

150
YEARS

FACETS

Half-Year Report 2020

PORR

Key Data

| in EUR m | 1-6/2020 | 1-6/2019 | Change |
|--------------------------------|----------|----------|--------|
| Operating data | | | |
| Production output ¹ | 2,273 | 2,497 | -9.0% |
| Foreign share | 58.2% | 57.7% | 0.5 PP |
| Order backlog | 7,604 | 7,600 | 0.1% |
| Order intake | 2,812 | 2,997 | -6.2% |
| Staffing level (average) | 19,658 | 19,339 | 1.6% |

| | 1-6/2020 | 1-6/2019 | Change |
|----------------------------|----------|----------|-----------|
| Earnings indicators | | | |
| Revenue | 2,071.2 | 2,181.6 | -5.1% |
| EBITDA | 65.8 | 95.4 | -31.0% |
| EBIT | -16.9 | 17.4 | < -100.0% |
| EBT | -26.6 | 8.2 | < -100.0% |
| Profit/loss for the period | -22.7 | 6.0 | < -100.0% |

| | 30.06.2020 | 31.12.2019 | Change |
|--|------------|------------|--------|
| Financial position indicators | | | |
| Total assets | 3,692 | 3,665 | 0.7% |
| Equity (incl. non-controlling interests) | 680 | 599 | 13.5% |
| Equity ratio | 18.4% | 16.4% | 2.0 PP |
| Net debt | 470 | 346 | 35.9% |

| | 1-6/2020 | 1-6/2019 | Change |
|--------------------------------------|----------|----------|--------|
| Cash flow and investments | | | |
| Cash flow from operating activities | -148.9 | -318.1 | -53.2% |
| Cash flow from investing activities | -51.3 | -81.2 | -36.8% |
| Cash flow from financing activities | 61.4 | 215.4 | -71.5% |
| CAPEX ² | 85.1 | 132.2 | -35.6% |
| Depreciation/amortisation/impairment | -82.8 | -78.1 | 6.0% |

| | 1-6/2020 | 1-6/2019 | Change |
|---|------------|------------|--------|
| Key data regarding shares | | | |
| Number of shares (weighted average) | 29,095,000 | 29,095,000 | - |
| Market capitalisation as of 30 Jun (in EUR m) | 428.3 | 564.4 | -24.1% |

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.

H1 at a glance

Record order backlog

Solid baseline

Rethink required

Accelerate transformation

COVID-19 affects consolidation

Earnings impacted

Long-term trend intact

Construction industry benefits

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Highlights

PORR Executive Board strengthened

Josef Pein joined the Executive Board with effect from 1 January 2020. Josef Pein has been at PORR since 1987 – including as a foreman, site manager, project manager, branch office head, and since 2011 as the Managing Director of PORR Bau GmbH. As the new COO, Josef Pein is responsible for the operating business of BU 1 and for steering the strategic direction of Austria, PORR's most important home market. His responsibilities also include the activities of PORR Design & Engineering as well as occupational health and safety.

Forward-looking corporate culture

PORR lives diversity and benefits from the know-how of its colleagues from more than 70 nations – regardless of age, gender or ethnicity – across every level and country. Because diversity is the key to success. By supporting UN Women and the UN Global Compact, PORR is voicing its clear commitment to strengthening women across every industry and establishing a fairer, more stable society.

Innovative success story in Zurich

With the handover of the architecturally striking superstructure along the platform of Zurich Central Station, in April PORR underlined its comprehensive expertise in transforming innovative and technically demanding ideas into reality. With its multitude of contortions, the large-format facade construction made of glass bricks is a genuine masterpiece.

Digital portfolio expanded

By acquiring a stake in Pocket House GmbH, PORR has added scalable state-of-the-art solutions for the organisation and administration of neighbourhoods, infrastructure and facility management. At the same time, the Pocket House solutions take PORR's property management to the next level and make the properties even more attractive for users. With this holding, PORR has secured further key strategic advantages in the field of digital real estate transformation.

Milestone on tunneling megaproject

In June, PORR celebrated the final breakthrough on Austria's longest railway tunnel and one of the most extensive tunnel constructions in the world, the Koralm Tunnel. The Koralm Railway is a key project in the Baltic-Adriatic Corridor and links the up-and-coming economic areas on the Baltic Sea with the Adriatic region. With the high-speed rail link, PORR is creating new capacities and significantly improved conditions for the transport of people and goods.

On the construction site of the future

With an interdisciplinary team from business, science and industry, PORR is conducting research at the construction site of the future in Germany as a premium member of the Center Construction Robotics (CCR). On a 10,000m² construction site, PORR is testing forward-looking construction processes, products and equipment and playing a decisive part in shaping the education and research at RWTH Aachen University. PORR is supporting new approaches that promote the development of innovative research and teaching scenarios to train the brightest minds in the construction industry and proactively shape the future.

In-demand infrastructure

PORR has again expanded its order backlog in Poland. The largest contracts in the first half of 2020 include the modernisation of the E59 tracks between Krzyż and Dobiegniew, the design and build of a 15km-long section of the S1 expressway from Oświęcim to Dankowice, as well as the Borki Wielkie – Mrągowo section of the S16 expressway between Olsztyn and Ełk. In addition, PORR won the tender for the technically demanding expansion of the Lech Kaczyński LNG terminal in Świnoujście.

Major German project on track

On the large-scale project Stuttgart 21 for the Deutsche Bahn, the ATCOST 21 consortium with PORR as its lead is building the Filder Tunnel and the access route between Ober- and Untertürkheim. The team achieved the breakthrough of the first tube of the Filder Tunnel in February. In April, PORR went on to win the tender for the design & build of the slab track system and the railway technology and equipment for this construction section. Another highlight: June saw the final breakthrough of the parallel tube of the Filder Tunnel – directly into the future Stuttgart underground station.

Strategy Update

Megatrends

Urbanisation

Shaping the city of the future.

55% of the world's population live in urban areas.
Up to two thirds are expected to live in cities by 2030.
Demand for new living space and infrastructure.
The city as a resource.

Ecological/social

Green construction becomes a way of life.

Sustainable building that conserves resources.
Renewable energy as standard.
Reinventing old building material.
New lifestyles with shifting age structure.

Customers

Customers in flux.

Personalised solutions as the new currency.
Transparency in management.
Shaping projects as partners.
One-stop shop as USP.

Digital future

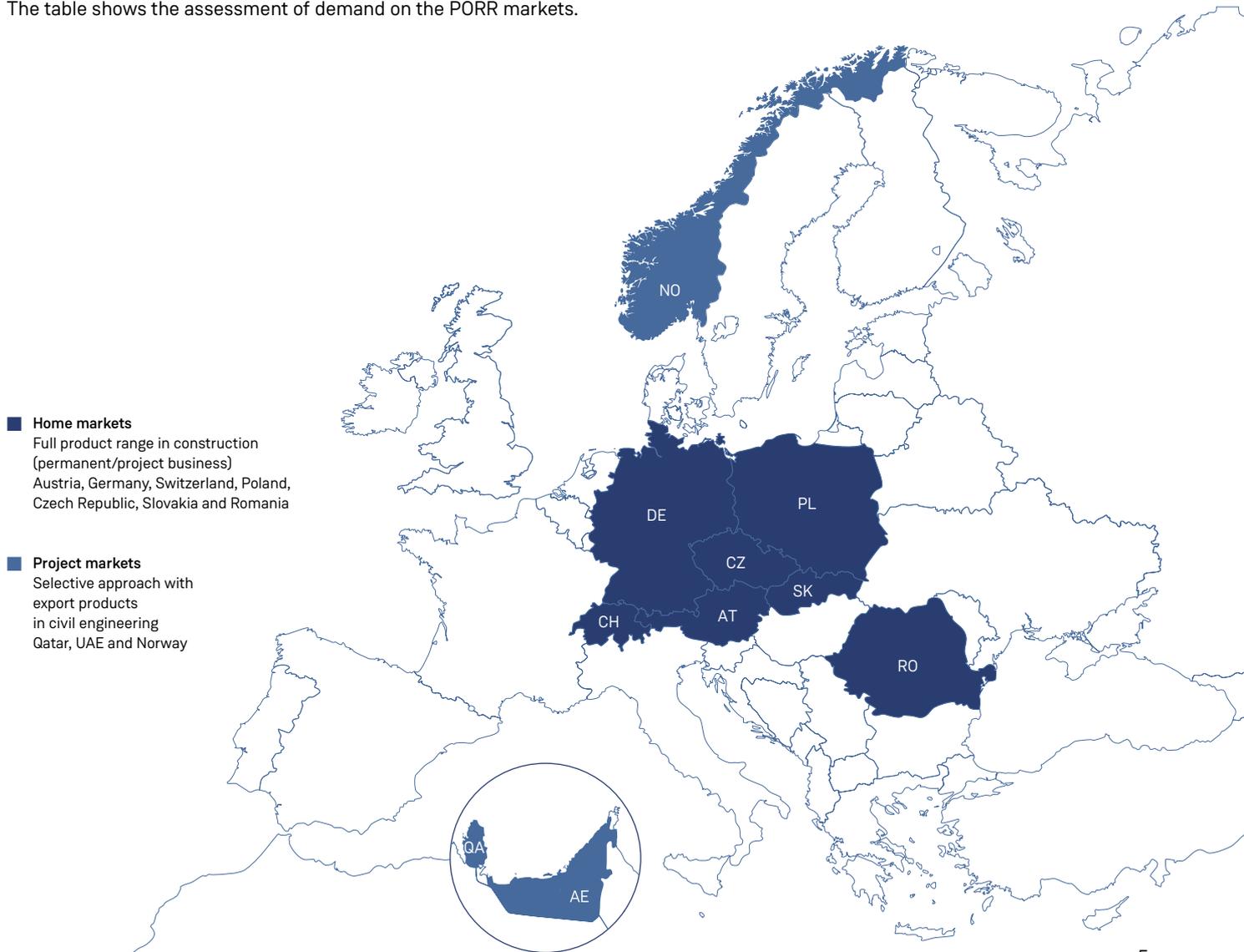
Smart and digital with diversity.

Becoming more agile.
BIM and LEAN processes essential.
Big data for people, materials and machines.
Paperless construction site.

Markets

| Market | Potential | Comments | COVID-19 impacts |
|-----------------------------|-----------|---|---|
| Austria | strong | ● Stable, high capacity utilisation, strong market position | Massive decrease in output |
| Germany | strong | ● High demand, realignment in building construction | Partial effects |
| Switzerland | strong | ● Stable demand, pressure on margins in civil engineering | Production affected by coronavirus restrictions |
| Poland | strong | ● High demand, capacity bottlenecks, pressure on margins | Project postponements, production losses in building construction |
| Czech Republic/ Slovakia | strong | ● Stable demand, expansion of permanent business | Decrease in building construction |
| Romania | strong | ● High demand, expansion of permanent business | Limited impacts |
| Qatar/UAE | neutral | ● Selective, reduced project volumes | Massive restrictions |
| Norway | neutral | ● Analysis complete, will remain a project market | Project postponements |

The table shows the assessment of demand on the PORR markets.



