PORR AG

(an Austrian stock corporation, registered number FN 34853 f)

Up to EUR 100,000,000 Undated Resettable Fixed Rate Subordinated Notes

PORR AG, a stock corporation (*Aktiengesellschaft*) incorporated under Austrian law (**"PORR AG"** or the **"Company"** or the **"Issuer"**, and together with its consolidated subsidiaries, the **"PORR Group"**, **"PORR"** or the **"Group"**), will issue on 18 November 2021 (the **"Issue Date"**) Undated Resettable Fixed Rate Subordinated Notes (the **"Notes"**) in an aggregate principal amount of up to EUR 100,000,000 (the **"Aggregate Principal Amount"**). The Notes will be issued in bearer form in denominations of EUR 1,000 (the **"Specified Denomination"**) and will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.

The Notes constitute direct, unsecured and deeply subordinated obligations of the Issuer ranking (i) senior to Junior Obligations, (ii) *pari passu* among themselves and with any Parity Obligations and (iii) junior to all other existing and future unsubordinated obligations as well as subordinated obligations of the Issuer which expressly rank senior to the obligations resulting from the Notes, except as otherwise provided by mandatory provisions of law (Junior Obligations and Parity Obligations each as defined in the terms and conditions of the Notes (the **"Terms and Conditions"**)). In the event of the liquidation or insolvency, or any other proceedings for the avoidance of insolvency, of, or against, the Issuer, the obligations under the Notes shall be fully subordinated to all other present and future obligations of the Issuer (except for Parity Obligations and Junior Obligations), whether subordinated or unsubordinated, except as otherwise provided by mandatory provisions of law or as expressly provided for by the terms of the relevant instrument so that in any such event no amounts shall be payable in respect of the Notes unless all claims that rank senior to the Notes have been satisfied in full.

The Notes will bear interest on their aggregate principal amount from and including 18 November 2021 (the **"Interest Commencement Date"**) to but excluding 18 November 2026 (the **"First Reset Date"**) at a fixed rate of 7.50% per annum. Thereafter, and unless previously redeemed, the applicable Interest Rate for each Interest Period (each as defined in the Terms and Conditions) for the period from (and including) the First Reset Date to (but excluding) the date on which the Issuer redeems the Notes in accordance with the Terms and Conditions shall be the applicable annual swap rate for Euro swap transactions (ICESWAP2) with a term of 5 years for the relevant Interest Period plus a certain Margin (as defined in the Terms and Conditions). Interest shall be scheduled to be paid annually in arrear on 18 November in each year (each an **"Interest Payment Date"**) commencing on 18 November 2022. The Issuer is entitled to defer payments of any interest on any Interest Payment Date and may pay such Arrears of Interest (as defined in the Terms and Conditions) voluntarily at any time, but only will be obliged to pay such Arrears of Interest under certain circumstances as set out in the Terms and Conditions.

The Notes do not have a maturity date. The Notes are redeemable by the Issuer at its discretion on the First Reset Date or on any Interest Payment Date thereafter and, in each case as described in the Terms and Condition of the Notes. Additionally, if either a Gross-Up Event, an Accounting Event, a Tax Event or a Change of Control (each as defined in the Terms and Conditions) shall have occurred, the Issuer may call the Notes for redemption (in whole but not in part) at any time at the Early Redemption Amount (each as defined in the Terms and Conditions) or − in the event of a Change of Control − at their principal amount, plus any accrued interest until the respective redemption date (exclusive). If the Issuer has purchased Notes equal to or in excess of 80% of the Aggregate Principal Amount of the Notes initially issued, the Notes can also be redeemed by the Issuer at its discretion at any time at their principal amount, plus any interest accrued on the Notes to (but excluding) the respective redemption date. The Notes are governed by Austrian law.

Application has been made to the Vienna Stock Exchange for the Notes to be admitted to the Official Market (*Amtlicher Handel*), a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (**"MiFID II"**).

The Notes have been assigned the following securities codes: ISIN XS2408013709 and Common Code 240801370.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**"EEA"**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **"Insurance Distribution Directive"**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"PRIIPs Regulation"**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**"UK"**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **"UK PRIIPs Regulation"**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or HSBC Continental Europe (the "**Sole Structuring Adviser and Sole Bookrunner**" or the **"Bookrunner"**) the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Following the First Reset Date, interest amounts payable under the Notes are calculated by reference to ICESWAP2, which appears on the Reuters Screen Page ICESWAP2.

This Prospectus has been drafted exclusively for the purpose of listing of the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. The Notes have not been and are not being offered to the public within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the "Prospectus Regulation"), and no offering of the Notes was or is subject to the obligation to publish a prospectus under the Prospectus Regulation. No action has been or may be taken to permit an offer of Notes to the public within the meaning of the Prospectus Regulation.

This Prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "FMA") in its capacity as competent authority under the Prospectus Regulation and pursuant to the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended. The accuracy of the information contained in this Prospectus does not fall within the scope of examination by the FMA. The FMA examines and approves this Prospectus only in respect of its completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The validity of this Prospectus will expire on 18 November 2021. Investors should be aware that the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

Prospective investors should consider that investing in the Notes involves certain risks. For a discussion of certain significant factors affecting investments in the Notes, see "Risk Factors". The occurrence of one or more of such risks could lead investors to lose some or all of their investment. An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

Sole Structuring Adviser and Sole Bookrunner

HSBC

The date of this Prospectus is 12 November 2021.

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1. GENERAL INFORMATION

1.1 Responsibility Statement

PORR AG with its registered office in Vienna, Austria, assumes responsibility for the contents of this Prospectus pursuant to Article 11 of the Prospectus Regulation and hereby declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import. The Bookrunner has not independently verified this Prospectus and does not assume responsibility for the accuracy and completeness of the information and statements contained in this Prospectus.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and the Group and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

The Issuer is not required by law to update this Prospectus subsequent to the date hereof, except in accordance with Article 23 of the Prospectus Regulation, which stipulates, among other things, that every significant new factor, material mistake or material inaccuracy relating to the information included in a prospectus which may affect the assessment of the securities and which arises or is noted after approval of this Prospectus and before trading on a regulated market begins shall be disclosed in a supplement to this Prospectus without undue delay.

1.2 Subject Matter of this Prospectus and Important Information

This Prospectus constitutes a prospectus within the meaning of Article 6.3 of the Prospectus Regulation, has been drafted according to the Prospectus Regulation in respect of debt securities with a denomination per unit of less than EUR 100,000 within the meaning of the Prospectus Regulation and was drawn up in accordance with Annexes 6, 14 and 22 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, as amended, as well as with Annex 1 of the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing the Prospectus Regulation, as amended, and conforms to the requirements of the Capital Market Act 2019 and the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018*), as amended. The Notes will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.

This Prospectus has been drafted exclusively for the purpose of listing of the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. Accordingly, the Issuer does not consent to the use of this Prospectus for or in connection with the subsequent resale or final placement of the Notes in connection with an offer of Notes to the public within the meaning of the Prospectus Regulation.

Any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes and which arises or is noted between the approval of this Prospectus by the FMA and commencement of trading in the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, will be published in a supplement to this Prospectus in accordance with Article 23 of the Prospectus Regulation. Such supplement must be approved in the same way as this Prospectus by the FMA and must be published in the same way as this Prospectus in accordance with Article 21 of the Prospectus Regulation.

This Prospectus should be read and understood in conjunction with any other documents incorporated herein by reference. For the avoidance of doubt, the information on any website referred to in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the FMA.

The language of this Prospectus is English. In respect of the Terms and Conditions, German is the controlling and legally binding language.

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Bookrunner. The Bookrunner has not independently verified this Prospectus and it does not assume any responsibility for the accuracy of the information and statements contained in this Prospectus and no representations express or implied are made by the Bookrunner or its affiliates as to the accuracy and completeness of the information and statements herein. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial situation of the Issuer since the date of this Prospectus, or that the information herein is correct at any time since the date of this Prospectus.

Neither the Bookrunner nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons makes any representation or warranty or accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Bookrunner to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Bookrunner to a recipient hereof and thereof that such recipient should purchase any Notes.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Bookrunner to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the United States of America and its territories, the EEA and the UK see the chapter "Offer, Sale and Subscription of the Notes – Selling Restrictions" of this Prospectus. In particular, the Notes have not been and will not be registered under the United States Notes Act of 1933, as amended, and are subject to tax law requirements of the United States of America; subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to United States persons.

This Prospectus may only be used for the purpose for which it has been published. It does not constitute an offer or an invitation to subscribe for or purchase any Notes.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

In connection with the issue of the Notes, HSBC Continental Europe as the stabilisation manager (the **"Stabilisation Manager"**) (or persons acting on its behalf) may over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the terms of the offer of the Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules.

1.3 Financial Statements

This Prospectus contains the audited consolidated financial statements of the Issuer as of and for the financial years ended 31 December 2018 (**"Consolidated Financial Statements 2018"**), 31 December 2019 (**"Consolidated Financial Statements 2019"**) and 31 December 2020 (**"Consolidated Financial Statements 2020"**), comprised in each case of the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of financial position and consolidated statement of changes in group equity, along with the notes (together the **"Consolidated Financial Statements"**) and the auditor's report for each respective financial year, as well as the reviewed but unaudited interim consolidated financial statements of the Issuer as of and for the six-month period ended 30 June 2021 in form of the half-year report 2021 (the **"Unaudited Interim Consolidated Financial Statements H1/2021"** or the **"Half-Year Report 2021"**). Unless otherwise indicated, the most recent audited financial information included in this Prospectus is taken from the Consolidated Financial Statements 2020. The Consolidated Financial Statements and the respective auditor's reports as well as the Half-Year Report 2021 and the auditor's review report included in this Prospectus are translations of the original German language documents.

The German language Consolidated Financial Statements and Half-Year Report 2021 were prepared by the Company in accordance with International Financial Reporting Standards, as adopted by the European Union (**"IFRS"**). As required by Austrian law, the Issuer also prepared separate (unconsolidated) financial statements as of and for the financial years ended 31 December 2018, 2019 and 2020 in accordance with the generally accepted accounting principles in Austria (**"Austrian GAAP"**), which are not included in or incorporated by reference into this Prospectus.

1.4 Auditors

BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (**"BDO"**), which is domiciled in Vienna and has its business address at Am Belvedere 4, 1100 Vienna, Austria, audited the German-language originals of the Consolidated Financial Statements 2018, of the Consolidated Financial Statements 2019 and of the Consolidated Financial Statements 2020 in accordance with laws and regulations applicable in Austria, and issued an unqualified audit opinion thereon dated 18 April 2019, 16 April 2020 and 15 April 2021 respectively.

Furthermore, BDO reviewed the German language version of the Half-Year Report 2021 and provided the respective review report in the German language as well.

BDO are certified public accountants and members of the Austrian Chamber of Chartered Accountants (*Kammer der Steuerberater und Wirtschaftstreuhänder*). Apart from the German language originals of the Consolidated Financial Statements, no financial information in this Prospectus has been audited.

1.5 Presentation of Financial Information

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus and are exact arithmetic aggregations of the actual figures. Accordingly, in certain cases, the sum of the numbers in a column in a table may not conform to the total figure given for that column. Each figure is rounded separately, so that sums or calculated numbers are always calculated on the basis of exact figures and only the result is rounded. Also, the percentages contained in this Prospectus were calculated not on the basis of rounded figures but of exact figures (before approximation) while absolute changes are calculated on the basis of the rounded figures.

Where financial data is labelled "audited", it is taken from the (German language original of the) Consolidated Financial Statements which were audited as a whole. The label "unaudited" is used to indicate financial data that were not taken from the Consolidated Financial Statements or the Half-Year Report 2021 and includes internal information and accounting records of PORR Group.

All of the financial data presented in this Prospectus are shown in thousands of euro (**"TEUR"**) in tables and millions of euro (EUR million) in text, except as otherwise stated. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. Financial information presented in parentheses denotes the negative of such number presented. With respect to financial data set out in the main body of this Prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but is or has been rounded to zero.

1.6 Alternative Performance Measures (APM)

This Prospectus contains non-IFRS measures and ratios, including those listed below, which are not required by, or presented in accordance with, IFRS or the accounting standards of any other jurisdiction. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and should be considered together with the Group's IFRS results and liabilities. Non-IFRS measures and ratios are not measurements of the Group's operating performance or liabilities under IFRS and investors should bear this in mind when considering non-IFRS measures as alternatives to earnings before interest and taxes (**"EBIT"**) or group net profit or other performance measures derived in accordance with IFRS or any other generally accepted accounting principles, or as alternatives to cash flow from operating, investing or financing activities or to liabilities. Investors should rely on Group's IFRS results, supplemented by its non-IFRS measures, to evaluate the Group's performance.

The Issuer presents non-IFRS measures to measure operating performance, the level of Net debt and Working capital (as defined below), and as a basis for its strategic planning and forecasting as well as monitoring the retained cash flows. The Issuer also believes that non-IFRS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of operating performance and financial standing. The Issuer's non-IFRS measures are defined as follows:

Production 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 the Group. This non-IFRS measure relates broadly to the output (revenues pursuant to IFRS) of all companies and consortiums (fully consolidated, equity method, proportional or those of minor significance) in line with the interest held by PORR AG. 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. Production output is relevant for the Issuer because this is an operative measure generally used in the construction industry for assessing the overall construction output of the Group. It should not be considered as an alternative to revenue as determined in accordance with IFRS and is not indicative of revenue. There is no official definition of Production output. Measures bearing the same or similar names disclosed by other construction companies or presented in industry reports and similar publications may be calculated differently. For more information, including a detailed definition and explanation, see "*Management's Discussion & Analysis of Financial Condition and Results of Operations – Revenue and Production output*".

Order backlog: this non-IFRS measure is the total of all orders or contracts which have not been executed by the respective reporting date cited. To the extent work performed is recognized as Production output and/or revenue, Order backlog is reduced correspondingly.

Order intake: is a non-IFRS measure of legally binding or committed orders received within a specified period.

Net debt: Net debt (or net financial debt) is a non IFRS-measure which is calculated as the total of bonds and bonded loans (*Schuldscheindarlehen*) issued, plus financial liabilities less cash and cash equivalents and securities classified as current assets (e.g. investment certificates). This measure is relevant for the Issuer because it is a financial measure which is generally used in the construction industry to show the leverage of the Group and to calculate financial covenants in financing agreements.

Working capital: Working capital is not an IFRS financial measure and is therefore unaudited. It is calculated as the sum of current trade receivables and inventories minus current trade payables.

Alternative performance measures should not be considered as alternatives or substitutes for result for the period, EBIT, operating cash flow or other data from our consolidated statements of profit or loss and other comprehensive income, consolidated statements of financial position or consolidated statements of cash flows prepared in accordance with IFRS, or as measures of profitability or liquidity.

Alternative performance measures do not necessarily indicate whether cash flows will be sufficient for the Issuer's cash requirements and may not be indicative of its future results. Furthermore, the alternative performance measures are not recognized under IFRS, should not be considered as substitutes for an analysis of the Issuer's operating results prepared in accordance with IFRS, and may not be comparable to similarly titled information published by other companies.

