividends from the net retained profits for the 2022 business year.

As of 30 June 2023, the number of treasury shares amounted to 1,002,060, which corresponds to approximately 2.55% of the share capital.

Authorised capital

By resolution of the Annual General Meeting of 28 April 2023, the Executive Board was authorised, with the approval of the Supervisory Board and within five years from 30 June 2023, to increase the share capital of the company by up to EUR 3,927,825 by issuing up to 3,927,825 no-par value bearer shares in exchange for cash or contribution in kind – in either case also in multiple tranches – also by way of indirect subscription rights in accordance with Section 153 Paragraph 6 of the Stock Corporation Act (authorised capital) and to determine the issue price, which may not be lower than the pro rate share of share capital, the conditions of issue, the subscription ratio and the further details of the implementation to be determined with the approval of the Supervisory Board. The Executive Board has been authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part:

(i) if the capital increase is in exchange for contribution in kind; or
(ii) if the capital increase is in exchange for cash and

(A) the arithmetic total of the cash consideration of the share of share capital in the company, under exclusion of subscription rights, does not exceed the limit of 10% (ten percent) of the company's share capital at the time the authorisation is exercised, or
(B) the exclusion of subscription rights is for the purpose of servicing an over-allotment option (greenshoe) in the capital increase, or
(C) the exclusion of subscription rights in this respect is used to balance out fractional amounts.

The Supervisory Board is authorised to rule on changes to the company statutes resulting from the use of this authorisation by the Executive Board.

10. PROFIT-PARTICIPATION RIGHTS/HYBRID CAPITAL

PORR AG successfully issued a deeply subordinated bond at the beginning of February 2024 to refinance the 2020 and 2021 hybrid bonds, which are due for redemption for the first time in February 2025 and November 2026 respectively. This new hybrid bond 2024 was issued with a volume of TEUR 135,000, an unlimited term and a coupon of 9.5%. At the same time, existing investors in the 2020 and 2021 hybrid bonds were offered the opportunity to have their holdings bought back at a price of 99.50. This offer was taken up in the total amount of TEUR 135,000. The hybrid capital currently still outstanding has a total nominal value of TEUR 200,000.

in TEUR	Balance as of 1 Jan 2024	Repayment	New issue	Balance as of 30 Jun 2024
Hybrid bond 2020	150,000	-103,550	-	46,450
Hybrid bond 2021	50,000	-31,450	-	18,550
Hybrid bond 2024	-	-	135,000	135,000
Total amount	**200,000**	**-135,000**	**135,000**	**200,000**

On 20 February 2024, PORR AG repurchased the existing profit participation rights in the amount of TEUR 40,000 in full and subsequently redeemed them.

11. 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) and liabilities to banks subject to fixed interest rates (fair value hierarchy level 3).

in TEUR	Meas-urement category as per IFRS 9	Carrying amount as of 30.6.2024	Measured at amortised cost	Fair value through other comprehen-sive income	Fair value through profit and loss	Fair value hierarchy	Fair value as of 30.6.2024
Assets							
Other financial investments	FVTOCI	2,067		2,067		Level 3	2,067
Other financial investments	FVTPL	388			388	Level 3	388
Other financial investments	FVTPL	217			217	Level 1	217
Trade receivables	AC	866,695	866,695				
Other financial assets	AC	209,056	209,056				
Other financial assets	FVTPL	266			266	Level 1	266
Other financial assets	FVTPL	26,414			26,414	Level 3	26,414
Derivatives (without hedges)	FVTPL	2,469			2,469	Level 2	2,469
Derivatives (with hedges)		883		883		Level 2	883
Cash and cash equivalents		256,253	256,253				
Liabilities							
Bonded loans (Schuldschein-darlehen)							
at fixed interest rates	AC	22,981	22,981			Level 3	23,299
at variable interest rates	AC	124,894	124,894				
Bank loans							
at fixed interest rates	AC	9,220	9,220			Level 3	8,113
at variable interest rates	AC	43,541	43,541				
Lease liabilities[1]		382,815	382,815				
Other financial liabilities							
at fixed interest rates	AC	299	299			Level 3	309
Trade payables	AC	1,419,476	1,419,476				
Other financial liabilities	AC	37,785	37,785				
Derivatives (without hedges)	FVTPL	4,530			4,530	Level 2	4,530
Derivatives (with hedges)		220		220		Level 2	220
by category							
Financial assets at amortised cost	AC	1,075,751	1,075,751				
Cash and cash equivalents		256,253	256,253				
Fair value through profit & loss	FVTPL	25,224			25,224		
Fair value through OCI	FVTOCI	2,067		2,067			
Financial liabilities at amortised cost	AC	1,658,196	1,658,196				