PORR 2025

With the PORR 2025 transformation programme, PORR is addressing the structural shifts in the construction sector. That said, the coronavirus pandemic also requires the consistent breaking up of existing structures and processes. The crisis has clearly shown that the way PORR is organised needs to be even more precisely realigned to meet the current challenges. This means an acceleration of and enhanced focus on many topics for a more sustainable future. Above all: a focus on reducing costs and finetuning the organisation. In parallel, growth topics and digital technologies will be promoted in order to integrate physical and digital processes more effectively. The corrective effect caused by the crisis means major challenges, but also brings major opportunities.

| | Markets/Segments | Organisation |
|-----------------|--|---|
| STRATEGY | <p>Greater focus PORR remains convinced of the long-term potential of its seven European home markets. The goal is to secure and further expand this powerful market position in Europe with a focus on selective, results-oriented growth.</p> | <p>Greater efficiency Under the transformation being implemented, uniform standards across the entire Group should be achieved along with connected processes. The rapidly changing market environment demands new flexibility and agile forms of organisation.</p> |
| TARGETS | <p>Portfolio streamlining with the newly launched Heat Map · Increase in profitability by between 0.5% and 0.8%</p> <p>Further growth as a design-build contractor · Fully integrated value chain</p> | <p>Streamlined and focused organisation · Increase transparency and speed</p> <p>Digitalisation of processes in the technical and commercial sectors</p> |
| MEASURES | <p>Heat Map · The Heat Map involves analysing the business fields to determine the right position of business areas and optimal allocation of capital and resources.</p> <p>Selective growth · Innovative customer solutions and technologies · Selective acquisition of new projects · Growth that adds value through acquisitions, thereby deepening the value added</p> <p>Portfolio mix · Optimised mix of infrastructure and permanent business</p> | <p>Further develop organisation forms · Improve transparency · Reduce hierarchies and interfaces · Connect know-how and capacities · Roll out new management model (optimisation of central functions and cost structures underway) · Set up networking and digital processes</p> |

| | Operational Analysis | Digital Opportunities |
|-----------------|---|--|
| STRATEGY | <p>Enhancing value The changing market backdrop and PORR's strong growth over the past few years have necessitated a review of cost structures at every level.</p> | <p>Realising future potential Digital, connected solutions across the entire construction value chain and new, data-based business models open up a new dimension in terms of potential.</p> |
| TARGETS | <p>Enhance the performance of the operating business</p> <ul style="list-style-type: none"> • Digitalisation of procurement and efficiency increases: Increase in profitability by between 0.8% and 1.0% <p>Improve capital employed</p> <ul style="list-style-type: none"> • Improve investment intensity (CAPEX approx. 3%; incl. IFRS 16 4%) • Reduce working capital intensity (6% to 8%) • Continuous reduction of net debt by 2022 <p>Maintain stable financial position</p> <ul style="list-style-type: none"> • Improve equity ratio in a range of 20% to 25% • Robust maturity structure, secure borrowings in the medium-term • Safeguard access to different forms of financing and maintain appropriate liquidity • Unchanged payout ratio of 30% to 50% | <p>Harmonise IT processes across the Group</p> <p>Continue to expand position as technology leader</p> |
| MEASURES | <p>Material costs and indirect costs</p> <ul style="list-style-type: none"> • Analysis of cost structures • First measures are being implemented <p>Procurement</p> <ul style="list-style-type: none"> • Simplifying processes and promoting the use of purchasing platforms should optimise contracted volumes in the future; these account for a significant share of total costs. <p>Non-core activities</p> <ul style="list-style-type: none"> • Evaluating non-core activities; focus remains on core competencies in construction | <p>BIM-based solutions with LEAN Design and LEAN Construction</p> <ul style="list-style-type: none"> • Trailblazer on the path to a paperless construction site <p>Machine-to-machine communication in real time</p> <ul style="list-style-type: none"> • Processes and workflows in fleet and equipment management are becoming more transparent, while costs and resources are being optimised at the same time. <p>Group-wide harmonisation of IT processes a priority</p> <ul style="list-style-type: none"> • Reinforcement of cybersecurity SAP S/4 HANA as the latest SAP software and thereby as the basis for optimising business processes |



Dear shareholders,

The impacts of the COVID-19 pandemic were clearly felt in the second quarter of 2020. The extent of the economic slump varied depending on the industry sector. Here PORR benefits from its broad positioning and strong market presence. The foundations are in place – a record order backlog of EUR 7.6 bn was achieved yet again.

The pandemic's impacts on construction activity and PORR's business have negatively affected our planning and targets for 2020. The shutdown in Austria coupled with the additional costs and requirements in many countries have had an impact on earnings in the first half. Maintaining measures for the safety and security of all staff members is the top priority – this has necessitated many adjustments and will continue to do so.

In the course of the PORR 2025 transformation programme, we are implementing multiple measures to optimise processes, freeze investments and hiring, and apply short-time work models. Nevertheless, the coronavirus crisis has shown that the initiatives already implemented need to be heightened and accelerated to guarantee our competitiveness and profitability. In the short term, we will expedite our cost cutting and further streamline the organisation. At the same time, we want to achieve further growth and especially to promote the issues of the future in order to exploit more opportunities. After all, the goal remains: PORR wants to create sustainable value long-term.

Vienna, August 2020

Sincerely, the Executive Board

A handwritten signature in black ink, appearing to read 'K. Strauss', written over a light blue grid background.

Karl-Heinz Strauss
Chairman of the Executive Board
and CEO

A handwritten signature in black ink, appearing to read 'Stiegler', written over a light blue grid background.

Thomas Stiegler
Member of the Executive Board
and COO

A handwritten signature in black ink, appearing to read 'Pein', written over a light blue grid background.

Josef Pein
Member of the Executive Board
and COO

A handwritten signature in black ink, appearing to read 'Sauer', written over a light blue grid background.

Andreas Sauer
Member of the Executive Board
and CFO

PORR on the Stock Exchange

Exchanges optimistic after slump

The performance of the international stock exchanges was dominated by the spread of the coronavirus in the first half of 2020. Following a good start to the year, pronounced setbacks were seen already in March as a result of the far-reaching restrictions. Volatility also increased significantly. Governments and central banks undertook numerous measures such as bond-buying programmes, interest rate cuts and stimulus packages to counter these developments. A price recovery followed in April, steadily accelerating over the course of the second quarter of 2020. The positive early indicators and the declining number of new cases contrasted with cloudy economic forecasts.

Nevertheless, the international stock markets managed to partially recover their losses. The Dow Jones Industrial Average ended the first half of 2020 down by 9.6% against year-end. There was a similar picture on the EURO STOXX 50 with a minus of 13.6%. The disunity of the member states regarding the EU recovery funds was reflected here. Aided by comprehensive government packages, the leading German DAX index emerged from the crisis in a comparatively better state and was down by 7.1%. The leading Austrian ATX index only managed to level off from May and was no longer able to claw back the losses of the preceding months. On 30 June 2020, it closed down 29.6% against year-end.

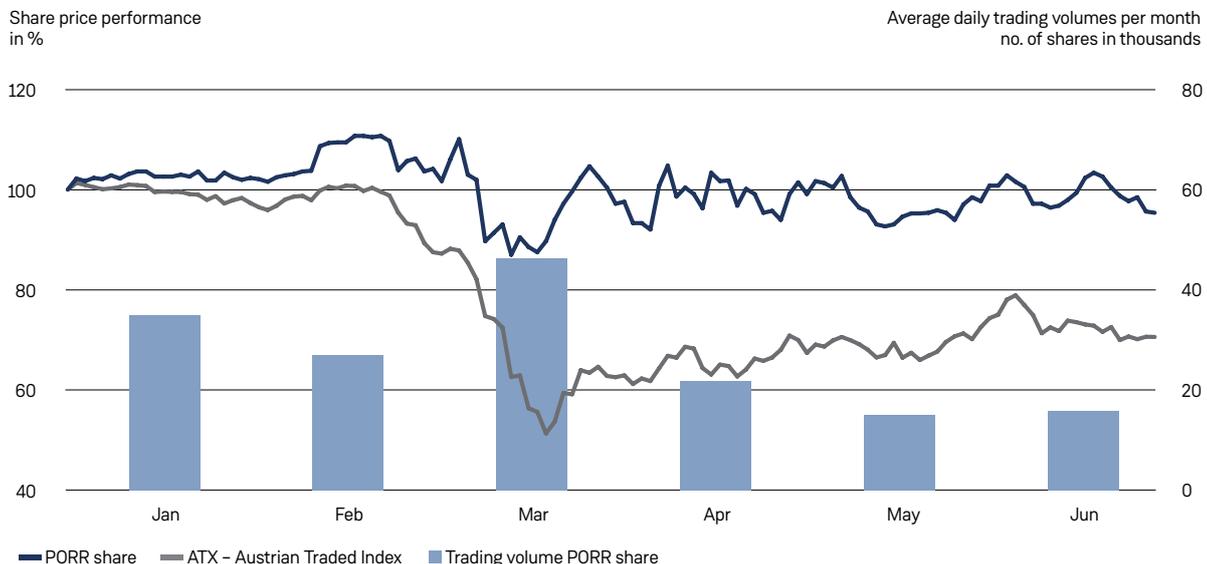
PORR share stable

In a consistently challenging stock market environment, the performance of the PORR share was stable in the first half of 2020 and was above the level of the market throughout. The share reached its high on 17 February 2020 at EUR 17.10 before experiencing a temporary dip in March – caused partly by the spread of the coronavirus. The lowest point in the first half of 2020 came on 12 March 2020 when the PORR share reached EUR 13.42. Parallel to the ATX, in the second quarter the PORR share displayed a clear sideways movement. Down by 4.7% against year-end closing, the share ended the first half of 2020 at a price of EUR 14.72. As of 30 June 2020, PORR’s market capitalisation was EUR 428.3m.

International investor base

The syndicate (Strauss Group, IGO Industries Group) holds the majority of shares outstanding, totalling 53.7%. The free float of 46.3% is primarily split among Austria (27.2%), Great Britain (13.1%) and Germany (12.2%). In addition, investors from the USA held around 11.0% of the free float, while Central and Northern Europe accounted for 8.7%.