1.7 Application for Listing

Application has been made to the Vienna Stock Exchange for the Notes to be admitted to the Official Market (*Amtlicher Handel*), a regulated market pursuant to MiFID II.

1.8 International Securities Identification Number (ISIN)

The International Securities Identification number (**"ISIN"**) for the Notes is XS2408013709.

1.9 Documents on Display

Copies of the articles of association (*Satzung*) of the Company (**"Articles of Association"**), the Consolidated Financial Statements, the Half-Year Report 2021 and this Prospectus (including any supplements thereto) are available for inspection at the registered office of the Company at Absberggasse 47, A-1100 Vienna, Austria, during regular business hours. These documents may also be inspected on the Company's website in the section "Investor Relations", sub-section "Corporate Governance", at https://porr-group.com/en/investor-relations/porr-share/corporate-actions/.

Documents and other information displayed on such website or any other websites to which reference is made in this Prospectus are neither part of this Prospectus nor are they incorporated by reference in this Prospectus.

1.10 Sources of Information

Unless otherwise stated, financial and other data provided in this Prospectus have been extracted from the Consolidated Financial Statements, the Half-Year Report 2021, internal information and accounting records of PORR Group.

Furthermore, statistical and other data provided in this Prospectus have been extracted from reports and other documents of different institutions, available as of the date hereof. The following sources were used in connection with the preparation of this Prospectus:

- *EUROCONSTRUCT*, Country Report, November 2020; see EUROCONSTRUCT (https://euroconstruct.org/);
- *EUROCONSTRUCT*, Country Report, June 2021; see EUROCONSTRUCT (https://euroconstruct.org/);

- *European Commission*, Climate Action: European Climate Law, 2021 (https://ec.europa.eu/clima/eu-action/european-green-deal/european-climate-law_en);
- *European Commission*, European Construction Sector Observatory – Building Information Modelling in the EU construction sector, March 2019 (https://ec.europa.eu/docsroom/documents/34518);
- *European Commission*, European Construction Sector Observatory – Country profile Austria, November 2020 (https://ec.europa.eu/docsroom/documents/44604);
- *European Commission*, Questions and answers: InvestEU Programme, 9 March 2021 (https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_1045);
- *European Commission*, Questions and answers: The European Green Deal Investment Plan and Just Transition Mechanism explained, 14 January 2020 (https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24);
- *Eurostat*, Ageing Europe – Looking at the lives of older people in the EU, 2019 (https://ec.europa.eu/eurostat/documents/3217494/10166544/KS-02-19-681-EN-N.pdf/c701972f-6b4e-b432-57d2-91898ca94893?t=1631631350686);
- *Eurostat*, Construction, February 2021;
- *Hauptverband der Deutschen Bauindustrie e.V.*, Press Release 10/20, dated 25 February 2021 (https://www.bauindustrie.de/fileadmin/bauindustrie.de/Zahlen_Fakten/Pressemitteilung/10-21_Baukonjunktur_2020_final.pdf);
- *International Monetary Fund*, World Economic Outlook Update, July 2021 (https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021);
- *KPMG*, Market Study – Building Construction & Civil Engineering Markets in selected Focus Countries, August 2021;
- *OECD*, OECD Economic Outlook, Volume 2020 Issue 2, December 2020 (https://www.oecd-ilibrary.org/economics/oecd-economic-outlook/volume-2020/issue-2_39a88ab1-en);
- *Ritchie Hannah/Roser Max*, Urbanization, Our World in Data, 2018 (https://ourworldindata.org/urbanization);
- *Schweizerischer Baumeisterverband*, Bauindex 1. Quartal 2021, February 2021 (https://baumeister.swiss/baumeister-5-0/konjunkturdaten-und-quartalserhebungen/#Bauindex);
- *Statistik Austria*, Produktionsindex stieg im Juni 2021 um 11,3%, Pressemitteilung 12.587-178/21, August 2021 (http://www.statistik.at/web_de/statistiken/wirtschaft/produktion_und_bauwesen/konjunkturdaten/produktionsindex/126509.html).

In addition, certain information contained in this Prospectus derives from the following sources: https://www.wienerborse.at/, https://www.ecb.europa.eu/home/html/index.en.html and the Austrian electronic companies register (*Firmenbuch*). Documents and other information displayed on such websites are neither part of this Prospectus nor are they incorporated by reference in this Prospectus.

The Company confirms that such information has been accurately reproduced and as far as it is aware and is able to ascertain from the sources of such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1.11 Industry and Market Data

This Prospectus includes information regarding markets, market size, market share, market position, growth rates and other industry data for the PORR Group's business, which consists of estimates based on data and reports compiled by third parties, on data from other external sources, and on the PORR Group's knowledge of its sales and markets and its own market research and intelligence. Such third-party sources include the research institution Euroconstruct and certain national or supranational organizations such as the European Commission. It is, however, difficult to obtain coherent and precise industry and market data, and information concerning development over recent years and any future trends. In particular, in respect of the future outlook, various reports and sources differ significantly in their assessments based on, amongst others, time of publication as well as estimates and assumptions made.

Most of the market and industry information set out in this Prospectus is based on various studies and databases which are generally assumed to be reliable. However, no assurance can be given that such studies and reports and databases are accurate in all material respects as all studies, reports and databases apply certain estimates and assumptions. Neither the Issuer nor the Bookrunner have independently verified the figures, market data or other information on which third parties have based their studies. The Company confirms that information from third-party sources has been accurately reproduced and as far as the Company is aware and is able to ascertain from the sources of such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Subject to the foregoing, neither the Company nor the Bookrunner can assure investors of the accuracy and completeness of, and take no responsibility for, such data or any such information from third-party studies included in this Prospectus. The source of such third-party information is cited whenever such information is used in this Prospectus.

The Company commissioned an independent market study from KPMG Advisory GmbH (**"KPMG"**), an Austrian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, on an analysis of selected building construction and civil engineering markets titled "Building Construction & Civil Engineering Markets in selected Focus Countries" and dated 9 August 2021 (the **"KPMG Market Study"**). The KPMG Market Study is not an expert report within the meaning of Item 1.3 of Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. Neither the Company nor the Bookrunner have verified any of the market data or other information included in the KPMG Market Study, nor have they asked KPMG to modify or otherwise adjust the KPMG Market Study. The Company did, however, discuss some of the underlying assumptions and findings with KPMG.

Prospective investors are, nevertheless, advised to consider these data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party sources has been included in this Prospectus should not be considered as a recommendation by the relevant third parties to invest in, purchase or take any other action with respect to, Notes of the Company.

In addition, it may be that certain sources of market data included in this Prospectus or market data used in these sources were prepared before the spread or the potential onset of another wave of the COVID-19 pandemic and have not been updated for the potential effects of further exacerbations of this pandemic. The Company is not able to determine whether the third parties who have prepared such sources or market data will revise their estimates and projections due to the further potential impact of the COVID-19 pandemic on future market developments.

Furthermore, prospective investors should note that the Issuer's own estimates and statements of opinion and belief are not always based on studies of third parties. While the Company believes its internal research and estimates to be reliable, such research and estimates have not been verified by any independent sources and neither the Company nor the Bookrunner can assure potential investors as to their accuracy and that a third party using different methods to assemble, analyze or compute market data would obtain the same result. The Company does not intend, and does not assume any obligations, to update industry or market data set forth in this Prospectus. Finally, behavior, preferences and trends in the marketplace tend to change. As a result, investors should be aware that data in this Prospectus and estimates based on that data may not be reliable indicators of future results.

1.12 Forward-Looking Statements

This Prospectus contains certain forward-looking statements relating to the Company's and/or the Group's business, its financial performance and results, and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "seeks", "could", "may", "should", "will", "potential", "forecasts", "anticipates", "targets", and similar expressions. Such statements reflect the Company's and/or the Group's current views with respect to future events and are subject to risks and uncertainties.

The forward-looking statements contained in this Prospectus include all matters that are not historical facts and include statements regarding the Company's and/or the Group's intentions, beliefs or expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industries and markets in which the Group operates. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Prospective investors should not place undue reliance on these forward-looking statements.

The Company bases these forward-looking statements on its current plans, estimates, projections and expectations. In addition, these statements are based on certain assumptions that, although reasonable at the time made, may prove to be erroneous. Many factors could cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include factors contained in the section "*Summary of the Prospectus*", "*Risk Factors*", "*Management's Discussion & Analysis of Financial Condition and Results of Operations*", "*Industry*" and "*Business*".

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, events described in this Prospectus may not occur or actual results may deviate materially from those described in this Prospectus as anticipated, believed, estimated or expected, and the Group may not be able to achieve its financial targets and strategic objectives. Other than as required by law, neither the Company nor the Bookrunner intend, and assume any obligation, to update industry information or forward-looking statements set forth in this Prospectus.

2. SUMMARY OF THE PROSPECTUS

Section A – Introduction, containing warnings.	
This summary should be read as an introduction to this Prospectus (as defined below). *Any decision to invest in the securities should be based on a consideration of this Prospectus as a whole by an investor.* *Investors in the securities could lose all or part of their invested capital.* *Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.* *Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the securities.*	
a)	**Name and International Securities Identification Number ("ISIN") of the securities.**
	This prospectus (the **"Prospectus"**) relates to the issuance of Undated Resettable Fixed Rate Subordinated Notes (the **"Notes"**) under the PORR Bond 2021, ISIN XS2408013709, which will be issued in bearer form in denominations of EUR 1,000 each and will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.
b)	**Identity and contact details of the Issuer, including its legal entity identifier ("LEI").**
	PORR AG (LEI: 529900ARBU9SBJFNX419) is an Austrian stock corporation, incorporated under and governed by Austrian law, with its registered seat in Vienna, Austria, and its business address at Absberggasse 47, A-1100 Vienna, Austria (Phone: +43 50 626-0; Website: www.porr-group.com/en) (the **"Issuer"**, the **"Company"** or **"PORR AG"** and, together with its consolidated subsidiaries as well as its at-equity consolidated companies, the **"PORR Group"**, **"PORR"** or the **"Group"**).
c)	**Identity and contact details of the offeror, including its LEI if the offeror has legal personality, or of the person asking for admission to trading on a regulated market.**
	This Prospectus has been drafted exclusively for the purpose of listing of the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. HSBC Continental Europe, 38 Avenue Kléber, F-75116 Paris, France, has acted as Sole Structuring Adviser and Sole Bookrunner (the **"Sole Structuring Adviser and Sole Bookrunner"** or the **"Bookrunner"**) in connection with the placement of the Notes.
d)	**Identity and contact details of the competent authority approving the Prospectus.**
	The Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the **"FMA"**), Otto-Wagner-Platz 5, 1090 Vienna (Phone: +43 1 249 59-0; Website: www.fma.gv.at) has approved this Prospectus in its capacity as competent authority for Austria under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the **"Prospectus Regulation"**) and pursuant to the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*).
e)	**The date of approval of the Prospectus.**
	This Prospectus has been approved on 12 November 2021.

Section B – Key information on the Issuer.	
a)	**Who is the Issuer of the securities?**
	Information on the Issuer: The Company's legal name (*Firma*) is PORR AG and it operates under various commercial names, in most cases under PORR. The Company (LEI: 529900ARBU9SBJFNX419) has its registered seat in Vienna, Austria, and is an Austrian stock corporation (*Aktiengesellschaft*), incorporated under and governed by Austrian law. The Company is registered with the Austrian companies register (*Firmenbuch*) under registration number FN 34853 f; registration court: commercial court Vienna (*Handelsgericht Wien*).

Principal activities:

The Issuer itself is not operationally active in the construction business. It acts mainly as the holding company and service company of the PORR Group, and therefore coordinates all activities of the PORR Group and also provides services for the PORR Group.

The PORR Group is one of the leading European one-stop-shop construction groups with top market positions in all of its seven Home Markets (as defined below). In Austria, the PORR Group is the leading construction group in the construction sector (based on construction services only, without development activities), and on the other Home Markets, it holds a top 5 (Germany, Poland, Slovakia) or top 10 (Switzerland, Czech Republic, Romania) market position (Source: *KPMG*, Market Study, August 2021). The Group, as a one-stop-shop construction group, offers the full range of construction-related services, from demolition, over planning and design, construction, refurbishment/renovation, to operation and management.

In geographical terms, the Group focuses on its **"Home Markets"** Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania, in each of which it offers (or intends to offer in the near future) the full range of its construction products and services. In addition, the Group is active in other jurisdictions in which it offers only project-related services and niche products, primarily in tunnelling, railway construction and specialised civil engineering. Such project markets comprise in particular Qatar (where the project volume is currently reduced compared to some years ago, but which serves as hub for services and products in the region) and United Arab Emirates (UAE) in the Middle East as well as Norway.

The Group's core competencies comprise building construction and civil engineering, covering the entire lifecycle of a construction project, including small construction sites, mid-size constructions and large scale construction projects. The range of services extends from design and engineering, construction of buildings, tunnelling, road and railway construction, engineering services to special railway projects (where the Group's developed Slab Track system is used).

Major shareholders and control:

According to the knowledge of the Issuer, the Company's major shareholders are those shown in the table below (reflecting the capital increase completed as of 8 November 2021):

Shareholder	Number of shares	Percentage
IGO Industries-Strauss Syndicate	19,791,077	50.39%
thereof IGO Industries Group[(1)]	*14,123,769*	*35.96%*
thereof Strauss Group[(2)]	*5,667,308*	*14.43%*
Heitkamp Construction GmbH	1,703,142	4.34%
Wellington Management Group LLP	1,137,186	2.90%
Group management[(3)]	931,195	2.37%
Freefloat (including 216,495 treasury shares)	15,715,650	40.01%
Total	**39,278,250**	**100.00%**

(Source: Unaudited internal information of the Issuer as of the date of this Prospectus)

(1) Shares attributable to IGO Industries Group are held by IGO Construction GmbH.

(2) Shares attributable to Strauss Group are held by SuP Beteiligungs GmbH.

(3) Includes shares which are held by members of the Management Board (including shares attributable to Klaus Ortner / the IGO Industries Group and the Strauss Group which are not syndicated) and by members of the Supervisory Board of the Issuer as well as by other executives of the Group.

On 1 October 2021, the Issuer has received a major holdings notification pursuant to which UBS Switzerland AG and UBS AG have acquired financial instruments for the acquisition of Existing Shares corresponding to voting rights in aggregate of 6.04%. In addition, UBS Fund Management (Luxembourg) S.A. and UBS Fund Management (Switzerland) AG hold directly 21,440 Existing Shares (which corresponds to 0.07% of the voting rights).

The Issuer is directly controlled by the IGO Industries Group and the Strauss Group, which form a syndicate (the **"IGO Industries-Strauss Syndicate"**) controlling 50.39% of the shares and votes. **"IGO Industries Group"** means Klaus Ortner, deputy chairman of the Supervisory Board, together with entities controlled by or attributable to him which hold shares in the Company, namely IGO Construction GmbH. **"Strauss Group"** means Karl-Heinz Strauss, member of the Management Board, CEO and CFO of the Company, together with entities controlled by or attributable to him which hold shares in the Company, namely SuP Beteiligungs GmbH. The IGO Industries Group and the Strauss Group hold additional shares which are not part of the IGO Industries-Strauss Syndicate.