[1] Lease liabilities are subject to application of IFRS 16

in TEUR	Measurement category	Carrying amount as of 31.12.2023	Measured at amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Fair value hierarchy	Fair value as of 31.12.2023
Assets							
Other financial investments	FVTOCI	2,045		2,045		Level 3	2,045
Other financial investments	FVTPL	388			388	Level 3	388
Other financial investments	FVTPL	226			226	Level 1	226
Trade receivables	AC	867,383	867,383				
Other financial assets	AC	202,316	202,316				
Other financial assets	FVTPL	269			269	Level 1	269
Other financial assets	FVTPL	25,814			25,814	Level 3	25,814
Derivatives (without hedges)	FVTPL	9,561			9,561	Level 2	9,561
Derivatives (with hedges)		818		818		Level 2	818
Cash and cash equivalents		631,342	631,342				
Liabilities							
Bonded loans (Schuldschein-darlehen)							
at fixed interest rates	AC	25,978	25,978			Level 3	26,391
at variable interest rates	AC	124,876	124,876				
Bank loans							
at fixed interest rates	AC	10,872	10,872			Level 3	9,685
at variable interest rates	AC	48,168	48,168				
Lease liabilities[1]		381,310	381,310				
Other financial liabilities							
at fixed interest rates	AC	356	356			Level 3	368
Trade payables	AC	1,114,344	1,114,344				
Other financial liabilities	AC	35,749	35,749				
Derivatives (without hedges)	FVTPL	6,191			6,191	Level 2	6,191
Derivatives (with hedges)		1,541		1,541		Level 2	1,541
by category							
Financial assets at amortised cost	AC	1,069,699	1,069,699				
Cash and cash equivalents		631,342	631,342				
Fair value through profit & loss	FVTPL	30,067			30,067		
Fair value through OCI	FVTOCI	2,045		2,045			
Financial liabilities at amortised cost	AC	1,360,343	1,360,343				

[1] Lease liabilities are subject to application of IFRS 16

12. SEGMENT REPORTING

The segment reporting has been prepared in accordance with the internal reporting structure and steering of the PORR Group. In the current financial year, the key earnings indicator was changed from EBT to EBIT for internal management purposes, which is why this key earnings indicator has now been adopted in the segment reporting and the comparative figures adjusted accordingly.

in TEUR 1–6/2024	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Production output (Group)	1,554,559	454,158	457,664	398,443	217,647	33,703	3,116,174
Segment revenue	1,388,129	457,029	463,460	388,402	158,049	52,687	2,907,756
Intersegment revenue	9,302	8,755	39	141	-	75,708	
EBIT (Earnings before interest and tax)	34,038	2,659	8,264	11,365	-2,184	-11,977	42,165

in TEUR 1–6/2023	AT / CH	DE	PL	CEE	Infrastructure International	Holding	Group
Production output (Group)	1,559,471	458,496	477,854	285,170	184,572	51,605	3,017,168
Segment revenue	1,396,573	481,510	493,006	276,064	180,287	63,693	2,891,133
Intersegment revenue	28,554	3,626	24	62	16	63,381	
EBIT (Earnings before interest and tax)	31,148	1,244	6,738	1,299	5,409	-11,753	34,085

13. RELATED PARTY DISCLOSURES

There have been no material changes in relationships between affiliated companies or any resultant obligations or guarantees since 31 December 2023.

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.

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 also has significant influence over it. In addition to people who have 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.

Other transactions with related parties

In a purchase and transfer agreement dated 12 June 2024, the PORR Group acquired a further 40% of the shares in Sanitär-Elementbau Gesellschaft m.b.H. from IGO Technologies GmbH for a purchase price of TEUR 1,120; closing took place on 17 June 2024.

In a purchase and transfer agreement dated 12 June 2024, 30% of the shares in LQ Timber-A GmbH & Co KG were acquired from the UBM Group for a purchase price of TEUR 6,558.

In a purchase and transfer agreement dated 27 March 2024, Poleczki Madrid Office Sp. z o.o. was acquired from the UBM Group for a purchase price of TEUR 7,423.

14. AUDIT DISCLOSURE

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

15. EVENTS AFTER THE REPORTING PERIOD

There were no events requiring disclosure after the balance sheet date.

Vienna, 22 August 2024

The Executive Board

Karl-Heinz Strauss m.p
Klemens Eiter m.p.
Claude-Patrick Jeutter m.p.
Jürgen Raschendorfer 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 half-year Group management report gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group regarding 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, August 2024

Karl-Heinz Strauss
Chairman of the Executive Board and CEO

Klemens Eiter
Executive Board Member and CFO

Claude-Patrick Jeutter
Executive Board Member and COO

Jürgen Raschendorfer
Executive Board Member and COO

FINANCIAL CALENDAR

18.11.2024	**Interest payment** hybrid bond 2021
21.11.2024	**Publication** report on the 3rd quarter 2024

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The report on the first half of 2024 can be requested free of charge from the company, Absberggasse 47, 1100 Vienna, and can also be downloaded from **https://porr-group.com/en/ir-interimreports/.**

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PHOTOS

Astrid Knie (Wien Museum - p. U1, U4; Executive Board shoot 2023 - p. 2), ÖBB/3D-Schmiede (rendering S1 portal Gloggnitz - p. 3), PORR (regional hospital Kielce - p.3; U5 Europaviertel - p. 7)

TRANSLATION

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 the management 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 half-year 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.

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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