Share price and trading volumes of the PORR share in the first half of 2020 (index)



Project Highlights

Special civil engineering:

Wendlingen junction

Building construction:

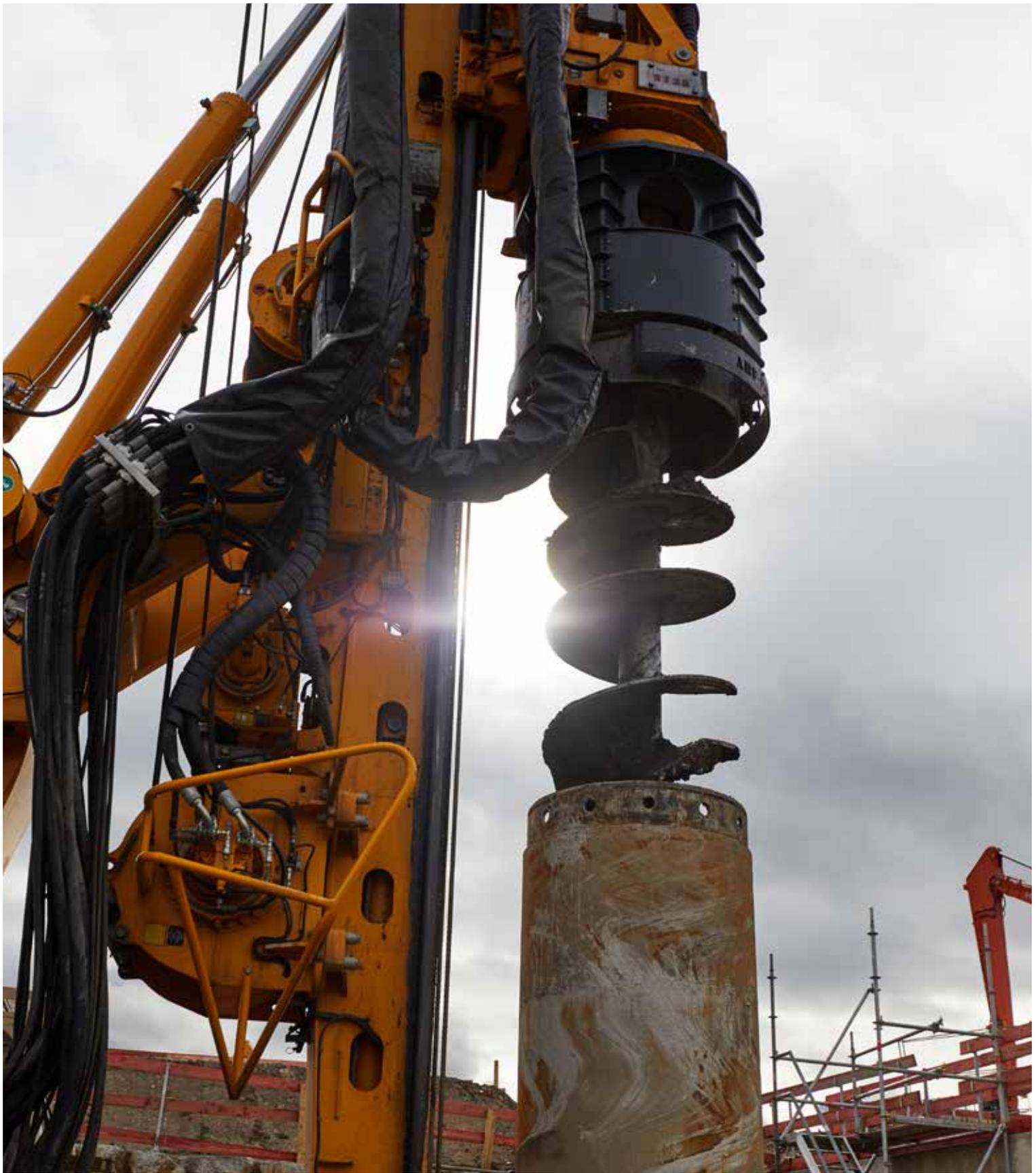
Widok Towers, Warsaw

Road construction:

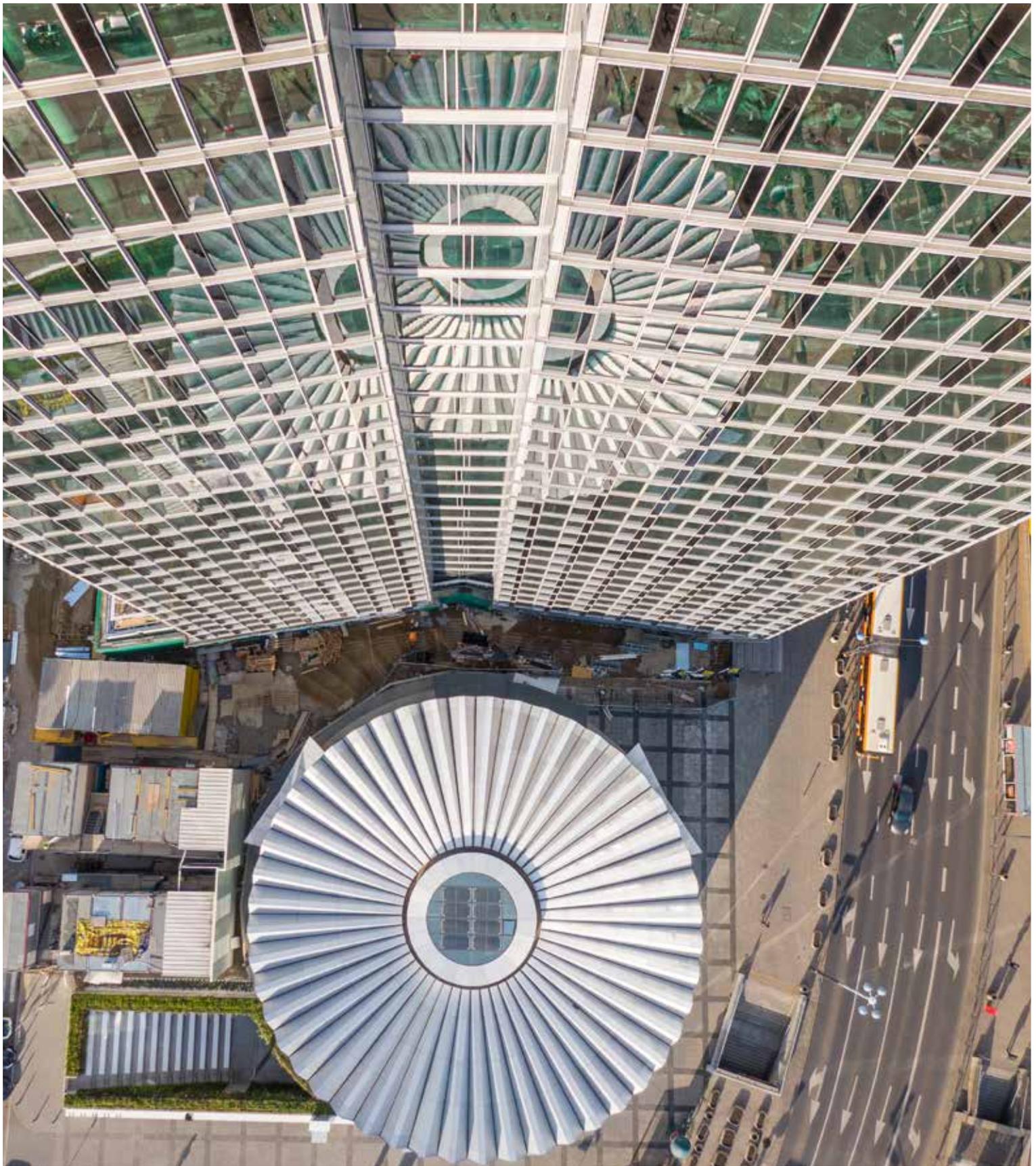
Weinviertel expressway

Tunnelling:

Stuttgart 21



PORR is relying on innovative specialist drilling tools for the construction pit of a railway bridge over the A8 motorway, at the Wendlingen junction in Baden-Württemberg, Germany, in order to remove the concrete rubble. LEAN management methods facilitate transparent coordination that conserves resources and promotes the efficient interplay of the different trades.



The modern office building taking shape in the heart of Warsaw opens up exceptional views from inside and out: Widok Towers. Reaching a height of 95m, the building will offer plenty of space for individual offices and retail on its 32,000m² spread across 28 storeys above ground and four below. Widok Towers stands out for its highest level LEED certification, recognised as a holistic green building.



The S3 expressway in Weinviertel, Lower Austria, is being expanded with 17 bridges and a total of 11 additional kilometres. The sensitive loess-loam soil makes the project especially complex. Working shoulder to shoulder, PORR's earthworks experts and civil engineers are mastering the geological and logistical challenges.

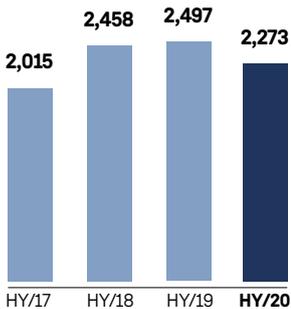


More than three million cubic meters of excavated material have been removed to date during the construction of the Filder Tunnel and the Ober-/Untertürkheim access route. In a consortium, PORR is realising a total of more than 30km of tunnel in two construction phases on the megaproject Stuttgart 21. The greatest challenge lies in the optimal use of materials: the works on the anhydrite rock require absolute dryness. For this, PORR is using a patented, proprietary special mortar.

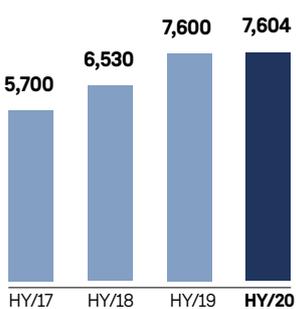


Management Report

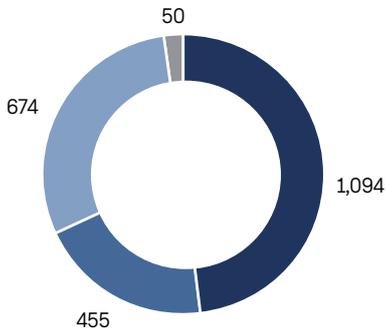
Production output¹
(in EUR m)



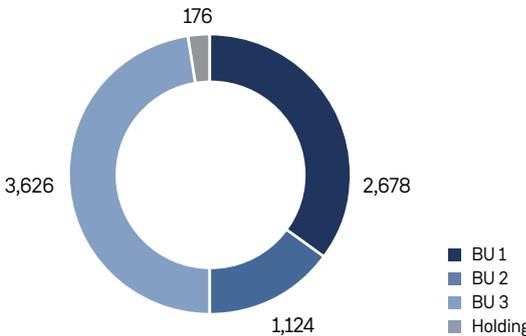
Order backlog
(in EUR m)



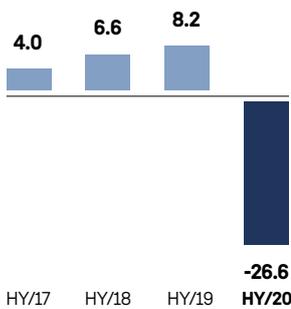
Production output¹ by segment
(in EUR m)



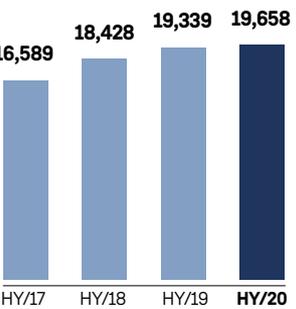
Order backlog by segment
(in EUR m)



EBT (in EUR m)



Average staffing levels



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

Markets and Performance

Economic Environment

Initially, the global economy had a good start to 2020. From February, however, the coronavirus pandemic led to significantly cloudier expectations. Massive social and economic restrictions accompanied measures to contain the spread of the virus leading negative economic growth to be forecast for 2020. Governments and central banks introduced countermeasures such as bond-buying programmes, stimulus packages and interest-rate cuts. Against a backdrop of the gradual easing of restrictions and improved economic indicators, the market climate recovered at the end of June. Nonetheless, the International Monetary Fund (IMF) forecasts negative growth of -4.9% for the global economy in 2020. Growth of 5.4% is expected for 2021. That said, any forecasts are subject to extensive uncertainty.