	Management Board: The Issuer's management board (*Vorstand*) consists of Karl-Heinz Strauss (Chairman of the board and Chief Executive Officer & Chief Financial Officer), Josef Pein (Chief Operating Officer) and Jürgen Raschendorfer (Chief Operating Officer).
	Statutory auditors: The Company appointed BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Am Belvedere 4, 1100 Vienna, Austria (**"BDO"**), as the statutory auditor of its German language consolidated financial statements prepared in accordance with IFRS, as adopted by the EU, for the financial year ending 31 December 2020, for the financial year ending 31 December 2019 and for the financial year ending 31 December 2018 (together, the **"Consolidated Financial Statements"**). BDO has issued German language unqualified audit opinions dated 15 April 2021, 16 April 2020 and 18 April 2019 thereon respectively. BDO is a member of both the Institute of Public Auditors in Austria (*Institut der Wirtschaftsprüfer*) and the Austrian Chamber of Tax Advisors and Auditors (*Kammer der Steuerberater und Wirtschaftsprüfer*).
b)	**What is the key financial information regarding the Issuer?**

Selected income statement data:

(in EUR million)	**Financial year ended**			**1 January – 30 June**	
	31 December 2020 (audited)	**31 December 2019 (audited)**	**31 December 2018 (audited)**	**2021 (reviewed)**	**2020 (unaudited/un-reviewed)**
Total revenue	4,651.8	4,880.4	4,959.1	2,288.3	2,071.2
Operating profit / loss for the period	-37.2	54.7	92.3	21.2	-16.9
Net profit / loss for the period	-42.4	27.8	66.2	8.6	-22.7
Year on year revenue growth ...	-4.68%	-1.59%	15.52%	10.48%	-5.06%
Operating profit margin	-0.80%	1.12%	1.86%	0.93%	-0.82%
Net profit margin	-0.91%	0.57%	1.33%	0.38%	-1.10%
Earnings per share (in EUR)	-2.28	0.50	1.88	-0.10	-1.16

(Source: Consolidated Financial Statements and Half-Year Report 2021, as well as calculations of the Company based thereon)

Selected data derived from the consolidated statement of financial position (balance sheet):

(in EUR million)	**Financial year ended**			**1 January – 30 June**	
	31 December 2020 (audited)	**31 December 2019 (audited)**	**31 December 2018 (audited)**	**2021 (reviewed)**	**2020 (unaudited/un-reviewed)**
Total Assets	3,509	3,665	3,115	3,620	3,692
Total equity.............................	651	599	618	654	680
Net financial debt *.................	137	346	150	310	470

(Source: Consolidated Financial Statements and Half-Year Report 2021, as well as calculations of the Company based thereon)
* Net financial debt is calculated as the sum of bonds, bonded loans (*Schuldscheindarlehen*), financial liabilities minus cash and cash equivalent and securities classified as current assets.

Selected data of the consolidated cash flow statement:

(in EUR million)	**Financial year ended**			**1 January – 30 June**	
	31 December 2020 (audited)	**31 December 2019 (audited)**	**31 December 2018 (audited)**	**2021 (reviewed)**	**2020 (unaudited/un-reviewed)**
Net Cash from operating activities	167.0	249.9	186.3	-41.3	-148.9
Net cash from investing activities	-86.7	-110.7	-68.7	-80.3	-51.3
Net Cash from financing activities	-73.4	121.8	-154.8	-57.0	61.4

(Source: Consolidated Financial Statements and Half-Year Report 2021)

c)	**What are the key risks that are specific to the Issuer?**
	Risks related to the Issuer's financial situation The ongoing global corona virus pandemic triggered by the SARS-CoV-2 virus causing a viral disease has already adversely affected the Issuer's and the Group's financial position, results of operations and its negative effects may become much more serious. Risk relating to obtaining long-term financing and financing on favourable terms and effects on the Group's liquidity. Risk relating to restrictive covenants in the Group's debt instruments. **Risks related to the Issuer's business activities and industry** Risk of incorrect calculations and estimates of the costs of the Group's projects. Risk of cancellation, scope adjustments or deferrals of projects. Risk relating to raw material and energy shortages or fluctuating raw material or energy prices. Risk relating to the Group's use of subcontractors. The PORR Group is exposed to risks related to the recruitment and retention of highly skilled employees. Risk relating to defective and delayed construction by the Group. Risk of deviations of actual revenue and profits from estimates based on the percentage-of-completion method of accounting for contract revenue. **Legal and regulatory risk** Legal disputes, breaches of laws and other regulatory matters may lead to the liability of the Group, imposition of high fines and significant damage claims. The PORR Group, is subject to compliance risks and could, in particular, be adversely affected by violations of antitrust, anti-bribery and anti-money laundering laws applicable in the countries or territories where it conducts its business.

Section C – Key information on the securities.	
a)	**What are the main features of the securities?**
	Type, class and ISIN of the Notes: The Notes of the PORR Bond 2021, with the ISIN XS2408013709, are undated resettable fixed rate subordinated bearer notes.
	Currency, denomination, par-value, the number of Notes issued and the term of the Notes: The PORR Bond 2021 in the aggregate principal amount of up to EUR 100,000,000 is divided into up to 100,000 Notes. The Notes are denominated in Euro and are being issued in denominations of EUR 1,000.00 each. The Notes will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof. The Notes are undated and thus have no scheduled redemption date.
	The rights attached to the Notes: ***Payment of interest.*** The Notes bear interest on their principal amount at the fixed initial interest rate of 7.50% p.a., due and payable on 18 November each year (each an **"Interest Payment Date"**), commencing on 18 November 2022. After 5 years, the interest rate will be adjusted. The adjustment is calculated from the 5-year ICESWAP2 Swap rate (expressed as a percentage rate per annum) which is indicated on the screen page of Reuters at 11.00 a.m. (Brussels local time) on the respective interest determination date, plus a certain Margin. The Margin means 12.58 percentage points (1,258 basis points). ***Possibility of the Issuer to defer interest payments***. The terms and conditions of the Notes (the **"Terms and Conditions"**) provide that the Issuer may decide, in certain situations, to defer interest payments under the Notes, where such failure to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. ***Redemption and cancellation.*** The Notes do not have a maturity date and may be redeemed by the Issuer at the earliest after 5 years of their issue (the **"First Reset Date"**) at their principal amount (plus accrued interest, if any). The Notes can, however, be redeemed or repurchased and cancelled under certain circumstances. At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions after the occurrence of a Gross-

	up Event, an Accounting Event, a Tax Event, a Change of Control or if 80 per cent. or more in principal amount of the Notes initially issued have been redeemed or purchased, or in general with effect as of (and including) the First Reset Date or any Interest Payment Date thereafter. Pursuant to the Terms and Conditions the holders of the Notes (each a **"Holder"**) shall solely be entitled to call the Notes and to declare the Notes due and payable, if the Issuer enters into liquidation and is settled or dissolved (unless this is done for the purpose or as a result of a merger, restructuring or reorganization in respect of which the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer) and subject to the complete satisfaction of any claims from unsubordinated and subordinated creditors which expressly rank senior to the obligations resulting from the Notes. ***Limitation to these rights.*** Pursuant to the Terms and Conditions the Holders have no right to call the Notes and to declare the Notes due and payable, except in the aforesaid circumstances. In addition, the Notes do not confer any voting rights, preferential rights on offers to subscribe for securities of the same category, the right to participate in the profits of the Issuer, the right to participate in the proceeds in the event of liquidation, or conversion rights.
	Ranking (relative seniority): The Notes constitute direct, unsecured and deeply subordinated obligations of the Issuer ranking (i) senior to Junior Obligations (as defined below), (ii) *pari passu* among themselves and with any Parity Obligations (as defined below) and (iii) junior to all other existing and future unsubordinated obligations as well as subordinated obligations of the Issuer which expressly rank senior to the obligations resulting from the Notes, except as otherwise provided by mandatory provisions of law. **"Junior Obligations"** means any claim arising out of (i) the ordinary shares of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any present or future security, registered security or other instrument (x) of the Issuer that rank (or are expressed to rank) junior to the Notes or (y) of any of its Group entities under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) junior to the Notes, as well as (iv) the ABAP obligatorische Genussrechte 2007 (ISIN AT0000A086F0). **"Parity Obligations"** means present or future securities or any other instrument (i) of the Issuer that rank (or are expressed to rank) *pari passu* with the Notes, including but not limited to the hybrid bond issued in 2017 (ISIN XS1555774014) or the hybrid bond issued in 2020 (ISIN XS2113662063) or (ii) of any of its Group entities under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) *pari passu* with the Notes.
	Restrictions on the free transferability of the Notes: The Notes are only transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.
b)	**Where will the securities be traded?**
	The Issuer will apply for admission of the Notes to be admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange which is a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended (*Markets in Financial Instruments Directive II – MiFID II*).
c)	**What are the key risks that are specific to the securities?**
	Risks related to the nature of the Notes Risk relating to the subordination of the Notes. Risk of Early Redemption. Risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market.	
a)	**Under which conditions and timetable can I invest in this security?**
	Offer of the Notes: The Notes have been offered exclusively to institutional investors in the European Economic Area only. There was no maximum amount of Notes to be purchased. However, the minimum amount of Notes to be purchased will be EUR 100,000 and Notes will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.

	Offer conditions: The Notes have not been offered to retail investors. This Prospectus has been drafted exclusively for the purpose of listing of the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange.
b)	**Who is the offeror and/or the person asking for admission to trading?**
	The Notes have been offered by the Issuer to institutional investors only. The Issuer will apply for the admission to trading of the Notes together with a stock exchange member, i.e. HSBC Trinkaus & Burkhardt AG, Hansaallee 3, 40549 Düsseldorf, Germany, a stock corporation incorporated in Germany under German law. With regard to its business activities in Germany, HSBC Trinkaus & Burkhardt AG mainly operates under German law.
c)	**Why is this prospectus being produced?**
	Reasons for the issue and for the listing of the Notes: The Company pursues to use the proceeds from the issue of the Notes for the strengthening of the Company's balance sheet (*Stärkung des Bilanzbildes*), to refinance the hybrid bond issued in 2017 and for general corporate and (re)financing purposes. The Issuer intends to have the Notes admitted to trading on the regulated market segment Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange in order to provide for the trading on a stock exchange.
	The use and estimated net amount of the proceeds: The Company pursues to use the proceeds from the issue of the Notes for the strengthening of the Company's balance sheet (*Stärkung des Bilanzbildes*), to refinance the hybrid bond issued in 2017 and for general corporate and (re)financing purposes. In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately EUR 48.5 million, after deducting fees and other costs (which are expected to amount to up to approximately 3% of the aggregate principal amount of the Notes), based on the assumption that on 18 November 2021 Notes in the principal amount of EUR 50,000,000 will be issued.
	Subscription Agreement: Pursuant to a subscription agreement entered into on 12 November 2021 among the Issuer and the Bookrunner (the **"Subscription Agreement"**), the Bookrunner has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Notes. The Issuer has agreed to pay the Bookrunner a combined arrangement, underwriting and placement commission as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse the Bookrunner for certain of its expenses in connection with the issue of the Notes.
	Interests material to the issue/offer including conflicting interests: The Bookrunner and its affiliates have engaged, and may in the future engage, in investment banking or commercial banking transactions with, and may perform services for the Group and their members in the ordinary course of business. The Bookrunner and its affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

3. GERMAN LANGUAGE TRANSLATION OF THE SUMMARY

DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG

Abschnitt A – Einleitung mit Warnhinweisen.	
Diese Zusammenfassung sollte als Einleitung zum Prospekt (wie nachstehend definiert) verstanden werden. *Der Anleger sollte sich bei der Entscheidung, in die Wertpapiere zu investieren, auf diesen Prospekt als Ganzes stützen.* *Der Anleger könnte das gesamte angelegte Kapital oder einen Teil davon verlieren.* *Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben.* *Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.*	
a)	**Bezeichnung und Internationale Wertpapier-Identifikationsnummer ("ISIN") der Wertpapiere.**
	Dieser Prospekt (der **"Prospekt"**) bezieht sich auf die Begebung von Undated Resettable Fixed Rate Subordinated Notes (die **"Schuldverschreibungen"**) im Rahmen der PORR-Anleihe 2021, ISIN XS2408013709, die als Inhaberschuldverschreibungen mit einer Stückelung von je EUR 1.000,00 begeben werden und die nur in Mindestgesamtnennbeträgen von EUR 100.000 und einem ganzzahligen Vielfachen von EUR 1.000 über diesem Betrag übertragbar sind.
b)	**Identität und Kontaktdaten der Emittentin, einschließlich der Rechtsträgerkennung ("LEI").**
	Die PORR AG (LEI: 529900ARBU9SBJFNX419) ist eine nach österreichischem Recht gegründete und diesem unterliegende Aktiengesellschaft, mit Sitz in Wien, Österreich, und der Geschäftsanschrift Absberggasse 47, A-1100 Wien, Österreich (Telefon: +43 50 626-0; Website: www.porr-group.com) (die **"Emittentin"**, die **"Gesellschaft"** oder **"PORR AG"** und, gemeinsam mit ihren konsolidierten Tochtergesellschaften und at-equity konsolidierten Gesellschaften, die **"PORR Gruppe"**, **"PORR"** oder die **"Gruppe"**).
c)	**Identität und Kontaktdaten des Anbieters, einschließlich der LEI, falls der Anbieter Rechtspersönlichkeit hat, oder der die Zulassung zum Handel an einem geregelten Markt beantragenden Person.**
	Dieser Prospekt wurde ausschließlich zum Zweck der Zulassung der Schuldverschreibungen zum Amtlichen Handel der Wiener Börse erstellt. Die HSBC Continental Europe, 38 Avenue Kléber, F-75116 Paris, Frankreich, hat im Zusammenhang mit der Platzierung der Schuldverschreibungen als Sole Structuring Adviser und Sole Bookrunner (der **"Sole Structuring Adviser und Sole Bookrunner"** oder der **"Bookrunner"**) fungiert.
d)	**Identität und Kontaktdaten der zuständigen Behörde, die den Prospekt billigt.**
	Die österreichische Finanzmarktaufsichtsbehörde (die **"FMA"**), Otto-Wagner-Platz 5, A-1090 Wien (Telefon: +43 1 249 59-0; Website: www.fma.gv.at) hat diesen Prospekt in ihrer Eigenschaft als zuständige Behörde für Österreich gemäß der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14.06.2017, in der jeweils gültigen Fassung (die **"Prospektverordnung"**) und gemäß Kapitalmarktgesetz 2019 gebilligt.
e)	**Datum der Billigung des Prospekts.**
	Dieser Prospekt wurde am 12.11.2021 gebilligt.

Abschnitt B – Basisinformationen über die Emittentin.	
a)	**Wer ist die Emittentin der Wertpapiere?**
	Informationen über die Emittentin: Die Gesellschaft führt die Firma PORR AG und tritt im Geschäftsverkehr unter verschiedenen kommerziellen Namen auf, meistens unter PORR. Die Gesellschaft (LEI: 529900ARBU9SBJFNX419) hat ihren Sitz in Wien, Österreich, und ist eine nach österreichischem Recht gegründete und diesem unterliegende Aktiengesellschaft. Die Gesellschaft ist im österreichischen Firmenbuch unter der Firmenbuchnummer FN 34853 f eingetragen; das zuständige Registergericht ist das Handelsgericht Wien.

Haupttätigkeiten:

Die Emittentin ist selbst nicht operativ im Baugeschäft tätig. Sie fungiert im Wesentlichen als Obergesellschaft und Servicegesellschaft der PORR Gruppe, die insofern alle Aktivitäten der PORR Gruppe koordiniert und steuert sowie darüber hinaus Serviceleistungen für die PORR Gruppe erbringt.

Die PORR Gruppe ist einer der führenden europäischen Totalunternehmer in der Bauindustrie mit Top-Marktpositionen in allen ihren sieben Heimmärkten (wie unten definiert). In Österreich ist die PORR Gruppe der führende Baukonzern im Sektor Bauwirtschaft (basierend nur auf Bauleistungen, ohne Tätigkeiten im Development-Bereich), in den anderen Heimmärkten hält sie eine Top-5- (Deutschland, Polen, Slowakei) oder Top-10-Position (Schweiz, Tschechische Republik, Rumänien) (Quelle: *KPMG*, Marktstudie, August 2021). Die Gruppe bietet als Totalunternehmer die gesamte Palette baubezogener Dienstleistungen an, vom Abbruch über Planung und Entwurf, Bau, Sanierung bis hin zu Betrieb und Management.

In geografischer Hinsicht konzentriert sich die Gruppe auf ihre **"Heimmärkte"** Österreich, Deutschland, die Schweiz, Polen, Tschechische Republik, Slowakei und Rumänien, in denen sie jeweils die gesamte Palette ihrer Bauprodukte und -dienstleistungen anbietet (oder in naher Zukunft anzubieten beabsichtigt). Darüber hinaus ist die Gruppe in anderen Ländern tätig, in denen sie nur projektbezogene Leistungen und Nischenprodukte anbietet, vor allem in den Bereichen Tunnelbau, Bahnbau und Spezialtiefbau. Zu diesen Projektmärkten gehören insbesondere Katar (wo das Projektvolumen derzeit zwar geringer ist als vor einigen Jahren, das aber als Drehscheibe für Dienstleistungen und Produkte in der Region dient) und die Vereinigten Arabischen Emirate (VAE) im Nahen Osten sowie Norwegen.

Die Kernkompetenzen der Gruppe umfassen den Hoch- und Tiefbau, wobei der gesamte Lebenszyklus eines Bauprojekts abgedeckt wird, einschließlich kleiner Baustellen, mittelgroßer Bauten und großer Bauprojekte. Das Leistungsspektrum reicht von der Projektplanung, dem Bau von Gebäuden, dem Tunnelbau, dem Straßen- und Bahnbau, Ingenieurdienstleistungen bis hin zu speziellen Bahnprojekten (bei denen das von der Gruppe entwickelte 'Slab Track' System zum Einsatz kommt).

Hauptanteilseigner und Beherrschung:

Nach dem Kenntnisstand der Emittentin sind in der folgenden Tabelle die Hauptaktionäre aufgelistet (unter Berücksichtigung der am 08.11.2021 abgeschlossenen Kapitalerhöhung):

Aktionär	Anzahl der Aktien	Prozent
IGO Industries-Strauss-Syndikat	19.791.077	50,39%
davon IGO Industries-Gruppe[(1)]	*14.123.769*	*35,96%*
davon Strauss-Gruppe[(2)]	*5.667.308*	*14,43%*
Heitkamp Construction GmbH	1.703.142	4,34%
Wellington Management Group LLP	1.137.186	2,90%
Group management[(3)]	931.195	2,37%
Streubesitz (einschließlich 216.495 Eigene Aktien)	15.715.650	40,01%
Gesamt	**39.278.250**	**100,00%**

(Quelle: Ungeprüfte interne Information der Emittentin zum Datum dieses Prospekts)

(1) Bestehende Aktien, die der IGO Industries-Gruppe zuzuordnen sind, werden von der IGO Construction GmbH gehalten.

(2) Bestehende Aktien, die der Strauss-Gruppe zuzuordnen sind, werden von der SuP Beteiligungs GmbH gehalten.

(3) Beinhaltet Aktien, die von Mitgliedern des Vorstands (einschließlich DI Klaus Ortner / der IGO Industries-Gruppe und der Strauss-Gruppe zuzuordnender Aktien, die nicht syndiziert sind) und von Mitgliedern des Aufsichtsrats der Emittentin sowie von anderen Führungskräften der Gruppe gehalten werden.

Am 01.10.2021 erhielt die Emittentin eine Beteiligungsmeldung, wonach die UBS Switzerland AG und die UBS AG Finanzinstrumente zum Erwerb von Bestehenden Aktien erworben hat, die insgesamt einem Anteil von 6,04% der Stimmrechte entsprechen. Zusätzlich halten UBS Fund Management (Luxembourg) S.A. und UBS Fund Management (Switzerland) AG direkt 21.440 Bestehende Aktien (dies entspricht einem Anteil von 0,07% der Stimmrechte).

Die Emittentin wird unmittelbar von der IGO Industries-Gruppe und der Strauss-Gruppe beherrscht, welche zusammen ein Syndikat bilden (das **"IGO Industries-Strauss-Syndikat"**), das 50,39% der bestehenden Aktien und Stimmrechte hält. **"IGO Industries-Gruppe"** bezeichnet Klaus Ortner, stellvertretender Vorsitzender des Aufsichtsrats, zusammen mit von ihm kontrollierten oder ihm zurechenbaren Unternehmen, die Aktien der Gesellschaft halten, nämlich die IGO Construction GmbH. **"Strauss-Gruppe"** bezeichnet Karl-Heinz Strauss, Mitglied des Vorstands, CEO und CFO der Gesellschaft, zusammen mit von ihm kontrollierten oder ihm zurechenbaren Unternehmen, die Aktien der Gesellschaft halten, nämlich die SuP Beteiligungs GmbH. Die IGO Industries-Gruppe und die Strauss-Gruppe halten darüber hinaus weitere Aktien, welche jedoch nicht vom IGO Industries-Strauss-Syndikat umfasst sind.

Vorstand:

Der Vorstand der Emittentin besteht aus Karl-Heinz Strauss (Vorstandsvorsitzender, Chief Executive Officer und Chief Financial Officer), Josef Pein (Chief Operating Officer) und Jürgen Raschendorfer (Chief Operating Officer).

Abschlussprüfer:

Die Gesellschaft hat die BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Am Belvedere 4, 1100 Wien, Österreich (**"BDO"**), zum Abschlussprüfer ihrer in Übereinstimmung mit den IFRS, wie sie in der EU anzuwenden sind, aufgestellten deutschsprachigen Konzernabschlüsse für das Geschäftsjahr 2020 zum 31.12.2020, für das Geschäftsjahr 2019 zum 31.12.2019 und für das Geschäftsjahr 2018 zum 31.12.2018 (gemeinsam die **"Konzernabschlüsse"**) bestellt. BDO hat hierzu die uneingeschränkten Bestätigungsvermerke vom 15.04.2021, 16.04.2020 und 18.04.2019 in deutscher Sprache erteilt.

BDO ist Mitglied sowohl des Instituts der Wirtschaftsprüfer in Österreich als auch der österreichischen Kammer der Steuerberater und Wirtschaftsprüfer.

b) Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Ausgewählte Angaben aus der Konzern-Gewinn- und Verlustrechnung

	Geschäftsjahr zum			1. Jänner – 30. Juni	
(in EUR Millionen)	31.12.2020 (geprüft)	31.12.2019 (geprüft)	31.12.2018 (geprüft)	2021 (reviewt)	2020 (ungeprüft/nicht reviewt)
Umsatzerlöse	4.651,8	4.880,4	4.959,1	2.288,3	2.071,2
Betriebsergebnis im Berichtszeitraum	-37,2	54,7	92,3	21,2	-16,9
Nettogewinn / -verlust im Berichtszeitraum	-42,4	27,8	66,2	8,6	-22,7
Umsatzwachstum von Jahr zu Jahr	-4,68%	-1,59%	15,52%	10,48%	-5,06%
Operative Gewinnmarge	-0,80%	1,12%	1,86%	0,93%	-0,82%
Nettogewinnmarge	-0,91%	0,57%	1,33%	0,38%	-1,10%
Ergebnis je Aktie (in EUR)	-2,28	0,50	1,88	-0,10	-1,16

(Quelle: Konzernabschlüsse sowie Halbjahresbericht 2021, und darauf beruhende Berechnungen der Gesellschaft)

Ausgewählte Angaben abgeleitet aus der Konzernbilanz

	Geschäftsjahr zum			1. Jänner – 30. Juni	
(in EUR Millionen)	31.12.2020 (geprüft)	31.12.2019 (geprüft)	31.12.2018 (geprüft)	2021 (reviewt)	2020 (ungeprüft/nicht reviewt)
Bilanzsumme	3.509	3.665	3.115	3.620	3.692
Eigenkapital	651	599	618	654	680
Nettoverschuldung *	137	346	150	310	470

(Quelle: Konzernabschlüsse sowie Halbjahresbericht 2021, und darauf beruhende Berechnungen der Gesellschaft)
* Nettoverschuldung wird berechnet als die Summe aus Anleihen, Schuldscheindarlehen und Finanzverbindlichkeiten minus liquide Mittel und Wertpapiere im kurzfristigen Vermögen.

Ausgewählte Angaben aus der Konzern-Kapitalflussrechnung

	Geschäftsjahr zum			1. Jänner – 30. Juni	
(in EUR Millionen)	31.12.2020 (geprüft)	31.12.2019 (geprüft)	31.12.2018 (geprüft)	2021 (reviewt)	2020 (ungeprüft/nicht reviewt)
Cashflow aus der Betriebstätigkeit	167,0	249,9	186,3	-41,3	-148,9
Cashflow aus der	-86,7	-110,7	-68,7	-80,3	-51,3

Investitionstätigkeit					
Cashflow aus der Finanzierungstätigkeit	-73,4	121,8	-154,8	-57,0	61,4

(Quelle: Konzernabschlüsse sowie Halbjahresbericht 2021)

c) Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

Risiken im Zusammenhang mit der finanziellen Situation der Emittentin:

Die durch das SARS-CoV-2-Virus ausgelöste weltweite Coronavirus-Pandemie hat die Finanz- und Ertragslage der Emittentin und der Gruppe bereits beeinträchtigt, und ihre negativen Auswirkungen können sich noch erheblich verstärken.

Risiko in Bezug auf die Erlangung von langfristigen Finanzierungen und von Finanzierungen zu günstigen Konditionen und auf Auswirkungen auf die Liquidität der Gruppe.

Risiko im Zusammenhang mit restriktiven Bestimmungen in Schuldtiteln der Gruppe.

Risiken im Zusammenhang mit der Geschäftstätigkeit und der Branche der Emittentin:

Risiko unrichtiger Kalkulationen und Schätzungen der Kosten von Projekten der Gruppe.

Risiko der Kündigung, der Anpassung des Umfangs oder der Verschiebung von Projekten.

Risiko in Bezug auf Rohstoff- und Energieknappheit oder schwankende Rohstoff- oder Energiepreise.

Risiko in Bezug auf den Einsatz von Subunternehmern durch die Gruppe.

Die PORR Gruppe ist Risiken im Zusammenhang mit der Anwerbung und Bindung von hochqualifizierten Mitarbeitern ausgesetzt.

Risiko im Zusammenhang mit einer mangelhaften oder verzögerten Bauausführung.

Risiko von Abweichungen der tatsächlichen Einnahmen und Gewinne gegenüber Schätzungen basierend auf der Percentage-of-Completion Methode betreffend die Bilanzierung von Auftragserlösen.

Rechtliche und regulatorische Risiken:

Rechtsstreitigkeiten, Gesetzesverstöße und andere behördliche Angelegenheiten können zur Haftung der Gruppe, zur Verhängung hoher Geldstrafen und zu erheblichen Schadensersatzforderungen führen.

Die PORR-Gruppe unterliegt Compliance-Risiken und könnte insbesondere durch Verstöße gegen Kartell-, Anti-Korruptions- und Anti-Geldwäsche-Gesetze, die in den Ländern oder Gebieten gelten, in denen sie ihre Geschäfte tätigt, beeinträchtigt werden.

Abschnitt C – Basisinformationen über die Wertpapiere.

a) Welches sind die wichtigsten Merkmale der Wertpapiere?

Art, Gattung und ISIN der Schuldverschreibungen:

Die Schuldverschreibungen der PORR-Anleihe 2021 mit der ISIN XS2408013709 sind unbefristet rückzahlbare, festverzinsliche nachrangige Inhaberschuldverschreibungen.

Währung, Stückelung, Nennwert, Anzahl der begebenen Schuldverschreibungen und Laufzeit der Schuldverschreibungen:

Die PORR-Anleihe 2021 im Gesamtnennbetrag von bis zu EUR 100.000.000 ist eingeteilt in 100.000 Schuldverschreibungen. Die Schuldverschreibungen lauten auf Euro und werden in Stückelungen von je EUR 1.000,00 begeben. Die Schuldverschreibungen sind nur in Mindestgesamtnennbeträgen von EUR 100.000 und einem ganzzahligen Vielfachen von EUR 1.000 über diesem Betrag übertragbar.

Die Schuldverschreibungen sind unbefristet und haben daher keinen festgelegten Rückzahlungstermin.

Mit den Wertpapieren verbundene Rechte:

Zahlung von Zinsen. Die Schuldverschreibungen werden bezogen auf den Gesamtnennbetrag zum festen Anfangszinssatz von 7,50% p.a. verzinst, fällig und zahlbar am 18.11. eines jeden Jahres (jeweils ein **"Zinszahlungstag"**), beginnend am 18.11. 2022. Nach 5 Jahren wird der Zinssatz angepasst. Die Anpassung berechnet sich aus dem 5-Jahres ICESWAP2 Swapsatz (ausgedrückt als Prozentsatz per annum), der am entsprechenden Zinsfestsetzungstag um 11:00 Uhr vormittags (Brüsseler Ortszeit) auf der Reuters Bildschirmseite angegeben wird, zuzüglich einer bestimmten Marge. Die Marge beträgt 12,58 Prozentpunkte (1.258 Basispunkte).