In the first half of 2020, the US government provided stimulus packages worth over USD 2.5 trillion. The Federal Reserve cut the margin of the basic interest rate to between 0.00% and 0.25% already in March and started an unlimited bond-purchasing program. The ongoing trade conflict between the USA and China added additional pressure. The IMF has forecast negative growth of -8.0% for the USA in 2020. The following year the economy is expected to bounce back with growth of 4.5%.

From March 2020, national measures to curb the pandemic led to a significant decrease in economic activity in Europe. To support the economy in the European Union, the European Central Bank (ECB) expanded its bond-buying program to EUR 1.35 trillion. Furthermore, in July a recovery package of EUR 750 bn was agreed. For 2020 the European Commission has forecast a reduction in GDP of -8.7%. For 2021 experts anticipate a recovery with growth of 6.1%.

In Germany multiple stimulus packages were passed in the course of the coronavirus pandemic. The government made a total of EUR 830 bn available to aid the economy. Falling infection rates and positive early indicators provided a source of economic optimism again from June. Nevertheless, the European Commission assumes a decrease in economic output of -6.3% for the year 2020. The recovery in the following year has been forecast at 5.3%.

In Austria there were massive restrictions on social and economic life from mid-March. These were increasingly eased from mid-April in light of falling infection rates. The economy received a boost in June with the increase in the stimulus package to EUR 50 bn. Alongside this, tax vacations and the introduction and extension of short-time work models brought further relief. The European Commission has forecast negative growth for Austria of -7.1% for 2020, with growth of 5.6% in 2021.

On the Eastern European home markets of PORR the European Commission expects a reduction in economic growth of between -9.0% and -4.6%. Here Poland is set to be the most resilient of the PORR markets. A significant recovery is then expected in 2021 on PORR's home markets in Eastern Europe with growth of up to 7.4%.

Developments in the Construction Industry

Compared to other industry sectors, the European construction industry appeared to be only partially affected by the impacts of the coronavirus pandemic. While construction sites were temporarily shut down in Austria, construction activity in most of PORR's other home markets was broadly maintained.

Austrian construction sites were subjected to a temporary shutdown in March. A timely plan agreed by the social partners for the construction industry meant that construction activity could gradually resume as soon as April subject to more stringent hygiene measures. In the first half of 2020, the Austrian construction industry reported a decrease in revenue of around 14.5%, whereby an improvement was already visible in June. Analogous to revenue, order intakes had bottomed out already in April. Construction costs remained stable in the first half of 2020.

There was a similar picture in Germany, PORR's second-largest home market, which saw a decline in orders. Commercial building construction in particular experienced a decrease in new orders, while stable awarding activity was observed in public-sector construction. For the full year 2020, Zentralverband Deutsches Baugewerbe has forecast revenue consistent with that of the previous year.

On the home markets in Eastern Europe, the construction industry has served as a key economic pillar during the coronavirus crisis. In Poland the construction industry continues to grow, especially in civil engineering and the infrastructure sector; in Romania it is acting as an economic driver for other business areas.

Development of Output

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

In the first half of 2020, PORR generated production output of EUR 2,273m. The decrease of 9.0% or EUR 224m was mainly due to coronavirus-related restrictions and the completion of several large-scale projects. The increases in output in Romania and by PORR Oevermann were unable to adequately compensate for the lower production output.

The production output of Business Unit 1 – Austria, Switzerland stood at EUR 1,094m and was thereby 10.8% below the previous year's value. The completion of major building construction projects and the temporary closure of construction sites due to COVID-19 in Austria were responsible for this decrease.

Business Unit 2 – Germany generated production output of EUR 455m. The growth of 2.3% or EUR 10m was mainly caused by the increases in output by PORR Oevermann and building construction for the East region.

The output of Business Unit 3 – International totalled EUR 674m in the reporting period and was thereby 12.5% lower. While there were output decreases in the tunnelling sector and in Poland, production output saw a twofold increase in Romania.

Around 95% of production output was generated on PORR's home markets. The strategic focus on the seven stable European home markets remains unchanged. Accounting for 42%, Austria is still the most important market. 29% of output was generated in Germany. Poland contributed 11% of the total, while a total of 6% came from the Czech Republic and Slovakia. Switzerland and Romania generated 5% and 3% respectively.

Order Balance

With an order backlog of EUR 7,604m, PORR once again achieved a slight increase on the record level of the previous year. The rise amounted to EUR 4m or 0.1%. The order intake stood at EUR 2,812m. The decrease of 6.2% or EUR 185m reflects the strategic selective acquisition policy.

The largest new order in the first half of 2020 was the expansion of an LNG terminal on Poland's Baltic coast. Here PORR not only won the tender for expanding the terminal's onshore capacity, but also for the extension of its offshore infrastructure. PORR won two major contracts in the first half of 2020 for its Slab Track Austria system. In future, the Filder Tunnel and Ober-/Untertürkheim access route, part of Stuttgart 21, will employ this patented railway technology, as will the Koralm Tunnel. In building construction PORR acquired numerous large orders especially in Austria such as the project The Marks. As the general contractor, PORR will build a 35-storey residential tower with around 490 freehold and rental apartments in the heart of Vienna.

Financial Performance

The construction industry is subject to seasonal fluctuations typical for the sector. The first half is traditionally weaker than the second and is thereby not necessarily indicative of the full year. The reason for this is the weaker construction output in the winter months that also affects earnings. In addition, the first half of 2020 was affected by the impacts of the COVID-19 pandemic.

In the first half of 2020, revenue decreased, mostly due to the coronavirus, by 5.1% to EUR 2,071.2m. Earnings from companies accounted for under the equity method fell by

a total of 65.8% to EUR 10.6m. The reason for this was the lower earnings from consortiums and projects realised by joint ventures. Expenses for materials and other related production services decreased by 5.9%, which was higher than the decrease in revenue. Staff costs also saw a significant reduction of 6.2%. In total, material and staff costs were reduced by 7.1% and thereby proportionately more than the revenue decrease, while savings on expenses for purchased services fell at a slower rate of 4.8%. Other operating income was 41.9% below the previous year, primarily as a result of the lower charges passed on. Savings of 13.5% were achieved in other operating expenses.

The decline in output mainly resulting from the COVID-19 pandemic could not be offset to the same degree by savings in expenditure, which led to an overall decrease in EBITDA of 31.0% to EUR 65.8m. Depreciation, amortisation and impairment expense climbed by 6.0% to EUR -82.8m, leading to negative EBIT of EUR -16.9m for the first half of 2020, following on from positive EBIT of EUR 17.4m in the comparable period of the previous year. The profit contributions in the first half of 2020 were thereby insufficient to achieve positive earnings despite the savings made.

The financial result declined by 5.3% to EUR -9.6m (1-6/2019: EUR -9.1m), leading to EBT totalling EUR -26.6m (1-6/2019: EUR 8.2m).

Under consideration of the positive taxable earnings of EUR 3.9m, the loss for the period of EUR -22.7m was EUR -28.7m below the previous year's level.

Financial Position and Cash Flows

As of 30 June 2020, PORR's total assets increased by EUR 27.4m to EUR 3,692.3m, climbing 0.7% against year-end 2019.

Non-current assets of EUR 1,385.6m were broadly unchanged (down by EUR -6.8m or -0.5%). Current assets also held steady with an increase of 1.5%, whereby the seasonal increase in trade receivables of EUR 124.9m was offset by a decrease against year-end 2019 in cash and cash equivalents of EUR 143.9m.

Equity increased as a result of the new issue of a hybrid bond in early February 2020 (EUR 121.5m net), climbing

by 13.5% to EUR 679.8m. The equity ratio was 18.4% as of 30 June 2020, marking a rise of 2.0 PP.

The new issue of a hybrid bond facilitated a reduction in both current (EUR -18.5m) and non-current (EUR -34.9m) liabilities compared to year-end 2019.

Seasonal factors led to a 35.9% rise in net debt to EUR 469.9m.

The EUR 20.3m lower operating cash flow of EUR 64.9m mainly resulted from the lower earnings for the period in the first half of 2020. In contrast, cash flow from operating activities of EUR -148.9m was significantly higher than the comparable period of 2019, rising by EUR 169.2m and reflecting the impact of successful working capital management.

An improvement was also achieved in cash flow from investing activities, rising by EUR 29.9m to EUR -51.3m thanks to the pandemic-related investment freeze.

Cash flow from financing activities reflects the inflow from issuing the hybrid bond (EUR 121.5m), which was mostly used for settling credit financing. In addition, interest was paid for hybrid bonds in the first half of 2020.

As of 30 June 2020, cash and cash equivalents totalled EUR 438.0m.

Investments

In the first half of 2020, investments were made in drilling equipment in addition to the usual investments to replace machinery and construction site equipment and to buy new equipment. As a precautionary measure in response to the coronavirus pandemic, a stop to investments and expenditure was introduced in March 2020.

Investment activity is measured by applying the CAPEX indicator (capital expenditure). This includes investments in intangible assets, property, plant and equipment, and assets under construction including investments financed by leases. CAPEX decreased significantly against the comparable period of the previous year by 35.6% to EUR 85.1m. This yields a CAPEX ratio in relation to production output of 3.7% (1-6/2019: 5.3%).

Opportunity and Risk Management

Effective risk management has long been one of PORR's most important principles when carrying out any economic activity and safeguards its competitive ability. If risks have an impact on one of PORR's business fields or markets, this can have a negative effect on the company's earnings. That's why the aim of risk management is to identify risks as soon as possible and then minimise them while still maintaining the company's earnings potential.

Already in February PORR undertook measures to address the coronavirus pandemic and adjusted its Business Continuity Plan accordingly. This early reaction meant that the company could respond quickly and effectively to the restrictions imposed by the government in March. Measures to ensure the safety of staff and partners were and are the top priority.

A topical issue at the moment is the A1 Leverkusen Bridge, which was groundlessly terminated by the client

as announced in mid-April 2020. The reason given for the termination was the differences in opinion as to whether defects in the first steel parts delivered could be rectified. PORR has exercised its contractual right and applied for an arbitration appraisal. PORR will resolutely pursue its contractual claims arising from the termination.

Since the 2019 Annual Report there have been no significant changes to the Group's opportunity and risk profile that lead to a change in the assessment of the risk position for PORR. The description in the Risk Report of the 2019 Annual Report from page 108 onwards thereby remains valid.

Staff

In the first half of 2020, PORR employed 19,658 people on average. The 1.6% increase was mainly caused by the first-time consolidation of several companies in the second half of 2019 as well as the current order structure.

Forecast Report

Since the start of 2020, especially since mid-March, the macroeconomic environment has changed significantly both worldwide and in Europe due to the spread of the coronavirus pandemic. Economic growth will remain heavily affected by the coronavirus crisis in the second half of the year as well. In their June forecast, experts from the International Monetary Fund (IMF) predicted a global economic slump of -4.9%; for the eurozone the European Commission expects negative growth of -8.7%.

The temporary shutdown caused by COVID-19 and the travel restrictions imposed had an impact on the operating business on the PORR home markets, especially in the second quarter. In Austria – following the temporary closure of more than 1,000 construction sites for around a fortnight – PORR managed to gradually restart construction operations from early April. On all of the other markets there were sporadic standstills. Limitations such as the company's own staff falling ill, for example, or measures to protect against coronavirus at construction sites may lead to delays in the future. There is also widespread uncertainty among municipalities and state authorities regarding budgetary impacts and how they may lead to delayed investments. This trend is also expected among private clients, especially in the hardest hit asset class of hotels. In addition, the coronavirus crisis is set to trigger a rethink in the way office space is used – trends such as working from home and digital ways of working are gathering pace. In contrast, the long-term stability of residential property is set to gain even more importance.

For the medium and long-term, the fundamentals of the construction industry remain positive. Incentives for corporate investments and higher consumer spending should also provide stimulus. Furthermore, existing and new economic programmes in infrastructure construction at federal, provincial and municipal level are being expedited. The massive backlog of investments and the urgent need for modernisation in many countries demands investment in traffic-route and digital infrastructure, healthcare, education, research, and climate

protection. In addition, megatrends such as urbanisation, environmental-social factors, clients looking for holistic (all-in-one) construction solutions, and digitalisation are set to play a decisive role.

The COVID-19 pandemic had a far more severe impact on the economy in the second quarter of 2020 than in the preceding quarter. In order to overcome the crisis and maintain adequate disposable liquidity, PORR implemented numerous measures such as short-term work, taking vacation days, targeted stops to expenditure, investments and hiring, and the voluntary waiver of part of the management pay. In general, compensation is being negotiated for the majority of construction sites in Austria for the additional costs caused by the coronavirus crisis. While on the other markets there are no actual penalties or loss costs, the costs of COVID-19 will nevertheless be borne by the company itself in line with force majeure.

In addition, this exceptional situation has shown that the transformation of the Group's organisation under the PORR 2025 programme needs to be accelerated. First and foremost, this requires an enhanced focus on cost-cutting and on streamlining the organisation. Measures to maintain liquidity will continue to be prioritised. In parallel, PORR is promoting growth topics and digital technologies in order to prepare itself for future challenges as the longstanding positive trend in the construction industry remains intact.

The impacts that this unprecedented situation will have on the growth of the national economies affected and thereby on construction activity cannot yet be foreseen. On the basis of the aforementioned assumptions, the Executive Board expects production output for the full year 2020 to be slightly above the EUR 5 bn mark. In light of the ongoing uncertainty with regard to economic developments, a revaluation of and adjustment to the earnings-targets for the 2020 business year are not possible at the present time.

Segment Report

Business Unit 1 – Austria, Switzerland

| Key Data in EUR m | 1-6/2020 | 1-6/2019 | Change |
|-------------------------|----------|----------|-----------|
| Production output | 1,094 | 1,227 | -10.8% |
| EBT | -4.7 | 17.9 | < -100.0% |
| Order backlog | 2,678 | 2,542 | 5.4% |
| Order intake | 1,609 | 1,647 | -2.3% |
| Average staffing levels | 9,506 | 9,200 | 3.3% |

The segment Business Unit 1 – Austria, Switzerland (BU1) covers PORR's permanent business on the two home markets of Austria and Switzerland (building construction and civil engineering) as well as PORR Industriebau. Here PORR is represented with its full range of services, whereby the primary focal points are residential and office construction, structural engineering, road construction and specialist civil engineering. The fields of environmental engineering and railway construction with Slab Track Austria for the European region were added in 2019. Additions to the existing equity interests integrated into BU 1 – such as IAT, BOMA and ÖBA – include Prajo, TKDZ, PWW and ALU-SOMMER. Furthermore, this segment includes German industrial construction, large-scale building construction projects on all international markets and the raw materials business.

In the first half of 2020, BU 1 generated production output of EUR 1,094m, marking a decrease of 10.8% against the previous year. In addition to the temporary shutdown of construction sites in Austria necessitated by the coronavirus, the completion of large-scale building construction projects was a significant factor in the decline. The positive developments in railway construction and in Switzerland were unable to offset the reduction in output. While the order backlog increased by 5.4% to EUR 2,678m, the order intake slipped back by -2.3% to EUR 1,609m despite

a rise in the second quarter. The largest new orders of BU 1 included two major projects with the Slab Track Austria system. The PORR-patented system will be used on both the Stuttgart 21 project and on the construction of the Koralm Tunnel. In building construction, BU 1 acquired two leading projects in Vienna with the 35-storey residential tower The Marks and the modernisation of the Wien Museum.

Most of the economic sectors in the BU 1 markets are being affected by the coronavirus pandemic – including the construction industry. In March 2020 there was a temporary shutdown of construction sites in Austria. Construction activity was gradually able to resume from April thanks to a timely action plan agreed by the social partners for the construction industry. According to Statistics Austria, the revenue decrease in the Austrian construction sector should have reached its trough in April. In the period under review, construction costs in civil engineering fell, partly significantly, while the cost level held steady in building construction. In Austria, compensation is being negotiated for the majority of construction sites for the additional costs caused by the coronavirus crisis. There was no blanket closure of construction sites in Switzerland. The course that the pandemic will take or what its consequences will be cannot be predicted at present.

Business Unit 2 – Germany

| Key data in EUR m | 1-6/2020 | 1-6/2019 | Change |
|-------------------------|----------|----------|--------|
| Production output | 455 | 445 | 2.3% |
| EBT | 0.1 | 2.1 | -93.7% |
| Order backlog | 1,124 | 1,522 | -26.2% |
| Order intake | 120 | 368 | -67.2% |
| Average staffing levels | 2,422 | 2,441 | -0.8% |

The majority of PORR's activities in Germany are bundled in the segment Business Unit 2 – Germany (BU 2). On its second largest market, the company offers foundation and structural engineering in addition to building construction and civil engineering. The acquisitions of recent years have given PORR a strong presence on the infrastructure market with its own qualified, specialist staff. By bundling resources and know-how along regional lines, building construction activities are optimally organised: South (via Munich), East (via Berlin), West (coverage by PORR Oevermann) and North (via Hamburg). Specialised civil engineering has also been significantly strengthened through the merger of Stump Spezialtiefbau and Franki Grundbau in 2019.

In the first half of 2020, BU 2 generated production output of EUR 455m. The 2.3% increase was due in particular to PORR Oevermann and building construction in the East region. The order backlog shrank by 26.2% to EUR 1,124m. The cancellation of the A1 Leverkusen Bridge project is reflected in the significantly lower order intake of EUR 120m. The decrease confirms BU 2's strategy of selective acquisition and consolidation. The largest

new order for BU 2 in the first half of the year was the Manfredstraße residential construction project in Essen. Here PORR is responsible for erecting six buildings with more than 160 residential units and underground parking spaces.

In Germany there were only isolated examples of restrictions to construction activity related to the coronavirus and temporary travel restrictions. While adhering to more stringent hygiene and safety measures, it was possible to maintain ongoing operations without interruption. Despite the current slowdown in procurement and tendering, Zentralverband Deutsches Baugewerbe has forecast revenue to remain at its current level in 2020. While the experts predict a slight decrease in commercial construction, they see the positive trend in residential construction continuing. Constant revenue is expected from public-sector construction – not least because of the government's stimulus package approved in June. The investment backlog in infrastructure construction is set to further stabilise demand. A reliable forecast for 2020 is also not possible for Germany in light of the uncertain progression of the coronavirus pandemic.

Business Unit 3 – International

Key data in EUR m

| | 1-6/2020 | 1-6/2019 | Change |
|-------------------------|----------|----------|----------|
| Production output | 674 | 770 | -12.5% |
| EBT | -19.2 | -9.5 | > 100.0% |
| Order backlog | 3,626 | 3,421 | 6.0% |
| Order intake | 1,057 | 910 | 16.1% |
| Average staffing levels | 5,763 | 5,890 | -2.2% |

The segment Business Unit 3 – International (BU 3) focuses on the home markets of Poland, the Czech Republic, Slovakia and Romania, and on the project markets of Norway, Qatar and the United Arab Emirates (UAE). PORR offers construction services in building construction and civil engineering on all of its home markets, complemented by foundation engineering in Poland. The competencies for international tunnelling, railway construction and bridge building are also bundled in BU 3, as are the areas Major Projects and international use of the Slab Track Austria system.

In the first half of 2020, BU 3 generated production output of EUR 674m and was thereby 12.5% below the previous year. The decrease in output in tunnelling and in Poland was partly caused by the coronavirus and could not be offset by the significant increase in Romania. The order situation of BU 3 is positive. The order backlog grew by 6.0% to EUR 3,626m. The order intake rose by 16.1% to EUR 1,057m. The largest new contracts for BU 3 came from Poland. Here PORR is responsible for building the LNG terminal in Świnoujście and simultaneously won the contract to expand the offshore infrastructure. In road and railway construction PORR secured key orders in Poland and Qatar, while in building construction two major contracts were acquired in the Czech Republic.

On the home markets of BU 3, the majority of construction activity was able to continue without interruption. Only in the Czech Republic and Slovakia were there sporadic impacts. On the markets of Eastern Europe, the construction industry is acting as a support for other economic sectors during the crisis. For Poland, the experts from Euroconstruct even anticipate an increase in construction output in 2020. The open financing sources from the EU Cohesion Fund continue to boost demand momentum. The recently approved EU-Budget 2021-2027 is set to provide additional positive impetus for the region from 2021.

On the project market of Norway there was a temporary shutdown of construction sites and subsequent project delays, caused by the coronavirus. BU 3 is applying consistent risk management here to pursue opportunities in traffic construction under a new management team.

Qatar and the UAE were heavily affected by the COVID-19 pandemic. Strict travel restrictions and rapid rises in infection rates had an impact on construction activity in the first half of 2020. Here PORR has reduced its project volumes and is only active on a very selective basis.