Möglichkeit der Emittentin zum Aufschub der Zinszahlungen. Die Anleihebedingungen der Schuldverschreibungen (die **"Anleihebedingungen"**) sehen vor, dass die Emittentin in bestimmten Situationen beschließen kann, die Zinszahlungen im Rahmen der Schuldverschreibungen aufzuschieben, wobei eine solche Nichtzahlung

	von Zinsen keinen Verzug der Emittentin oder keine sonstige Verletzung ihrer Verpflichtungen aus den Schuldverschreibungen oder für sonstige Zwecke begründet. ***Rückzahlung und Kündigung.*** Die Schuldverschreibungen haben kein Fälligkeitsdatum und können von der Emittentin frühestens 5 Jahre nach ihrer Begebung (der **"Erste Rückzahlungstermin"**) zum Nennbetrag (zuzüglich allenfalls aufgelaufener Zinsen) zurückgezahlt werden. Die Schuldverschreibungen können jedoch unter bestimmten Umständen zurückgezahlt oder zurückgekauft und gekündigt werden. Gemäß den Anleihebedingungen können die Schuldverschreibungen nach Wahlmöglichkeit der Emittentin zurückgezahlt werden, bei Eintritt eines Gross-Up Ereignisses, eines Rechnungslegungsereignisses, eines Steuerereignisses, im Fall eines Kontrollwechsels oder falls 80 Prozent oder mehr vom Nennbetrag der ursprünglich ausgegebenen Schuldverschreibungen zurückgezahlt oder zurückgekauft wurden, oder allgemein mit Wirkung zum (und einschließlich) Ersten Rückzahlungstermin oder zu jedem späteren Zinszahlungstag. Gemäß den Anleihebedingungen haben die Inhaber von Schuldverschreibungen (jeweils ein **"Anleihegläubiger"**) kein Recht, die Schuldverschreibungen zu kündigen und fällig zu stellen, es sei denn, die Emittentin tritt in Liquidation und wird abgewickelt und aufgelöst (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem oder der die Emittentin noch zahlungsfähig ist und bei dem oder der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt), und vorbehaltlich der vollständigen Erfüllung etwaiger Ansprüche von nicht nachrangigen Gläubigern oder von nachrangigen Gläubigern, deren Forderungen ausdrücklich vorrangig zu jenen resultierend aus den Schuldverschreibungen sind. ***Beschränkung dieser Rechte.*** Gemäß den Anleihebedingungen haben die Anleihegläubigern kein Recht, die Schuldverschreibungen zu kündigen und für fällig und zahlbar zu erklären, außer unter den vorgenannten Umständen. Darüber hinaus gewähren die Schuldverschreibungen kein Stimmrecht, keine Vorzugsrechte bei Angeboten zur Zeichnung von Wertpapieren derselben Kategorie, kein Recht auf Beteiligung am Gewinn der Emittentin, kein Recht auf Beteiligung am Erlös im Falle einer Liquidation und keine Wandlungsrechte
	Rangordnung (relative Vorrangigkeit): Die Schuldverschreibungen begründen unmittelbare, nicht besicherte und tief nachrangige Verbindlichkeiten der Emittentin, die (i) vorrangig zu Nachrangigen Wertpapieren (wie nachstehend definiert) sind, (ii) untereinander und mit Gleichrangigen Wertpapieren (wie nachstehend definiert) im Rang gleich stehen und (iii) nachrangig gegenüber allen anderen bestehenden und zukünftigen nicht nachrangigen Verbindlichkeiten der Emittentin sowie nachrangigen Verbindlichkeiten der Emittentin, die ausdrücklich den Verbindlichkeiten aus den Schuldverschreibungen im Rang vorgehen, sind, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. **"Nachrangige Wertpapiere"** bezeichnet jeden Anspruch aus (i) den Stammaktien der Emittentin, (ii) jeder gegenwärtigen oder zukünftigen Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder andere Instrument (x) der Emittentin, welches im Verhältnis zu den Schuldverschreibungen nachrangig (oder als im Rang nachstehend bezeichnet wird) ist oder (y) der Emittentin oder einer ihrer Tochtergesellschaften unter einer Garantie oder sonstigen Haftungsübernahme der Emittentin, sofern die Wertpapieremission oder die Garantie oder sonstige Haftungsübernahme im Verhältnis zu den Schuldverschreibungen nachrangig (oder als im Rang nachrangig bezeichnet wird) ist, sowie (iv) den ABAP obligatorische Genussrechte 2007 (ISIN AT0000A086F0). **"Gleichrangige Wertpapiere"** bezeichnet gegenwärtige oder zukünftige Wertpapiere oder jedes andere Instrument (i) der Emittentin, die im Rang gleichrangig mit den Schuldverschreibungen stehen (oder als im Rang gleichrangig bezeichnet werden), inklusive aber nicht begrenzt auf die Hybridanleihe 2017 (ISIN XS1555774014) oder die Hybridanleihe 2020 (ISIN XS2113662063) oder (ii) der Emittentin oder einer ihrer Tochtergesellschaften unter einer Garantie oder sonstigen Haftungsübernahme der Emittentin, sofern die Wertpapieremission oder die Garantie oder sonstige Haftungsübernahme im gleichen Rang mit den Schuldverschreibungen (oder als im gleichen Rang stehend bezeichnet wird) steht.
	Beschränkungen der freien Übertragbarkeit der Schuldverschreibungen: Die Schuldverschreibungen sind nur in Mindestgesamtnennbeträgen von EUR 100.000 und einem ganzzahligen Vielfachen von EUR 1.000 über diesem Betrag übertragbar.
b)	**Wo werden die Wertpapiere gehandelt?**
	Die Emittentin wird die Zulassung der Schuldverschreibungen zum Amtlichen Handel an der Wiener Börse, einem geregelten Markt im Sinne der Richtlinie 2014/65/EU des Europäischen Parlaments und des Rates vom 15. Mai 2014, in der geltenden Fassung (*Markets in Financial Instruments Directive II - MiFID II*), beantragen.
c)	**Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?**

	Risiken im Zusammenhang mit der Art der Schuldverschreibungen: Risiko in Bezug auf die Nachrangigkeit der Schuldverschreibungen. Risiko der vorzeitigen Rückzahlung. Risiko einer teilweisen oder vollständigen Nichterfüllung der Zins- und/oder Tilgungszahlungen durch die Emittentin.

Abschnitt D – Basisinformationen über das öffentliche Angebot von Wertpapieren und/oder die Zulassung zum Handel an einem geregelten Markt.	
a)	**Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?**
	Gegenstand des Angebots: Die Schuldverschreibungen wurden ausschließlich institutionellen Anlegern im Europäischen Wirtschaftsraum angeboten. Es gab keine Höchstgrenze für den Erwerb von Schuldverschreibungen. Der Mindestbetrag der zu erwerbenden Schuldverschreibungen beträgt jedoch EUR 100.000 und die Schuldverschreibungen sind nur in Mindestgesamtnennbeträgen von EUR 100.000 und einem ganzzahligen Vielfachen von EUR 1.000 über diesem Betrag übertragbar. **Angebotskonditionen:** Die Schuldverschreibungen wurden nicht Privatanlegern angeboten. Dieser Prospekt wurde ausschließlich zum Zweck der Zulassung der Schuldverschreibungen zum Amtlichen Handel der Wiener Börse erstellt.
b)	**Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?**
	Die Schuldverschreibungen wurden von der Emittentin ausschließlich institutionellen Investoren angeboten. Die Emittentin wird die Zulassung der Schuldverschreibungen zum Handel zusammen mit einem Börsemitglied, und zwar der HSBC Trinkaus & Burkhardt AG, Hansaallee 3, 40549 Düsseldorf, Deutschland, einer Aktiengesellschaft nach deutschem Recht, beantragen. Die HSBC Trinkaus & Burkhardt AG ist hinsichtlich ihrer Geschäftstätigkeit in Deutschland überwiegend nach deutschem Recht tätig.
c)	**Weshalb wird dieser Prospekt erstellt?**
	Gründe für die Emission und die Börsenotierung der Schuldverschreibungen: Die Gesellschaft beabsichtigt mit den Emissionserlösen das Bilanzbild der Gesellschaft weiter zu stärken, und diese für die Refinanzierung der 2017 begebenen Hybridanleihe und für allgemeine Gesellschafts- und (Re-)Finanzierungszwecke zu verwenden. Die Emittentin beabsichtigt die Zulassung der Schuldverschreibungen zum Handel im Amtlichen Handel der Wiener Börse, um einen börsemäßigen Handel zu ermöglichen.
	Die Zweckbestimmung der Erlöse und die geschätzten Nettoerlöse: Die Gesellschaft beabsichtigt mit den Emissionserlösen das Bilanzbild der Gesellschaft weiter zu stärken, und diese für die Refinanzierung der in 2017 begebenen Hybridanleihe und für allgemeine Gesellschafts- und (Re-)Finanzierungszwecke zu verwenden. Im Zusammenhang mit der Emission der Schuldverschreibungen erwartet die Emittentin einen Nettoerlös von etwa EUR 48,5 Mio, nach Abzug der Provisionen und anderen Kosten (die voraussichtlich bis zu etwa 3% des Gesamtnennbetrags der Schuldverschreibungen betragen werden), unter der Annahme, dass am 18.11.2021 Schuldverschreibungen im Nennbetrag von insgesamt EUR 50.000.000 emittiert werden.
	Übernahmevertrag: Gemäß einem am 12.11.2021 zwischen der Emittentin und dem Bookrunner abgeschlossenen Übernahmevertrag (der **"Übernahmevertrag"**) hat sich der Bookrunner unter bestimmten Bedingungen bereit erklärt, die Schuldverschreibungen zu zeichnen bzw. zur Zeichnung zu vermitteln. Die Emittentin hat sich verpflichtet, an den Bookrunner eine kombinierte Arrangement-, Zeichnungs- und Platzierungsprovision zu zahlen, wie zwischen den Parteien des Übernahmevertrages vereinbart. Die Emittentin hat sich ferner verpflichtet, dem Bookrunner bestimmte Aufwendungen im Zusammenhang mit der Begebung der Schuldverschreibungen zu erstatten.
	Angabe der wesentlichsten Interessenkonflikte in Bezug auf die Emission / das Angebot: Der Bookrunner und die mit ihm verbundenen Unternehmen haben Investmentbank- oder Finanzgeschäfte mit der Gruppe und ihren Mitgliedern im Rahmen der gewöhnlichen Geschäftstätigkeit getätigt, und werden diese möglicherweise in Zukunft tätigen und entsprechende Dienste erbringen. Der Bookrunner und seine verbundenen Unternehmen können in Bezug auf solche Wertpapiere oder Finanzinstrumente auch Anlageempfehlungen

	aussprechen oder unabhängige Research-Berichte veröffentlichen oder Kunden empfehlen, diese zu erwerben und Long- oder Short-Positionen in solchen Wertpapieren und Instrumenten zu halten.

4. RISK FACTORS

Any investor should carefully consider the following risk factors and the other information contained in this Prospectus in evaluating PORR's and the Group's business and an investment in the Notes. The following risks are limited to risks which are specific to the PORR Group and/or the Notes and which are material for taking an informed investment decision. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (each a ***"Holder"****) could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other unknown reasons than those described below. Additional risks of which PORR Group is not presently aware could also affect the business operations of PORR Group and have a material adverse effect on PORR Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The risk factors herein are organised into categories depending on their nature (with the most material risk factor mentioned first in each of the categories based on the Issuer's current assessment with respect to the probability of their occurrence and the expected magnitude of their negative impact). The COVID-19 pandemic may have further effects on the classification and ranking of the following risk factors according to their materiality and probability of occurrence, which, however, are currently not discernible for the Issuer on the basis of the information currently available and do not allow any precise statements to be made.

Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this section.

4.1 Risks related to the Issuer and PORR Group

Risks related to the Issuer's financial situation

The ongoing global corona virus pandemic triggered by the SARS-CoV-2 virus causing a viral disease has already adversely affected the Issuer's and the Group's financial position, results of operations and its negative effects may become much more serious.

Since its outbreak at the end of 2019, a pandemic caused by the SARS-CoV-2 virus, which can lead to a viral disease (**"COVID-19"**), has spread globally and has also affected the Group's home and project markets. National governments have taken measures to limit the further spread and rate of infection in order to prevent a growing public health burden and protect hospital capacity. These measures, such as mandatory social distancing, travel restrictions, shop and workplace closures, quarantine measures and even residence curfews, are inherently restrictive. This has had a significant impact on the local and global economy, and will continue to do so, and caused significant volatility in the financial markets.

COVID-19 and the measures imposed in response have caused a sharp downturn in the economic cycle, leading to high unemployment. As a result, governments have enacted packages of measures, such as state-subsidised short-time work, direct benefits to compensate for income losses, or the temporary suspension of payment obligations under consumer and small business loans and tax deferrals. While these measures are by their nature temporary, the wider duration, the current delta variant (and potentially further variants), the impact and other aspects of the COVID-19 pandemic are still unclear. Therefore, while these measures have helped to mitigate the initial negative economic impact of the COVID-19 pandemic, delayed future impacts on the economy are likely, such as an increased number of bankruptcies, at least in the most affected industries.

The economic downturn caused by COVID-19 and the related measures have particularly affected the PORR Group business activities. This was largely caused by the temporary construction site closures in Austria in the first half of 2020 and the unproductivity in other markets (such as primarily in Germany and to a lesser extent also in Poland and the Czech Republic) necessitated by the pandemic. The increased unproductivity in the pandemic is a result of the mandatory compliance with prescribed measures to keep the COVID-19 pandemic under control, such as maintaining safety distances even at construction sites or quarantine periods for employees or the time-consuming testing of employees. These measures were different depending on the respective jurisdiction. In addition, COVID-19 triggered disruption to output and interruptions to operations because of travel restrictions, local lockdowns, non-performance of subcontractors as well as project postponements, which – in addition to completing several large-scale projects – also contributed to the decrease.

The COVID-19 pandemic, its causes, effects and further development, including virus mutations which may potentially also harm fully vaccinated individuals, are subject to substantial uncertainties. Knowledge about the disease is currently limited. Even though the first vaccines have already been approved and are currently being vaccinated, it is still unclear as of the date of this Prospectus how long it will take and whether it is possible to achieve universal vaccination. Variants of COVID-19 have emerged and could further emerge which could either lead to new outbreaks or a much faster spread of the virus. The future implications of the COVID-19 pandemic for the global economy may exceed any current expectations for worst case scenarios. It must therefore be assumed that governments and authorities continue or will come back to rely on measures such as those described above in order to mitigate the risks to public health. Due to the impact of these measures on the economy, it is likely that the coming years will continue to bring economic and financial challenges. In addition to the measures, set by governments, the Group may face operational risks with respect to its employees, including, in particular, key personnel, who may be directly or indirectly affected by the COVID-19 pandemic through travel restrictions, infections or mandatory quarantines. Pandemic-related travel restrictions and people's increased sense of uncertainty due to the COVID-19 pandemic have a negative impact on the issue of mobile working and in this way exacerbate the problem of the lack of skilled workers. This particularly affects the construction industry, as construction sites are often not located where employees live. Therefore, employees may be unable to perform their duties as originally planned, resulting in all kinds of negative impacts, such as delayed project completions, disruption of operations in the Group or even claims for damages incurred by business partners.