Interim Consolidated Financial Statements as of 30 June 2020

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Consolidated Income Statement

| in TEUR | 1-6/2020 | 1-6/2019 | 4-6/2020 | 4-6/2019 |
|--|----------------|---------------|---------------|---------------|
| Revenue | 2,071,222 | 2,181,645 | 1,158,856 | 1,236,197 |
| Own work capitalised in non-current assets | 788 | 2,526 | 575 | 1,149 |
| Income from companies accounted for under the equity method | 10,600 | 30,984 | 11,846 | 18,247 |
| Other operating income | 63,380 | 109,029 | 16,466 | 57,662 |
| Cost of materials and other related production services | -1,340,092 | -1,424,810 | -762,271 | -801,696 |
| Staff expenses | -570,016 | -607,411 | -309,256 | -341,849 |
| Other operating expenses | -170,078 | -196,549 | -71,607 | -105,950 |
| EBITDA | 65,804 | 95,414 | 44,609 | 63,760 |
| Depreciation, amortisation and impairment expense | -82,753 | -78,054 | -41,696 | -40,108 |
| EBIT | -16,949 | 17,360 | 2,913 | 23,652 |
| Income from financial investments and other current financial assets | 3,787 | 7,416 | 2,620 | 4,674 |
| Finance costs | -13,418 | -16,563 | -6,582 | -8,271 |
| EBT | -26,580 | 8,213 | -1,049 | 20,055 |
| Income tax expense | 3,882 | -2,254 | -626 | -4,966 |
| Profit/loss for the period | -22,698 | 5,959 | -1,675 | 15,089 |
| of which attributable to shareholders of parent | -33,599 | -455 | -5,833 | 12,004 |
| of which attributable to holders of profit-participation rights/hybrid capital | 9,214 | 5,578 | 4,458 | 2,801 |
| of which attributable to non-controlling interests | 1,687 | 836 | -300 | 284 |
| Basic (diluted) earnings per share, total (in EUR) | -1.16 | -0.02 | -0.20 | 0.42 |

Statement of Comprehensive Income

| in TEUR | 1-6/2020 | 1-6/2019 | 4-6/2020 | 4-6/2019 |
|---|----------------|---------------|---------------|---------------|
| Profit/loss for the period | -22,698 | 5,959 | -1,675 | 15,089 |
| Other comprehensive income | | | | |
| Remeasurement from defined benefit obligations | -2,065 | -12,269 | -2,312 | -12,269 |
| Measurement of equity instruments | -481 | 133 | 732 | -40 |
| Income tax expense (income) on other comprehensive income | 665 | 3,114 | 411 | 3,157 |
| Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable) | -1,881 | -9,022 | -1,169 | -9,152 |
| Exchange differences | -7,558 | 1,006 | 1,285 | 916 |
| Gains/losses from cash flow hedges | | | | |
| in the year under review | 152 | -307 | 69 | -154 |
| Income tax expense (income) on other comprehensive income | -38 | 77 | -17 | 39 |
| Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable) | -7,444 | 776 | 1,337 | 801 |
| Other comprehensive income | -9,325 | -8,246 | 168 | -8,351 |
| Total income for the period | -32,023 | -2,287 | -1,507 | 6,738 |
| of which attributable to non-controlling interests | 1,670 | 822 | -144 | 272 |
| Share attributable to shareholders of the parent and holders of profit-participation rights/hybrid capital | -33,693 | -3,109 | -1,363 | 6,466 |
| of which attributable to holders of profit-participation rights/hybrid capital | 9,214 | 5,578 | 4,458 | 2,801 |
| Share attributable to shareholders of the parent | -42,907 | -8,687 | -5,821 | 3,665 |

Consolidated Cash Flow Statement

| in TEUR | 1-6/2020 | 1-6/2019 |
|---|-----------------|-----------------|
| Profit/loss for the period | -22,698 | 5,959 |
| Depreciation, impairment and reversals of impairment on fixed assets and financial assets | 83,237 | 77,864 |
| Interest income/expense | 9,603 | 9,919 |
| Income from companies accounted for under the equity method | 4,759 | -7,372 |
| Dividends from companies accounted for under the equity method | 1,529 | 5,852 |
| Profits from the disposal of fixed assets | -3,835 | -8,187 |
| Decrease/increase in long-term provisions | -1,519 | 1,777 |
| Deferred income tax | -6,150 | -623 |
| Operating cash flow | 64,926 | 85,189 |
| Decrease/increase in short-term provisions | -11,679 | 19,080 |
| Increase/decrease in tax liabilities | 1,930 | -5,587 |
| Increase in inventories | -16,113 | -13,850 |
| Increase in receivables | -153,458 | -362,107 |
| Decrease in payables (excluding banks) | -28,388 | -33,773 |
| Interest received | 3,046 | 6,105 |
| Interest paid | -11,923 | -11,581 |
| Other non-cash transactions | 2,755 | -1,568 |
| Cash flow from operating activities | -148,904 | -318,092 |
| Proceeds from the disposal of intangible assets | - | 14 |
| Proceeds from sale of property, plant and equipment and disposal of investment property | 8,198 | 13,473 |
| Proceeds from the sale of financial assets | 925 | 12,558 |
| Proceeds from repayment of loans | 1,801 | 2,741 |
| Investments in intangible assets | -3,684 | -1,407 |
| Investments in property, plant and equipment and investment property | -55,759 | -93,359 |
| Investment in financial assets | -345 | -92 |
| Investment in loans | -930 | -3,410 |
| Proceeds from the sale of consolidated companies less cash and cash equivalents | - | -5,388 |
| Payouts for the purchase of subsidiaries less cash and cash equivalents | -1,495 | -6,316 |
| Cash flow from investing activities | -51,289 | -81,186 |
| Dividends | -10,503 | -41,305 |
| Payouts to non-controlling interests | -574 | -1,033 |
| Proceeds from profit-participation rights/hybrid capital | 150,000 | - |
| Repayment of profit-participation rights/hybrid capital | -28,486 | - |
| Proceeds from Schuldscheindarlehen | - | 203,000 |
| Repayment of Schuldscheindarlehen | - | -40,000 |
| Obtaining loans and other financing | 51,500 | 257,079 |
| Redeeming loans and other financing | -100,488 | -165,069 |
| Capital increase attributable to non-controlling interests | - | 2,681 |
| Cash flow from financing activities | 61,449 | 215,353 |
| Cash flow from operating activities | -148,904 | -318,092 |
| Cash flow from investing activities | -51,289 | -81,186 |
| Cash flow from financing activities | 61,449 | 215,353 |
| Change to cash and cash equivalents | -138,744 | -183,925 |
| Cash and cash equivalents as of 1 Jan | 581,890 | 319,674 |
| Currency differences | -5,142 | 1,076 |
| Cash and cash equivalents as of 30 Jun | 438,004 | 136,825 |
| Tax paid | 338 | 8,465 |

Consolidated Statement of Financial Position

| in TEUR | 30.6.2020 | 31.12.2019 |
|--|------------------|------------------|
| Assets | | |
| Non-current assets | | |
| Intangible assets | 149,402 | 148,522 |
| Property, plant and equipment | 931,086 | 940,899 |
| Investment property | 60,249 | 54,091 |
| Shareholdings in companies accounted for under the equity method | 83,225 | 86,081 |
| Loans | 81,243 | 83,334 |
| Other financial assets | 35,764 | 37,003 |
| Other non-current financial assets | 22,804 | 26,952 |
| Deferred tax assets | 21,835 | 15,520 |
| | 1,385,608 | 1,392,402 |
| Current assets | | |
| Inventories | 90,115 | 76,030 |
| Trade receivables | 1,605,835 | 1,480,911 |
| Other financial assets | 106,958 | 86,183 |
| Other receivables and current assets | 53,970 | 47,513 |
| Cash and cash equivalents | 438,004 | 581,890 |
| Assets held for sale | 11,830 | - |
| | 2,306,712 | 2,272,527 |
| Total assets | 3,692,320 | 3,664,929 |
| Equity and liabilities | | |
| Equity | | |
| Share capital | 29,095 | 29,095 |
| Capital reserve | 251,287 | 251,287 |
| Profit-participation rights/hybrid capital | 318,557 | 195,250 |
| Other reserves | 67,914 | 111,449 |
| Equity attributable to shareholders of parent | 666,853 | 587,081 |
| Non-controlling interests | 12,983 | 11,957 |
| | 679,836 | 599,038 |
| Non-current liabilities | | |
| Bonds and Schuldscheindarlehen | 336,476 | 346,384 |
| Provisions | 170,740 | 169,029 |
| Non-current financial liabilities | 417,034 | 441,295 |
| Other non-current financial liabilities | 3,215 | 3,924 |
| Deferred tax liabilities | 44,330 | 46,061 |
| | 971,795 | 1,006,693 |
| Current liabilities | | |
| Bonds and Schuldscheindarlehen | 38,997 | 28,981 |
| Provisions | 163,193 | 170,312 |
| Current financial liabilities | 115,360 | 110,919 |
| Trade payables | 1,091,011 | 1,138,825 |
| Other current financial liabilities | 30,402 | 60,314 |
| Other current liabilities | 554,238 | 520,509 |
| Tax payables | 30,849 | 29,338 |
| Liabilities held for sale | 16,639 | - |
| | 2,040,689 | 2,059,198 |
| Total equity and liabilities | 3,692,320 | 3,664,929 |

Statement of Changes in Group Equity

| in TEUR | Share capital | Capital reserve | Revaluation reserve | Remeasurement from defined benefit obligations | Measurement of equity instruments | Foreign currency translation reserves |
|--|---------------|-----------------|---------------------|--|-----------------------------------|---------------------------------------|
| Balance as of 31 Dec 2018 | 29,095 | 251,287 | 6,736 | -30,837 | -29 | 4,309 |
| Restatement from the first-time application of IFRS 16 | - | - | - | - | - | - |
| Balance as of 1 Jan 2019 | 29,095 | 251,287 | 6,736 | -30,837 | -29 | 4,309 |
| Total profit/loss for the year | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | -9,083 | 100 | 1,098 |
| Total income for the period | - | - | - | -9,083 | 100 | 1,098 |
| Dividend payout | - | - | - | - | - | - |
| Income tax on interest for holders of profit-participation rights/hybrid capital | - | - | - | - | - | - |
| Capital increase of which attributable to non-controlling interests | - | - | - | - | - | - |
| Changes to the consolidated group/ acquisition of non-controlling interests | - | - | - | - | - | - |
| Balance as of 30 Jun 2019 | 29,095 | 251,287 | 6,736 | -39,920 | 71 | 5,407 |
| Balance as of 31 Dec 2019 | 29,095 | 251,287 | 7,341 | -46,125 | 508 | 7,131 |
| Total profit/loss for the year | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | -1,529 | -361 | -7,454 |
| Profit/loss for the period | - | - | - | -1,529 | -361 | -7,454 |
| Dividend payout | - | - | - | - | - | - |
| Profit-participation rights/hybrid capital | - | - | - | - | - | - |
| Income tax on interest for holders of profit-participation rights/hybrid capital | - | - | - | - | - | - |
| Changes to the consolidated group/ acquisition of non-controlling interests | - | - | - | - | - | - |
| Balance as of 30 Jun 2020 | 29,095 | 251,287 | 7,341 | -47,654 | 147 | -323 |

| Reserve for cash flow hedges | Profit-participation rights/hybrid capital | Retained earnings and non-retained profit | Equity attributable to shareholders of parent | Profit-participation rights | Non-controlling interests | Total |
|------------------------------|--|---|---|-----------------------------|---------------------------|---------|
| -1,039 | 155,290 | 156,834 | 571,646 | 42,624 | 3,964 | 618,234 |
| - | - | -2,860 | -2,860 | - | -10 | -2,870 |
| -1,039 | 155,290 | 153,974 | 568,786 | 42,624 | 3,954 | 615,364 |
| - | 4,246 | -455 | 3,791 | 1,332 | 836 | 5,959 |
| -230 | - | -117 | -8,232 | - | -14 | -8,246 |
| -230 | 4,246 | -572 | -4,441 | 1,332 | 822 | -2,287 |
| - | -6,875 | -31,766 | -38,641 | -2,664 | -1,033 | -42,338 |
| - | - | 2,052 | 2,052 | - | - | 2,052 |
| - | - | - | - | - | 2,681 | 2,681 |
| - | - | - | - | - | 967 | 967 |
| -1,269 | 152,661 | 123,688 | 527,756 | 41,292 | 7,391 | 576,439 |
| -1,117 | 197,914 | 141,047 | 587,081 | - | 11,957 | 599,038 |
| - | 9,214 | -33,599 | -24,385 | - | 1,687 | -22,698 |
| 114 | - | -78 | -9,308 | - | -17 | -9,325 |
| 114 | 9,214 | -33,677 | -33,693 | - | 1,670 | -32,023 |
| - | -10,503 | - | -10,503 | - | -574 | -11,077 |
| - | 121,514 | - | 121,514 | - | - | 121,514 |
| - | - | 2,384 | 2,384 | - | - | 2,384 |
| - | - | 70 | 70 | - | -70 | - |
| -1,003 | 318,139 | 109,824 | 666,853 | - | 12,983 | 679,836 |

Notes to the Interim Consolidated Financial Statements as of 30 June 2020

1. General Information

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

These interim consolidated financial statements of the PORR Group have been published in accordance with IAS 34 Interim Financial Reporting, using the standards of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRSs) adopted by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) in addition to standards applicable for the first time as of 1 January 2020. The impact of the first-time application of the new standards is described in item 3.