Therefore, the COVID-19 pandemic and related measures have had a strong negative impact on the Issuer's and the Group's business and results of operations and may continue to have such an impact. The extent of any further impact on the Issuer's and the Group's operations will depend on future developments such as, in particular, the duration and severity of the COVID-19 pandemic, medical factors such as the availability of a vaccination or cures, and political, regulatory factors such as further measures taken to combat the pandemic and its economic consequences. These developments cannot be predicted with certainty. In addition, certain sources of market data included in this Prospectus or market data used in these sources were prepared before the potential onset of another wave of the COVID-19 pandemic and have not been updated for the potential effects of further exacerbations of this pandemic. The Group is not able to determine whether the third parties who have prepared such sources or market data will revise their estimates and projections due to the further potential impact of the COVID-19 pandemic on future market developments. Therefore, the impact on the Issuer's and the Group's operations remains and may result in the Issuer being unable to fulfil its obligations under the Notes.

Risk relating to obtaining long-term financing and financing on favourable terms and effects on the Group's liquidity.

Decreasing advance payments and the customers' desire for projects in the construction industry to be pre-financed result in high working capital needs (net current assets) in the project business. In addition, the Group is to some extent dependent on external funds to finance its business operations, in particular any increase in the volume of business operations. If adequate funds are not available, or are not available at favourable terms, the Group may not be able to adequately fund its business operations or make efficient future investments or acquisitions. In addition, the Group requires substantial guarantee facilities to be able to provide tender, performance, warranty and other types of guarantees, which are usually required in the project-related construction industry.

The Group usually reaches the break-even only within the second quarter of each financial year. Prior to such point in time, the Group is required to obtain external funding. Should the Group not be able to obtain additional sufficient financings (such as in the context of the proposed share capital increase from authorized capital) or should it not be possible to refinance existing debt financings, including the hybrid bond issued by PORR in 2017, in the future, especially on favourable terms, or should unforeseeable payments, especially fines or claims for damages materialise, or should other events occur, such as financial market crashes, potentially created e.g. by the COVID-19 pandemic, the Group's liquidity planning is subject to uncertainty that could lead to deviations from the planned payments which in turn may also have an impact on a possible call on the hybrid notes.

The materiality of the risk is reflected in the fact that these effects could have a negative impact on Net debt as follows: as of 30 June 2021, Net debt stands at EUR 310 million due to the aforementioned conditions in the construction industry and, unlike in previous financial years, may not be significantly lower at the end of the financial year if the risk described above occurred. If a reduction in Net debt at the end of the financial year cannot be achieved due to the occurrence of this risk, this could have a material adverse effect on business prospects, results of operations and financial condition of the Issuer.

Furthermore, the Group's growth over the last years has resulted in increased financial needs in comparison to previous years. Should the Group not be able to obtain such increased financial means in future periods, this could have a material adverse effect on business prospects and the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to restrictive covenants in the Group's debt instruments.

The Group's debt instruments contain covenants that impose significant restrictions on the way the Group can operate its business, including restrictions on its ability to raise additional external financing, use its assets as collateral or provide guarantees in favour of third parties. A further essential aspect of this risk is that these restrictions may also limit the Group's ability to react to market conditions or take advantage of potential business opportunities. In addition, the Group is subject to financial ratios measured at year end under certain of its guarantee facilities or other financing arrangements, such as equity ratios (defined at a minimum rate of 16%) or Net debt/EBITDA ratios (defined at a maximum of 3, however, the calculation of Net debt is partly differently defined in various financing agreements) whereas negative impacts, i.e. increased financial debt and balance sheet sum due to new IFRS 16 regulations imposed in 2019 are neutralised. According to IFRS 16, leasing obligations and long term rental contracts on discounted basis have to be brought onto the balance sheet, resulting in higher balance sheet total sums and thus in lowered equity ratios (which are being calculated as the equity divided by the balance sheet total). The Group cannot assure that it will be able to meet these covenants in the future and, if not, that its financial counterparties will waive the event of default resulting from any breach. This risk has increased and further intensified in the context of the ongoing COVID-19 pandemic. The Group's potential default on due interest or debt repayment could result in a cross-default in payment obligations under its other financing agreements. A default, as well as any resulting cross-default, entitles the respective counterparty to accelerate the Group's payment obligations and make all payments immediately due and payable. Should any of these risks materialize, this could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

The Group is exposed to interest rate and exchange rate risks.

The Group is exposed to interest rate risks. Interest rate risk is the risk from rising interest cost or falling interest income related to financial positions resulting from an adverse change in market interest rates; namely, because both the asset and liability side of financial instruments are subject to floating interest rate. A change in interest rates, in particular an increase in short-term interest rates, could have an adverse effect on the interest payments of the Group. On the other hand, a decrease in interest rates could reduce the Group's interest income. In addition, changes in interest rates could have an adverse effect on the valuation of certain financial liabilities, such as defined benefit pension obligations and other long-term employee liabilities. An analysis of the floating interest rates (including all floating interest rates from loan financings and bonded loans [*Schuldscheindarlehen*] of the Issuer) as of 30 June 2021 amounting to EUR 336,668,702.57 showed an impact of higher interest expenses (namely in the amount of EUR 28,201 for 2021 and of EUR 34,715 from 2022 onwards) that would occur under the scenario of an interest rate increase of one percentage point. The extent of the interest rate increase mentioned above is based on the average volatility of the 3-month and 6-month Euro Interbank Offered Rate (**"EURIBOR"**) in the last 12 months (1 July 2020-30 June 2021). A one basis point change in the interest rate therefore falls statistically within a probability band of 67% and the probability of an interest rate range of four basis points is respectively 99% (Source: internal data of the Issuer). Changes in interest rates could therefore have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Furthermore, the Group is exposed to foreign currency exchange risks, particularly with respect to the Polish zloty (PLN), the Norwegian crown (NOK) and the British pound sterling (GBP). The foreign currency exchange risk arises from exchange rate fluctuations between the contract award date and the due dates of the related contractual payments. In addition, the Group is subject to the risk of intra-year changes in the exchange rate between the euro and the currencies which underlie the financial statements of subsidiaries based outside the euro zone. Since the Group's consolidated financial statements are expressed in EUR, fluctuations in exchange rates could adversely affect the EUR value of consolidated foreign subsidiaries' assets, income and equity, and, to the extent these are not effectively hedged, have a corresponding adverse effect on the Group's reported consolidated results. The Value At Risk (VAR) at Group level (as of 30 June 2021), when the items are netted over the reporting currencies and under inclusion of correlations between currency pairs, amounts to TEUR 1,097,884. Exchange rate fluctuations also adversely affect the comparability of financial data in the financial statements over different periods.

A significant increase in interest rates or depreciation of relevant foreign currencies could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

The potential change in IFRS accounting of onerous contracts according to IAS 37 which may result in a material impact on the financial position of the Group.

In May 2020, the IASB (International Accounting Standards Board) published the final amendments relating to IAS 37 in connection with onerous contracts clarifying the meaning of costs to fulfil a contract. Accordingly, the direct costs of fulfiling a contract comprise the incremental costs of fulfiling that contract (e.g. direct labour and materials) and an allocation of other costs that relate directly to fulfiling contracts (e.g. an allocation of the depreciation charge for an item of PP&E [Property, Plant & Equipment] used to fulfil the contract). These amendments, which are effective 1 January 2022 unless they are implemented earlier voluntarily, include a higher cost calculation, resulting in higher provisions in the financial statements. This amendment could result in the recognition of more onerous contract provisions, because previously the Issuer included only incremental in the costs to fulfil a contract. The potential impact of these amendments to IAS 37 on the financial position of the Group could be that equity may be lower due to the possible establishment of higher provisions which is currently being evaluated. Therefore, this amendments to IAS 37 could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risks related to the Issuer's business activities and industry

Risk of incorrect calculations and estimates of the costs of the Group's projects.

Commercial planning and calculation of major Group projects is crucial for the economic viability of these projects and is subject to considerable uncertainty. Uncertainties in particular arise as a result of the technologically complex nature of Group projects. Additionally, the frequently changing working conditions can be highly demanding on the project organization. This situation is exacerbated by the fact that in the construction industry major projects are generally awarded in competitive bidding, in which the contract price is set on the date a bid is awarded and usually cannot be subsequently altered. For these contracts, the Group bears the risk of paying some, if not all, of any cost overruns.

Project calculation, in which the Group estimates the expected costs associated with the project, are based upon specific assumptions and subject to a number of uncertainties, such as (i) difficulties in performance of the Group's personnel, subcontractors, suppliers, or other third parties, (ii) difficulties in obtaining permits or approvals, (iii) unanticipated technical problems, unforeseen increases in the cost of inputs, components, equipment, labour, or the inability to obtain these on a timely basis, (iv) delays caused by weather conditions, (v) incorrect assumptions related to productivity or scheduling estimates, and (vi) project modifications that create unanticipated costs or delays. These risks have increased and further intensified in the context of the ongoing COVID-19 pandemic and the accompanying worsening of supply difficulties and construction delays within the construction industry. The occurrence of such uncertainties as well as disturbance of the construction process can occur and may result in a significant increase in project costs.

For example, the Group suffered from additional costs of around EUR 29.1 million on the "M0 Motorway" project in Hungary in 2008 as a result of a longer than originally calculated construction period as well as higher expenditures for materials due to unexpected disruptions in the construction process. Only about EUR 6.6 million of those additional costs occurred have been paid by the client. Another recent example is the revaluation of the "E18 Rugdtvedt – Dordal" project in Norway in 2019: This project included the construction of 24 concrete structures along a motorway stretch, including a 320 meters long prestressed concrete bridge. The complexity of the actual works, the interfaces with the other contractors and the conditions on site led to additional labour and machinery costs, a disrupted execution sequence and finally to an significant extension of the construction period so that the Group suffered from additional costs of around EUR 32.7 million in the course of the "E18 Rugdtvedt – Dordal" project. This, together with high cost level for building materials and subcontractor services in Poland, lead mainly to an EBT of EUR 37.4 million as of 31 December 2019, compared to an EBT of EUR 88.1 million as of 31 December 2018, or a decline of 57.6%.

The Group is not in all cases in a position to claim additional payments for unforeseen changes in performance, quantity and prices, because the principal often has a strong negotiating position (this is the case especially when bidding on the basis of lump sum contracts or functional performance specifications). In case of insufficient planning or erroneous calculation of projects, the Group may have to pay the unforeseen expenses. If such miscalculations, unexpected obstacles or scheduling difficulties during construction works as well as any other of the aforementioned risks occur during construction works, this could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk of cancellation, scope adjustments or deferrals of projects.

The Group's Order backlog includes projects for which contracts have been signed or awarded and for which a customer has secured the funding. However, even projects, which are at an advanced level of implementation, remain at a risk that they are cancelled or will not generate planned revenues for the Group. Usually, the Group is entitled to compensation in the event that a project is cancelled or delayed. This compensation generally does not cover all profits that a project is expected to yield and, in some instances, may not even be enough to cover all costs incurred. The most obvious example in this context in the past decade was the "Stadium Tripolis" project: In 2010, the planned construction of a sports stadium in Libya's capital Tripolis was awarded to a joint venture consisting of the Group and a local partner. The Group's share in the joint venture was 50%. The total project volume amounted to approximately EUR 200 million. Construction started at the end of 2010 but was stopped in February 2011 due to the revolution in Libya, and shortly thereafter the project was cancelled. In this context, the Group suffered a loss of EUR 1.25 million from mobilization costs which have not been paid by the customer.

There are also examples for similar scenarios in the recent past. In particular, the Group's current Order backlog includes several larger projects. As a consequence, if any of those larger projects is changed or cancelled, the Group's Order backlog could significantly change:

- For example, at the end of 2017 the Group was awarded the contract for the construction of the 8-lane Rhine bridge for the A1 federal motorway over the Rhine near Leverkusen (**"Leverkusen Rhine Bridge"**) by the state road construction company Straßenbau Nordrhein-West (**"Straßen.NRW"**). The contract sum amounted to approximately EUR 362 million. This Leverkusen Rhine Bridge consists of a foreshore section made of prestressed concrete (*Spannbeton*) and a river section, which is partly constructed as a steel composite and partly as a steel cross-section. The K35 ramp structure shall be constructed as a steel composite cross-section. The tender provided for the steel construction elements for the Leverkusen Rhine Bridge to be manufactured by the Chinese subcontractor China Railway Shanghaiguan Group (CRSBG), a subsidiary of the Chinese state railway responsible for bridge construction with numerous references for the construction of very large bridges not only in China but worldwide. On 11 March 2020, Straßen.NRW requested a declaration that the Group would completely remanufacture all steel components manufactured in China for the new construction of the Leverkusen Rhine Bridge because the relevant parts were not safe for construction due to systemic deficiencies (*systemische Mängel*). The Group agreed to remanufacture the only components examined by a private institute at that time (relating to the components named "T 34A" and "D") while maintaining its own legal position that the defects identified in the components represent isolated common faults in large steel components which can be eliminated according to standardised procedures, and to rework all other steel components if defects were found. Straßen.NRW then terminated the contract by letter dated 24 April 2020 'for good cause'. As a consequence, arbitration proceedings are currently being conducted on the alleged defects of the steel components at the request of the Issuer. The Group was also sued by the Federal Republic of Germany (represented by Die Autobahn GmbH des Bundes) with a declaratory action (*Feststellungsklage*) aimed at having the termination of the contract by Straßen.NRW declared valid.

- Another example in this context are the recent events concerning the construction of the Brenner Base Tunnel (**"BBT"**) by the project company BBT SE. BBT SE invited tenders for construction of a section of the BBT on the Austrian side, between Pfons and the Austrian/Italian border (**"H51 Construction Lot"**) in 2016 and formally awarded the consortium H51 Pfons - Brenner, consisting of the companies PORR Bau GmbH, G. Hinteregger & Söhne Baugesellschaft mbH, Società Italiana Per Condotte D'Acqua S.p.A. and Itinera S.p.A., in August 2018. The start of construction subsequently followed in November 2019. In addition to the necessary site equipment, the works for the H51 Construction Lot include in particular tunnel driving with a tunnel boring machine (**"TBM"**), starting from the "Wolf" access tunnel, two times approximately 11 kilometres to the north and two times approximately 5 kilometres to the south, as well as conventional driving with blasting in the exploratory tunnels (approximately 3 kilometres to the north and approximately 6 kilometres to the south) and in the emergency stop with track change of two times approximately 3 kilometres. In total, about 50 kilometres of tunnelling is to be constructed. Furthermore, the management of the landfill Padastertal with the use of tunnel excavation material from the H51 Construction Lot as well as the construction lot H41 is part of the scope of project. The tunnel construction is carried out in the area of the TBM tunnelling with tubbings, in the area of the conventional tunnelling with inner shells in in-situ concrete (*Ortbeton*). The project volume amounted to EUR 966 million. On 27 October 2020, BBT SE unilaterally declared the termination of the contract for H51 Construction Lot. The contract was terminated due to apparently irreconcilable technical differences regarding the design of the tubbings for the TBM tunnelling. At the time of the termination of the contract, approximately 10 kilometres of conventional tunnelling had been completed, including the exploratory tunnel to the north and the main tunnel tubes in the area of the emergency stop including the central tunnel. The track change was started and was secured in the construction stage, as well as the exploratory tunnel towards the south. In addition, around 900,000 m^3 of tunnel excavation material was used in the landfill. In relation to the early termination of the BBT project, discussions are currently ongoing to clarify open issues, such as mutual claims for damages due to the premature termination of the contract. The Group has already filed a claim in this respect against BBT SE.

- At the D4R7 Bratislava Bypass public private partnership (**"PPP"**) project, the Slovak Republic, represented by the Ministry of Transport (**"Public Authority"**) was in delay with providing the building permits for specific sections of the project for 9 months. In the view of the EPC (engineering, procurement & construction) contractor (a joint-venture between PORR (35%) and Ferrovial (65%)), this delay has caused a respective delay to the completion dates and hence the EPC contractor requested a corresponding postponement of such dates plus payment of its additional costs. The Public Authority has refused such postponement and payment of the EPC contractor's additional costs first on procedural grounds and then claiming that the Public Authority's own delay was not the cause of the delay to the construction progress but the EPC contractor could not have met the completion dates for other matters, such as delays to the design, value engineering etc. The Public Authority currently claims that the EPC contractor's delayed application for changes to the building permits was the actual cause of the delay to the construction works. The EPC contractor has submitted its request for arbitration on 18 February 2019. It is currently expected that the final arbitration award is to be issued in the course of November or December 2021.

As a result, cancellation, scope adjustments or deferrals of projects could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to raw material and energy shortages or fluctuating raw material or energy prices.

For the implementation and execution of its construction works, the Group requires different raw materials, especially steel, cement, bitumen and gravel as well as considerable amounts of energy (including fuels, especially diesel fuel). The Group is therefore dependent on the availability of these raw materials and energy. The unavailability of such raw materials or energy (at recoverable costs) may result in delays of the Group's construction works, for which the Group would be responsible, or may require that the Group make covering purchases at potentially higher prices.

The current global raw material shortage, recently intensified in particular by the impact of the COVID-19 pandemic, may also affect the Group in the future. With regard to delivery shortages, problems are being experienced especially with products whose raw material components come from the Far East. In general, the overall situation has resulted in longer delivery times for most products, which makes it necessary to adjust work preparation on the construction sites (Source: internal data of the Group). The prices of the raw materials and energy were highly volatile in the recent past and fluctuate with market conditions. In Poland, asphalt prices almost doubled, the price for reinforcing steel has risen by two thirds, electricity for companies by half since 2016 (Source: "Everyone, they are leaving the roads", Newsweek Polska, 17 June 2019). Also in Austria, steel, energy and concrete prices increased continuously between August 2017 and October 2018. In 2020 and in the beginning of 2021, this development was further accelerated by the COVID-19 pandemic: For example, the price of steel has increased by about 90% in the last 18 months. This affects all of the Group's Home Markets. Individual areas of the wood product range have seen similar price increases. With regard to the energy market, it is to be noted that the market value of 'diesel' has risen from EUR 200.00 (lowest value) to EUR 600.00, which has had an impact of approximately 25% at the fuel pump (Source: internal data of the Group). In terms of steel, the Group has introduced a monitoring system, while bitumen purchasing has been centralized. Therefore, the Group also relies on the use of central purchasing units and their early integration into the price calculation. The price risk associated with such raw materials is typically covered by using long-term supply agreements, absent liquid derivative markets for such raw materials. The raw material price calculations of existing construction sites may also become unprofitable with regard to a subsequent increase in raw material prices as the Group might not be able to pass on these cost increases. To the extent that the Group is not able to pass on increased raw material and energy costs to its customers or that such costs cannot be compensated by savings in other ways, any increase in the prices of raw materials and energy may have a material adverse effect on the business prospects, results of operations and financial condition of the Issuer.

The Group owns reserves of ballast, gravel and hard stone which are subject to a comparable risk. These reserves are primarily used to cover construction needs of the Group, although they are also sometimes sold to third parties. If there is a disruption or unscheduled reduction in supply from these reserves due to, amongst others, an unexpected decline in amount of these reserves, practical difficulties or compliance with regulatory, especially environmental requirements, the Group may be forced to acquire the respective materials from external suppliers on less favourable terms. Furthermore, the income from the sale of raw materials to third parties could be negatively affected. In addition, impairment may arise with regard to the valuation of such assets.

Each of the aforementioned risks could have a material adverse effect on business prospects, results of operations and financial condition of the Issuer.

Risk relating to the Group's use of subcontractors.

A portion of the construction work performed in the Group's projects is performed by third party subcontractors. As a result, if a subcontractor fails to provide timely or adequate services, as required under the contract with the Group, the Group may be required to source such services at a higher price than anticipated. The negative economic impact of the COVID-19 pandemic also on subcontractors is further exacerbating this situation. The bottleneck with subcontractors can be seen on the one hand in the lack of skilled workers and in an increase in the price of subcontracted services, but of course the above mentioned shortages in the supply chains also have an impact on the performance timelines and completion dates of the Group's subcontractors. Furthermore, should such alternative sourcing not be available in time, the Group will likely fail to meet its obligations to complete construction works in the required quality and/or time. Upon such a breach of its contractual obligations, the Group may face contractual penalties. The Group may also face negative consequences when a contractor or subcontractor on other parts of a large construction site, e.g. a part of a highway construction which was not assigned to the Group fails to deliver on time. For example, Polish authorities terminated contracts with Spanish and Italian construction groups in May 2019 due to delayed construction works on Polish motorways (Source: "Everyone, they are leaving the roads", Newsweek Polska, 17 June 2019). Although the Group's own construction works were delivered on time, the Polish authorities are required to assign the respective sections for a highway construction to new contractor, and the entire highway, part of which was constructed by the Group, can only be opened once all sections are completed. As another example, the Group was confronted with the insolvency of a subcontractor in Switzerland in 2019. As a result, and in order to deliver the agreed construction on time to the customer, the Group was required to engage another subcontractor within a short period of time, and at higher costs than initially anticipated. The new subcontractor, with the knowledge of the shortage of required construction experts on the Swiss market, had a strong bargaining power. Another recent example is similar, in which a lump sum contract was concluded with a subcontractor for shell construction services for concrete and formwork construction and reinforcement work. The subcontractor experienced financial difficulties and was facing insolvency, resulting in significant social security arrears. The Group was therefore forced to terminate the contract and now has to procure the shell construction and reinforcement work at worse conditions and, on the other hand, is liable as general contractor for the outstanding social security contribution arrears. Such actions can have a negative result on the Group. It is likely that these risks will be intensified when subcontractors experience financial difficulties, lack the financing to fund their operations or even become insolvent. Any of such problems in relation to subcontractors could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

The PORR Group is exposed to risks related to the recruitment and retention of highly skilled employees.

The PORR Group's success depends, to a significant degree, upon the expertise of its highly skilled employees. The PORR Group sees increased demand for highly skilled construction engineers on the market and faces increased competition over such staff with other market participants. This does not only apply to the recruitment of new employees, but also to existing employees who could be poached from other companies. The PORR Group's ability to take on additional construction projects or even to complete successfully existing construction projects may suffer, in particular regarding the ability to form efficient teams for these projects. A lack of skilled workers and construction engineers could limit the PORR Group's ability in engaging in profitable construction works and/or expanding and strengthening its operations. Should any of these risks materialize, this could have a material adverse effect on the business prospects, results of operations and financial condition of the PORR Group.

Risk relating to defective and delayed construction by the Group.

Construction projects in general and civil engineering projects in particular are highly schedule-driven and usually have to be carried out within a short time frame given by the client. Delays may occur for a number of reasons, including as a result of poor weather conditions, unanticipated technical challenges, or delays in the commencement of construction work. In this case, there is a risk that the Group does not meet contractual deadlines with respect to the completion of a project. The significance of such a risk is demonstrated by the following example: Within the scope of the "Koralmtunnel Baulos 3" (**"KAT 3"**) project, two tunnel tubes are to be constructed, namely the north tube by mechanical tunnelling with a tunnel boring machine (TBM) and the south tube by conventional tunnelling. In tunnel construction projects, it is common that the contractually agreed construction period is determined and remunerated, evaluated according to the respective mountain class (geology) and the corresponding performance rates. In the case of the KAT 3 project, there were deviations in comparison to the geological forecast prepared by the customer, such as in the north tube concerning the Lavanttaler main fault zone (*Lavanttaler Hauptstörungszone*). On the suggestion of the Group, the type of excavation for this fault zone was necessarily changed from mechanical tunnelling excavation (*mechanischer Tunnelvortrieb*) to conventional tunnelling excavation (*konventioneller Tunnelvortrieb*). As a result of these deviations and the measures that had to be taken to counteract them, the mechanical end of driving the north tunnel was delayed by around two years.

Also, if the construction is defective, the construction project is not considered as completed until the respective defects are rectified. In addition, the principal may refuse to officially accept a project at all. Under these circumstances, strict liability could apply regardless of the Group's fault. Moreover, the Group is typically subject to contractual penalties for any non-performance or defective performance of its contractual obligations. Contractual penalties stipulate lump-sum damages that may not be possible to pass on to any jointly liable subcontractors and/or suppliers (either in whole or in part). Since the Group is often contractually required to render services in advance of any payment, it may be difficult for the Group to successfully challenge any claims and objections of the project's principal. Adequate collateral in this context cannot always be agreed. Therefore, failure to meet contractual deadlines could result in costs, such as penalties and damages, that may reduce the Group's projected profit margins and, in extreme cases, result in the termination of a contract. As a result, an accumulation of such events could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk of deviations of actual revenue and profits from estimates based on the percentage-of-completion method of accounting for contract revenue.

The Group accounts for contract revenue using the percentage-of-completion method (the **"POC method"**). Under this method, for any given period, revenue is recognized for a construction project in an amount determined by multiplying the percentage of completion of the relevant project with the total estimated revenue for the contract. Estimated contract losses are recognized in full when determined, i.e., when it is probable that total contract costs will exceed total contract revenue. Contract revenue and total cost estimates are reviewed and revised on a regular basis, as work progresses and as change orders are approved, and adjustments are reflected accordingly. The actual outcome of a construction project and thus the revenues and profits actually attained may deviate from previous estimates and projections. For example, the Group's contract assets not including prepayments (*Vertragsvermögenswerte vor Berücksichtigung von Anzahlungen*) amounted to TEUR 3,328,346 as of 31 December 2020. A change of +/- 0.5 percentage points corresponds to carrying amounts of +/- TEUR 16,642. If the number and amount of such deviations is material, in particular, when deviations are negative for the Group, this may have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to changed economic conditions in the Home Markets of the Group.

The Group's results of operations are materially affected by general economic conditions, in particular in its Home Markets: Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania. In addition to its Home Markets, the Issuer selectively operates in other markets, notably Qatar, United Arab Emirates (**"UAE"**) as well as Norway. The development of the markets in which the Group operates, depends primarily on the level of interest rates, the available liquidity and access to financial markets in each state, as well as on the respective national fiscal policy; because these factors have an impact on the demand for construction. Public austerity measures and budget constraints due, respectively, to the economic conditions and limited availability of long-term financing may adversely affect both private and public investments in large infrastructure and building construction projects. Customers of the Group, both from the public and private sector, may postpone new investments or delay or cancel existing projects. In addition, there are other current reasons for changes in economic conditions in the Group's Home Markets that entail significant risks: One of the project markets the Group operates in is Qatar, as mentioned above. In 2017 several of Qatar's neighbour countries imposed an embargo towards Qatar blocking any direct transit of goods and people between those countries and Qatar. As a result, the Group was required to incur additional costs to establish new supply chains as well as select new suppliers in order to provide the resources required for the contracts in place.

When entering new markets, the Group may additionally be faced with legal regulations with which the Group is not familiar. In addition, financial problems of the customers of the Group, its joint venture and consortium partners, subcontractors or suppliers due to general economic conditions or liquidity constraints may result in payment delays or failures, or increase the cost of the Group or adversely affect the project execution.

Accordingly, unfavourable economic developments in the Home Markets of the Group, such as declines in government revenues, decisions to reduce public spending or increases in taxes, as well as any other of the aforementioned risks could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk of fluctuating demand due to the cyclical nature of the construction industry.

The Group mainly operates in the construction industry, in particular in civil engineering/infrastructure, building construction and road construction. The construction industry is highly cyclical by nature depending on economic cycles. The demand for the Group's products and services reflects such cyclicality and can fluctuate abruptly and be significantly reduced in an economic environment characterized by higher unemployment, lower consumer spending, lower corporate earnings and lower levels of government and business investment. Therefore, the development of the construction industry is determined by the general economic situation in the countries and regions in which the Group operates. According to statistics, the construction industry has seen a number of fluctuations between 1995 and today, with the lowest construction output between 2007 and 2013, the highest in 2019, and currently again decreased construction outputs not only, but particularly in connection with the disruptions caused by the COVID-19 pandemic. For example, the COVID-19 pandemic led to a decline in building construction. The already downward trends, e.g. in office and commercial construction, were significantly intensified by the COVID-19 crisis. In addition, residential construction in Austria peaked in 2018 and was therefore already characterized by a stable trend in growth rates before the COVID-19 pandemic. According to the latest forecasts, the expected economic performance in the construction industry in 2021 is still below the level of 2019. The losses due to the COVID-19 pandemic are therefore not expected to be made up until 2022 (Source: *EUROCONSTRUCT*, Country Report, June 2021). If the current economic weakness continues or is exacerbated, this may lead to a further reduction in demand for construction services. In the event of such a potential development, liquidity problems can occur.

Risk of seasonal fluctuations and cycles in the construction industry.

The performance of construction works requires good weather conditions. Because the Group mainly operates in European markets, this usually means that construction activity is reduced during the winter months in Europe or in prolonged periods of bad weather. Except for the COVID-19 pandemic, the Group has over the last four years (preceding the pandemic) always had the lowest Production output in the respective first quarter of each financial year, and the highest Production output in the third quarter of the respective financial year (Source: internal data of the Issuer). Due to this seasonality, the current costs during the winter months exceed the earnings that are regularly generated in this period. However, even during the warmer months of the year, construction projects may be hampered by extreme weather conditions or influences. On the other hand, in a mild winter frost damage on streets may be less than budgeted.

Sales and earnings fluctuations, resulting from unfavourable weather conditions, may adversely affect the liquidity and the creditworthiness of the Group and could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to uncertainties of tender procedures.

The Group provides its services to governments and governmental entities as well as private customers. The public sector typically awards contracts in tender procedures. In some instances, participation in the bidding process is only permitted following a prequalification phase, where the bidder's eligibility to carry out the project is examined on the basis of certain parameters such as financial capability, experience and expertise, personnel and equipment. The structure, terms and requirements of a tender process is often set by applicable domestic and, within the EU, by European public procurement laws and regulations. The Issuer, as bidder tendering for a contract in the public sector, is subject to longer and more complex tendering procedures than in the private sector and face the risk that competitors will challenge the invitation to tender or the award. In the public sector client relationships are of minor relevance due to statutory procurement law requiring predefined and objective award criteria. There, procurement laws typically require that contracts are awarded to those who submit the most competitive bid, meaning the most economical but not necessarily the cheapest offer. In practice, however, the principal criterion for the award of a contract often turns out to be price. Qualitative criteria such as references, capacity and financial strength are also applied, in particular during the prequalification phase in which the bidder’s eligibility to carry out the project is examined.