In accordance with IAS 34, these interim consolidated financial statements do not contain every comprehensive entry that is obligatory in the annual financial statements and therefore this interim report should be read in conjunction with the Annual Report of the PORR Group as of 31 December 2019. As per IAS 34, the consolidated results of the interim consolidated financial statements are not necessarily indicative of the annual results.

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

2. Consolidated Group and Acquisitions

The following six companies were consolidated in full for the first time in these interim financial statements:

| | Date of initial consolidation |
|---|--------------------------------------|
| Because of acquisitions | |
| FRANKI POLSKA Spółka z ograniczoną odpowiedzialnością | 27.2.2020 |
| Because of new foundations | |
| FBB Spezialtiefbau Rebstein AG | 16.3.2020 |
| Tunel Swinoujście 2 s.c. Joint Venture | 23.3.2020 |
| TOTALPLAN GmbH | 5.5.2020 |
| JV LNG Offshore (cz. morska) - Technological Part | 24.6.2020 |
| JV LNG Offshore (cz. morska) - Hydrotechnical Part | 24.6.2020 |

TEUR 250 was used to purchase an additional 30% in FRANKI POLSKA Spolka z ograniczona odpowiedzialnoscia. In addition, there is an earn-out clause of a maximum of TEUR 160 that is tied to achieving a revenue target. When determining the purchase price, this was valued at TEUR 160 as it is assumed the target will be met. TEUR 21 was already paid out for this purpose in the second quarter of 2020. The remainder of the purchase price totalling TEUR 250 was settled in cash. The purchase price was allocated to the Group's assets and liabilities as follows:

| in TEUR | 2020 |
|--|-------------|
| Non-current assets | |
| Goodwill | 747 |
| Property, plant and equipment | 1,533 |
| Deferred tax assets | 74 |
| Current assets | |
| Inventories | 429 |
| Trade receivables | 2,333 |
| Other financial assets | 354 |
| Other receivables and current assets | 1 |
| Cash and cash equivalents | 27 |
| Non-current liabilities | |
| Provisions | -2 |
| Non-current financial liabilities | -60 |
| Deferred tax liabilities | -404 |
| Current liabilities | |
| Current financial liabilities | -1,226 |
| Trade payables | -728 |
| Other current financial liabilities | -1,656 |
| Other current liabilities | -60 |
| Fair value of the equity interest already held | -952 |
| Purchase price | 410 |

The acquisition led to the application of goodwill not deductible for tax purposes, as the purchase price includes the benefits of synergic effects. In the course of reassessing the equity interest held, an amount of TEUR 114 was recognised in companies accounted for under the equity method.

The company consolidated for the first time contributed TEUR -295 to EBT for the period and TEUR 927 to revenue.

A total of 48 (previous year: 48) domestic and 39 (previous year: 35) foreign associates and joint ventures were included under application of the equity method.

3. Accounting and Measurement Methods

The accounting and measurement methods applied in the consolidated financial statements of 31 December 2019, which are presented in the notes to the consolidated annual financial statements, have been used, unmodified, in the interim report with the exception of the following standards and interpretations applied for the first time, whereby no significant changes have arisen from the first-time application:

| <u>New standard or amendment</u> | <u>Date of publication by IASB</u> | <u>Date of adoption into EU law</u> | <u>Date of initial application</u> |
|--|------------------------------------|-------------------------------------|------------------------------------|
| Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC - 32 updating or clarifying which version of the conceptual framework they relate to | 29.3.2018 | 29.11.2019 | 1.1.2020 |
| Amendments to IFRS 3 Definition of a Business | 22.10.2018 | 21.4.2020 | 1.1.2020 |
| Amendments to IAS 1 and IAS 8 Definition of Materiality | 31.10.2018 | 29.11.2019 | 1.1.2020 |
| Changes to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform | 26.9.2019 | 15.1.2020 | 1.1.2020 |

The following standards and interpretations were published since the preparation of the consolidated financial statements as of 31 December 2019 but were not yet mandatory nor were they adopted into EU law.

Standards and interpretations not yet adopted by the European Union

| <u>New standard or amendment</u> | <u>Date of publication by IASB</u> | <u>Date of initial application</u> |
|---|------------------------------------|------------------------------------|
| IFRS 17 Insurance Contracts | 18.5.2017 | 1.1.2023 |
| Amendments to IFRS 17 | 25.6.2020 | 1.1.2023 |
| Changes to IAS 1 Classification of Liabilities as Current or Non-Current | 23.1.2020 | 1.1.2022 |
| Amendments to IFRS 3 Reference to the 2018 Conceptual Framework | 14.5.2020 | 1.1.2022 |
| Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract | 14.5.2020 | 1.1.2022 |
| Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use | 14.5.2020 | 1.1.2022 |
| Annual Improvements to IFRSs 2018 - 2020 Cycle IFRS 1, IFRS 9, IFRS 16 and IAS 41 | 14.5.2020 | 1.1.2022 |
| Amendments to IFRS 16 Covid-19-Related Rent Concessions | 28.5.2020 | 1.6.2020 |

The interim consolidated financial statements as of 30 June 2020 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements as of 31 December 2019.

4. Estimates and Assumptions

Producing interim consolidated financial statements in accordance with IFRSs requires management to make estimates and assumptions which 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 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 which exist, earnings are lower in the first two quarters than in the final two quarters. These seasonal fluctuations are less pronounced in building construction than in civil engineering and road construction. In addition, the first half of 2020 was influenced by the impacts of the COVID-19 pandemic.

6. Revenue

| in TEUR 1-6/2020 | BU 1 – Austria, Switzerland | BU 2 – Germany | BU 3 – International | Holding | Group |
|---------------------------------------|--------------------------------|-------------------|-------------------------|---------------|------------------|
| Revenue | | | | | |
| Building construction | | | | | |
| Commercial/office construction | 123,058 | 8,054 | 39,743 | - | 170,855 |
| Industrial engineering | 55,842 | 237 | 8,141 | - | 64,220 |
| Miscellaneous building construction | 136,348 | 78,336 | 26,918 | 2,641 | 244,243 |
| Residential construction | 189,665 | 52,157 | 13,414 | - | 255,236 |
| Civil engineering | | | | | |
| Railway construction | 46,402 | - | 75,406 | - | 121,808 |
| Bridge/overpass construction | 27,050 | 40,433 | 38,402 | - | 105,885 |
| Miscellaneous civil engineering | 164,962 | 108,656 | 22,951 | 2,317 | 298,886 |
| Road construction | 115,766 | 61,279 | 160,944 | - | 337,989 |
| Tunnelling | | 48,951 | 155,004 | - | 203,955 |
| Other sectors | 142,909 | 22,929 | 80,576 | 21,731 | 268,145 |
| Revenue | 1,002,002 | 421,032 | 621,499 | 26,689 | 2,071,222 |
| Revenue recognised over time | 935,172 | 418,022 | 621,499 | 24,222 | 1,998,915 |
| Revenue recognised at a point of time | 66,830 | 3,010 | - | 2,467 | 72,307 |

| in TEUR 1-6/2019 | BU 1 – Austria, Switzerland | BU 2 – Germany | BU 3 – International | Holding | Group |
|---------------------------------------|--------------------------------|-------------------|-------------------------|---------------|------------------|
| Revenue | | | | | |
| Building construction | | | | | |
| Commercial/office construction | 82,781 | 25,570 | 35,446 | - | 143,797 |
| Industrial engineering | 71,969 | 656 | 4,341 | - | 76,966 |
| Miscellaneous building construction | 172,011 | 78,248 | 60,447 | 2,248 | 312,954 |
| Residential construction | 203,337 | 59,583 | 19,726 | - | 282,646 |
| Civil engineering | | | | | |
| Railway construction | 29,445 | - | 71,848 | - | 101,293 |
| Bridge/overpass construction | 30,847 | 45,280 | 71,984 | - | 148,111 |
| Miscellaneous civil engineering | 183,541 | 119,922 | 37,724 | 5,250 | 346,437 |
| Road construction | 146,670 | 42,880 | 134,331 | - | 323,881 |
| Tunnelling | 61 | 51,477 | 149,232 | - | 200,770 |
| Other sectors | 147,195 | 31,335 | 28,662 | 37,598 | 244,790 |
| Revenue | 1,067,857 | 454,951 | 613,741 | 45,096 | 2,181,645 |
| Revenue recognised over time | 996,053 | 451,832 | 613,291 | 42,722 | 2,103,898 |
| Revenue recognised at a point of time | 71,804 | 3,119 | 450 | 2,374 | 77,747 |

7. Earnings per Share

| in TEUR | 1-6/2020 | 1-6/2019 |
|---|--------------|--------------|
| Profit/loss for the year attributable to shareholders of parent and holders of profit-participation rights/hybrid capital | -24,385 | 3,791 |
| Less interest on profit-participation rights/hybrid capital | -9,214 | -4,246 |
| Profit/loss for the year attributable to shareholders of parent | -33,599 | -455 |
| Weighted average number of issued shares | 28,878,505 | 28,878,505 |
| Prior basic earnings per share = diluted earnings per share in EUR | -0.84 | 0.13 |
| New basic earnings per share = diluted earnings per share in EUR | -1.16 | -0.02 |

8. Non-current assets and liabilities held for sale

The assets and liabilities of an equity interest in Poland in the segment BU 3 – International were reclassified as non-current assets held for sale and non-current liabilities held for sale due to their upcoming sale. The equity interest is engaged in the trade, production and reworking of iron and steel rods and in the supply of armouring. The transfer agreement was signed on 7 August 2020 and closing has not yet been completed.

9. Share Capital

| | No. 2020 | EUR 2020 | No. 2019 | EUR 2019 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| Ordinary bearer shares | 29,095,000 | 29,095,000 | 29,095,000 | 29,095,000 |
| Total share capital | 29,095,000 | 29,095,000 | 29,095,000 | 29,095,000 |

As proposed by the Executive Board and the Supervisory Board, the Annual General Meeting of PORR AG passed a resolution on 28 May 2020 not to pay out any dividends for the 2019 business year and to carry the entire net retained profits forward to new account.

A hybrid bond of TEUR 150,000 with a coupon of 5.375% was issued at the start of February. It is a perpetual bond, although PORR is entitled to pay back the bond issue in full after five years. Should that not happen, the coupon will increase to the five-year mid swap rate plus 10.641%. The bond fulfils all of the IFRS requirements to permit recognition in equity. At the same time, the existing investors of the hybrid bond from 2017 were invited to repurchase their interest at a price of 103.75. Investors took up this offer in the total amount of TEUR 25,706. The amount still outstanding on this bond thereby totals TEUR 99,294.

At the end of the reporting period, there were 216,495 treasury shares; this corresponds to 0.74% of the share capital.

10. Financial Instruments

The carrying amount of the financial instruments as per IFRS 9 corresponds to the fair value, with the exception of bonds subject to fixed interest rates (fair value hierarchy level 1), Schuldscheindarlehen subject to fixed interest rates (fair value hierarchy level 3), deposits from banks subject to fixed interest rates (fair value hierarchy level 3), and other financial liabilities subject to fixed interest rates (fair value hierarchy level 3).

| in TEUR | Meas- urement category | Carrying amount as of 30.6.2020 | Measured at amortised cost | Fair value other com- prehensive income | Fair value affecting net income | Fair value hierarchy | Fair value as of 30.6.2020 |
|---|------------------------------|---------------------------------------|----------------------------------|--|---------------------------------------|-------------------------|----------------------------------|
| Assets | | | | | | | |
| Loans | AC | 84,241 | 84,241 | | | | |
| Loans | FVTPL | 21,820 | | | 21,820 | Level 3 | 21,820 |
| Other financial assets | FVTOCI | 29,575 | | 29,575 | | Level 3 | 29,575 |
| Other financial assets | FVTPL | 1,088 | | | 1,088 | Level 3 | 1,088 |
| Other financial assets | FVTPL | 5,101 | | | 5,101 | Level 1 | 5,101 |
| Trade receivables | AC | 890,319 | 890,319 | | | | |
| Other financial assets | AC | 104,039 | 104,039 | | | | |
| Other financial assets | FVTPL | 108 | | | 108 | Level 1 | 108 |
| Derivatives (without hedges) | FVTPL | 798 | | | 798 | Level 2 | 798 |
| Cash and cash equivalents | | 438,004 | 438,004 | | | | |
| Liabilities | | | | | | | |
| Schuldscheindarlehen | | | | | | | |
| at fixed interest rates | AC | 100,875 | 100,875 | | | Level 3 | 103,331 |
| at variable interest rates | AC | 274,599 | 274,599 | | | | |
| Bank loans | | | | | | | |
| at fixed interest rates | AC | 52,337 | 52,337 | | | Level 3 | 56,722 |
| at variable interest rates | AC | 143,463 | 143,463 | | | | |
| Lease obligations ¹ | | 333,090 | 333,090 | | | | |
| Other financial liabilities | | | | | | | |
| at fixed interest rates | AC | 706 | 706 | | | Level 3 | 727 |
| Trade payables | AC | 1,091,011 | 1,091,011 | | | | |
| Other financial liabilities | AC | 33,617 | 33,617 | | | | |
| Derivatives (without hedges) | FVTPL | 1,090 | | | 1,090 | Level 2 | 1,090 |
| Derivatives (with hedges) | | 1,709 | | 1,709 | | Level 2 | 1,709 |
| by category | | | | | | | |
| Financial assets at amortised cost | AC | 1,078,599 | 1,078,599 | | | | |
| Cash and cash equivalents | | 438,004 | 438,004 | | | | |
| Fair value through profit & loss | FVTPL | 27,825 | | | 27,825 | | |
| Fair value through OCI | FVTOCI | 29,575 | | 29,575 | | | |
| Financial liabilities at amortised cost | AC | 1,696,608 | 1,696,608 | | | | |

| in TEUR | Meas- urement category | Carrying amount as of 31.12.2019 | Measured at amortised cost | Fair value other com- prehensive income | Fair value affecting net income | Fair value hierarchy | Fair value as of 31.12.2019 |
|--|------------------------------|--|----------------------------------|--|---------------------------------------|-------------------------|-----------------------------------|
| Assets | | | | | | | |
| Loans | AC | 84,504 | 84,504 | | | | |
| Loans | FVTPL | 21,831 | | | 21,831 | Level 3 | 21,831 |
| Other financial assets | FVTOCI | 30,346 | | 30,346 | | Level 3 | 30,346 |
| Other financial assets | FVTPL | 1,088 | | | 1,088 | Level 3 | 1,088 |
| Other financial assets | FVTPL | 5,569 | | | 5,569 | Level 1 | 5,569 |
| Trade receivables | AC | 832,952 | 832,952 | | | | |
| Other financial assets | AC | 88,263 | 88,263 | | | | |
| Other financial assets | FVTPL | 109 | | | 109 | Level 1 | 109 |
| Derivatives (without hedges) | FVTPL | 1,763 | | | 1,763 | Level 2 | 1,763 |
| Cash and cash equivalents | | 581,890 | 581,890 | | | | |
| Liabilities | | | | | | | |
| Schuldscheindarlehen | | | | | | | |
| at fixed interest rates | AC | 100,840 | 100,840 | | | Level 3 | 102,986 |
| at variable interest rates | AC | 274,525 | 274,525 | | | | |
| Bank loans | | | | | | | |
| at fixed interest rates | AC | 55,875 | 55,875 | | | Level 3 | 57,830 |
| at variable interest rates | AC | 155,519 | 155,519 | | | | |
| Lease obligations ¹ | | 337,835 | 337,835 | | | | |
| Other financial liabilities | | | | | | | |
| at fixed interest rates | AC | 771 | 771 | | | Level 3 | 793 |
| Trade payables | AC | 1,138,825 | 1,138,825 | | | | |
| Other financial liabilities | AC | 64,238 | 64,238 | | | | |
| Derivatives (without hedges) | FVTPL | 353 | | | 353 | Level 2 | 353 |
| Derivatives (with hedges) | | 1,861 | | 1,861 | | Level 2 | 1,861 |
| by category | | | | | | | |
| Financial assets at amortised cost | AC | 1,005,719 | 1,005,719 | | | | |
| Cash and cash equivalents | | 581,890 | 581,890 | | | | |
| Fair value through profit & loss | FVTPL | 30,007 | | | 30,007 | | |
| Fair value through OCI | FVTOCI | 30,346 | | 30,346 | | | |
| Financial liabilities at amortised cost | AC | 1,790,593 | 1,790,593 | | | | |

¹ Lease obligations fall under the scope of IFRS 16.

Details on the fair value of financial instruments of Level 3

For the valuation of the hybrid capital of TEUR 25,330 for UBM Development AG, the following input factors (pricing criteria) were applied:

- Mid swap
- Credit spread UBM bond (Z spread)
- Hybrid spread

The sum of these factors corresponds to the current pricing of the hybrid bond.

As a second step, the current pricing and contractually agreed coupon were compared, thereby determining the necessary surcharges/discounts.

- If the current market pricing is higher than the contractually agreed coupon, then a discount is applied to the nominal amount.
- If the current market pricing is lower than the contractually agreed coupon, then a surcharge is applied to the nominal amount.

This resulted in the following valuation as of 30 June 2020

| | Mid swap | Credit spread | Hybrid spread | Hybrid coupon in % |
|--------------------------------|----------|---------------|---------------|-----------------------|
| Balance as of 30 Jun 2020 | -36 | 419.08 | 184 | 5.67 |
| Balance as of 31 Dec 2019 | -15.9 | 208.93 | 184 | 3.77 |
| | | | | Hybrid capital |
| Total as of 1 Jan 2020 | | | | 25,895 |
| Surcharges/discounts | | | | -482 |
| Total as of 30 Jun 2020 | | | | 25,413 |

Sensitivities and interrelationships

The valuation methods applied are subject to fluctuation of the three input factors. Any change in a single factor results in a respective change in value (e.g. if the mid swap increases by 1 BP, the receivable decreases in value by 1 BP).

Possible interdependencies have not been considered as it is not possible to assume either a significant negative or a significant positive correlation; therefore any individual change would increase the overall valuation in the respective amount.

Future expected cash flows were applied for the fair value valuation of a loan of TEUR 21,820, whereby the EUR zero-coupon curve was used for discounting the cash flows.

11. Segment Report

The segment report has been produced in line with the internal reporting structure and management of the PORR Group.

| in TEUR 1-6/2020 | BU 1 – Austria, Switzerland | BU 2 – Germany | BU 3 – International | Holding | Group |
|--|--------------------------------|-------------------|-------------------------|---------|-----------|
| Production output (Group) | 1,093,854 | 455,167 | 673,775 | 50,310 | 2,273,106 |
| Segment revenue | 1,002,002 | 421,032 | 621,499 | 26,689 | 2,071,222 |
| Intersegment revenue | 4,466 | 4,637 | 17 | 61,890 | |
| EBT (Earnings before tax = segment earnings) | -4,705 | 131 | -19,180 | -2,826 | -26,580 |

| in TEUR 1-6/2019 | BU 1 – Austria, Switzerland | BU 2 – Germany | BU 3 – International | Holding | Group |
|--|--------------------------------|-------------------|-------------------------|---------|-----------|
| Production output (Group) | 1,226,743 | 445,102 | 769,679 | 55,191 | 2,496,715 |
| Segment revenue | 1,067,857 | 454,951 | 613,741 | 45,096 | 2,181,645 |
| Intersegment revenue | 21,388 | 3,908 | 344 | 62,432 | |
| EBT (Earnings before tax = segment earnings) | 17,853 | 2,095 | -9,483 | -2,252 | 8,213 |

12. Related Party Disclosures

There have been no significant changes in relationships between related companies, or any resultant obligations or guarantees, since 31 December 2019.

Transactions in the business year between companies included in the PORR Group's consolidated financial statements and the UBM Group companies primarily relate to construction services. Furthermore, interest for the hybrid capital of TEUR 1,520 has been paid to PORR AG in the business year 2020.

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 which they hold, as well as the Strauss Group, as a member of the Executive Board of PORR AG has significant influence over it, as well as the Kapsch Group, as a member of the Executive Board of PORR AG holds a key position at the same time as having significant influence over PORR AG. In addition to people who have a significant influence over PORR AG, related parties also include the members of the Executive and Supervisory Boards of PORR AG as well as their close family members.

13. Audit Disclosure

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

14. Events after the End of the Reporting Period

No events subject to disclosure occurred after the end of the reporting period.

Vienna, 26 August 2020

The Executive Board

Karl-Heinz Strauss m.p.

Andreas Sauer m.p.

Thomas Stiegler m.p.

Josef Pein m.p.

Statement of all Legal Representatives

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

26 August 2020, Vienna



Karl-Heinz Strauß
Chairman of the Executive Board and CEO



Andreas Sauer
Member of the Executive Board and CFO



Thomas Stiegler
Member of the Executive Board and COO



Josef Pein
Member of the Executive Board and COO

Financial Calendar 2020

| | |
|------------|--|
| 28.10.2020 | Interest payment PORR Corporate Bond 2014/2 (hybrid bond) |
| 26.11.2020 | Publication Report on the 3rd quarter 2020 |

Contact

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The half-year report 2020 is available free of charge from the company, 1100 Vienna, Absberggasse 47, and can also be downloaded from <https://porr-group.com/investor-relations/reporting/konzernberichte/>.

Acknowledgments

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Photos

Astrid Knie (Executive Board photo), PORR AG (Wendlingen junction, Widok Towers Warsaw, S3 expressway Weinviertel, ATCOST 21)

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

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

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



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