Another essential aspect in connection with tender procedures is that tendered infrastructure projects of a certain size (such as the construction of motorways) are often to be implemented through PPP projects. The profitability of a PPP project depends on a number of factors which do not apply to conventional bidding processes and are subject to considerable uncertainty, as the following example illustrates: The construction of the A5 northern motorway from Vienna towards the Czech border was originally planned to be completely realised as a PPP project. Beginning of construction for the southern section from Grossebersdorf-Eibesbrunn to Gaweinstal-Schrick took place on 26 July 2007. The companies around the main contractor, Bonaventura Strassenerrichtungs GmbH, were awarded the contract. The sections from Poysbrunn to the Czech border following this project were originally also to be realised as a PPP project. The bid opening took place on 15 February 2010. Due to a financially unsatisfactory tender result, the criticism of Austrian Court of Audit (*Rechnungshof*) of the first PPP project section and appeals against the Environmental Impact Assessment (*UVP*) decision, the tender was cancelled. The construction project was then divided into several sections and no longer tendered and implemented as a PPP project.

As a result, if the Group is not able to obtain new contracts in public sector tender processes, this could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk of increasing competition and tightened market conditions in a competitive environment.

The construction industry is highly competitive, with comparatively low margins in particular in saturated markets. The various markets in which the Group operates, Europe in particular, are characterized by intense domestic and international competition, which has continued to intensify in recent years. The increased competition usually results in significant pressure in terms of pricing and unfavourable contractual terms for contractors (e.g. more restrictive warranties or more relaxed payment conditions for customers). In particular in two of the Group's most important markets, Austria and Poland, increased competition has led to a market consolidation and the creation of pan-European construction groups. Based on their economies of scale, such groups pursue aggressive pricing policies which make it difficult for both smaller and larger competitors to win contracts and remain profitable. If the intensified price competition continues and if the Group fails to become more cost efficient, grow at an adequate pace or develop new construction methods, its competition opportunities may be negatively affected.

Each of the aforementioned risks could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to the ability to implement corporate improvement programs successfully and to achieve the anticipated costs savings and medium-term EBT margin targets.

The Group has implemented a number of programs and initiatives, e.g. the ongoing transformation programme "PORR 2025" to create the framework for profitable growth, to achieve the medium-term EBT margin targets and to streamline the Group's business units, optimise the costs of its centralised functions and to simplify management structures. Additional strategic initiatives aim to hone the focus on the existing Home Markets and core competencies, improve operational processes and increase cost discipline. Based on such programs and initiatives, this Prospectus contains certain information in relation to the Group's targeted cost savings, as well as the Group's targeted EBT margin by 2025. However, there can be no assurance that the Group will achieve such targets.

The Group is dependent on both employees and managers understanding and implementing these programs and the targeted transformation process. If the implementation of one of these programs is not successful and the targeted cost savings and other improvements (such as efficiency gains) cannot be realized fully (or at all), the Group's result of operations (including the consolidated EBITDA) could be adversely affected. The expected benefits and cost savings as well as the targeted gross margin improvements, additional sustainable cost savings and EBT margin step-up may not be achieved within the anticipated time frame. Additionally, the improvements and cost savings anticipated are based on estimates and assumptions that are inherently uncertain and may be subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and may be beyond the Issuer's control.

Risk relating to the dependence on specific customers.

The Group often performs large-scale projects on behalf of large private companies or the public sector, for customers like Deutsche Bahn (German railway operator) or ASFINAG (Austrian highway and motorway operator). Since the number of potential customers in the public sector is limited, the Group is dependent on certain public sector customers. Public sector projects are subject to a range of political objectives and budget constraints. In addition, the awarding of public contracts is subject to lengthy and costly bidding procedures, which may be characterized by a lack of transparency, preferred treatment of certain bidders or even corruption. Moreover, public sector projects are dependent on governments' and local public authorities' programs and funding policies with respect to infrastructure investments. In some EU member states, public infrastructure projects are subject to the availability of EU funding and accordingly procurement is partly dependent on the availability of EU support payments. As a result, the Group's inability to obtain new public sector contracts, as well as changes in infrastructure development policies, or delays in the awarding of major projects or postponement of previously awarded projects could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

The Group may not be able to successfully implement its strategy; the Group faces risks in connection with the expansion of its business operations by means of selective add-on acquisitions of other businesses.

In recent years, the Group has adopted a strategy of focusing on its core competencies and expanding its activities in its Home Markets while continuing to strengthen its regional coverage and further expanding its products and services portfolio by means of selective add-on acquisitions. The expansion of business operations and the development of new markets is associated with certain risks, in particular that the expected growth rates and economic development of new businesses lag behind the target which may lead to a potential partial or complete loss of the capital employed. Successful integration of newly acquired businesses will depend on the convergence of businesses, sets of staff and different corporate cultures, the harmonization of IT systems and the establishment of joint processes. In particular, expansion of business is associated with the risk of lacking the required workforce. For example, when the Group had expanded its business operations in Poland, but could not find a sufficient number of workers. Therefore, a number of projects needed to be subcontracted which has led, together with other factors, like increased costs for construction materials, to higher costs. Furthermore, the Group may lack available funds to finance acquisitions. Synergies from acquisitions may prove less than originally expected and costs for integration into the Group may be higher than expected. Acquisition candidates may have liabilities or adverse operating issues, which the Group may fail to discover prior to the acquisition. Further, acquisition targets may either not be available or the Group may fail to successfully complete acquisitions due to competition from other companies. Should any of these factors materialize, this could have a material adverse effect on the Group's business, cash flows, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Legal and regulatory risk

Legal disputes, breaches of laws and other regulatory matters may lead to the liability of the Group, imposition of high fines and significant damage claims.

The Group is subject to numerous substantial risks relating to legal and regulatory proceedings, to which the Group is currently a party or which could develop in the future. The Group is, and likely will be in the future, involved in administrative, legal and arbitration proceedings in various jurisdictions. The Group may, in particular, be subject to a variety of contract disputes and liability claims. Customers and other third parties as well as governmental authorities may make claims against the Group for damages, contractual penalties or other remedies with respect to the Group's projects or other matters. These claims can be subject to costly and lengthy arbitration or litigation proceedings, and it is often difficult to predict when such claims will be fully resolved. Furthermore, the Group and its activities are subject to domestic and foreign laws and regulations, many of which include legal and administrative standards subject to interpretation. The Group's entities may be parties to agreements and transactions involving matters which require interpretation of the underlying contractual rights and obligations.

Therefore, the outcome of these proceedings is uncertain, and any of those could be adverse to the Group. Such proceedings could require the Group to pay contractual penalties or damages (including punitive damages), or the Group could become subject to equitable remedies or sanctions, fines or disgorgement of profit. In some cases, legal disputes may also lead to formal or informal exclusion from tenders or the revocation or refusal to renew or grant business licenses or permits. Decisions, assessments or requirements of regulatory authorities could deviate from the Group's expectations.

The Group's operations are also subject to laws and regulations relating to, among other things, workplace safety and workers' health.

As a result, any of such events may have material adverse effects on the Group's business activities and the Group could become subject to substantial fines and penalties, personal injury claims and other obligations as well as reputational damage, all of which could have a materially adverse effect on the business, financial condition, results of operations and cash flows of the Group.

The PORR Group, is subject to compliance risks and could, in particular, be adversely affected by violations of antitrust, anti-bribery and anti-money laundering laws applicable in the countries or territories where it conducts its business.

In the Group's worldwide operations, the Group is subject to numerous laws and regulations including antitrust rules and legislation prohibiting corruption and bribery. As such, the Group is exposed to the risk of violating antitrust, anti-bribery and anti-money laundering laws in the countries the Group operates, as well as the economic sanctions programme adopted by the European Union. The Group regularly participates in public and private bidding processes. In an effort to prevent collusion and cartels in the construction sector, many competition authorities are regularly conducting investigations into bidding processes. If in any investigations, any breach of antitrust regulation by the Group's employees is found to have occurred, the Group may face civil and/or criminal penalties, damage claims or other sanctions and be barred from future public and private bidding processes.

On 30 September 2021, the Issuer and the Group companies PORR Bau GmbH, TEERAG-ASDAG GmbH, TEERAG-ASDAG Hochbau Burgenland GmbH, TEERAG-ASDAG Bau GmbH, G. Hinteregger & Söhne Baugesellschaft m.b.H. and Allgemeine Straßenbau GmbH have issued an acknowledgement as part of a settlement in the antitrust proceedings pending against them. Subsequently, the Austrian Federal Competition Authority (**"AFCA"**) will file an application with the Cartel Court for a fine against the companies in the amount of EUR 62,354,443.00 which are partially covered through required provisions (*Rückstellungen*). The settlement is being made against the background of an investigation that was opened in spring 2017 against numerous construction companies, regarding allegations of anti-competitive agreements for construction projects in Austria in the period from 2002 to 2017. Apart from the settlement with the AFCA, the Group may face civil law damage claims from customers. The Group may face legal, internal and other costs dealing with these antitrust proceedings. The Group is not yet in a position to seriously assess a specific amount of any such potential civil law damage claims and other costs.

In addition, in June 2021, the Austrian prosecutor's office conducted searches at multiple construction companies including the Group's offices in connection with a project close to Vienna (modernization of a bridge – Heiligenstädter Hangbrücke) in connection with alleged anti-competitive agreements. The Group may face fines as well as legal, internal and other costs dealing with these antitrust proceedings.

In each case of anti-competitive practices the Group may be subject to subsequent proceedings with respect to significant damage claims. Such legal or regulatory proceedings as well as fines and damage claims resulting therefrom in which the Group is or comes to be involved (or settlements thereof) as well as any liability not covered by the Group's insurance, or in excess of insurance limits, may have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk of failure to recover on claims against customers for payment.

The Group's failure to collect its invoices on time or at all may lead to a decrease in its equity capital and constraints on its liquidity. The Group is involved in a number of major public-sector projects, such as motorway or railway projects. In connection with most of such projects, the Group faces difficulties in collecting receivables and enforcing contracts in general. Delayed payments or non-payments occur for a number of reasons, including, political unwillingness, poor payment practices, construction defects or non-observance of contractual deadlines as a result of subsequent changes to the initial scope of the project. The Group may face difficulties in claiming for additional services and/or costs, which have not been covered by the original order but are performed for various reasons, including the specific events and circumstances of a project, instructions or changes by the principal or assumptions of the original arrangement proving incorrect (e.g. specifications of the ground, etc.). In order to enforce its claims, as for example in the railway project "Campina-Predal" and the motorway project "Sebes Turda Lot4" described below, the Group files lawsuits against, or initiate arbitrations with, its defaulting customers. Since most of the claims against its customers become payable after completion of the project, the Group is usually unable to enforce its claims through refusal of performance on its part. The Group is therefore involved in a number of legal disputes (including disputes where substantial amounts are in dispute) in the ordinary course of business. Such proceedings sometimes take a long time and do not always end successfully for the Group. In particular, the following example illustrates the lengthy and uncertain process with regard to a successful outcome: On the Romanian railway project "Campina-Predal" which was finished in 2012, the Group experienced difficulties in receiving final payments from the customer. The Group therefore started a legal lawsuit which had to go through all levels of jurisdictions including an arbitration proceeding in front of the International Chamber of Commerce in Paris. It was not until 2017 that the Group was awarded the amount in question. The Romanian motorway project "Sebes Turda Lot 4" was finished in 2018, with a delay of two years due to customer's fault. The Group started two legal lawsuits in front of the Romanian arbitration court. The main lawsuit was judged in favor of the Group and the related payment is expected to be received by the end of 2021. The judgement of the second lawsuit is expected in 2022.

In addition, in certain instances the Group may elect not to pursue the assertion of claims against key customers to avoid jeopardizing the Group's business relations to such key customers with a view to potential future projects. Furthermore, especially with regard to the handling of claims, there may also be a threat of reputational damage, which has an impact not only on key customers. Moreover, it may prove to be difficult for the Group to succeed in lawsuits filed for the recovery of claims, in particular against public sector clients. If any of these receivable collection issues materializes, continues or even deteriorates, this could have a material adverse effect on the business prospects, results of operations and financial condition of the Issuer.

Risk relating to the involvement in consortia and joint ventures.

In the construction industry, consortia of various construction companies are often formed in relation to a project in order to distribute the project contributions and risks among the partners of the applicable consortia. But precisely because of that there is a particular risk for the remaining consortium partners, if a partner leaves the consortium, for example due to insolvency. The Group's subsidiaries which are specialized in civil engineering/infrastructure, building construction and road construction regularly join with unaffiliated third parties to form consortia, silent participants or other forms of joint ventures. Under Austrian law as well as under applicable laws of other countries, such as Germany, each party to a consortium is jointly and severally liable for the construction work to be provided and all associated liabilities of any other party to the consortium. In relation to third parties, the Group is therefore liable for damages caused by any other party to a consortium. Should any of the risks associated with the involvement in consortia or other joint ventures materialize, this could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to operations in other European and non-European countries.

The Group operates both within Europe and outside of Europe. The focus of the European business is on the construction markets of Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania as well as on a project-related basis in Norway; the focus of the Group's business outside Europe is currently still in Qatar (which is materially reduced) and the UAE. In some of the countries in which the Group operates, currently for example in Qatar and UAE or may operate in the future, the economic, political and legal environment is different in comparison to Austria. In these countries, the Group regularly relies in its activities on the cooperation with local suppliers and subcontractors as well as on the issuing of licenses by local authorities. In this context, the Group is exposed to a number of risks which can significantly affect their operations in these countries. There are specific risks relating to uncertainties in the tax, labour and administrative framework (in particular regarding the applicable building regulations, environmental, safety and health standards), a possible difference in treatment compared with local competitors, non-transparent and uneven application of the law by authorities and courts, corruption and organized crime. An additional risk with regard to Central, Eastern and South Eastern European countries which are not members of the EU results from the possibility that generated funds may not be freely transferable. Furthermore, there is the risk that the business model cannot be implemented as planned due to the geographical distances to some countries and linguistic and cultural differences.

Each of the aforementioned risks could have a material adverse effect on the results of operations and growth opportunities of the Group in the countries concerned and could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Tax and payroll risks.

The Group's companies and their permanent establishments abroad are subject to on-going tax audits and VAT reviews by tax authorities. Tax audits have taken place or still take place in many countries. For instance, the Austrian entities of the Group are currently subject to routine tax audits for VAT, corporate income tax and withholding tax for the fiscal years 2014, 2015 and 2016 and the German Group entities are currently subject to routine tax audits for the fiscal years 2012, 2013 and 2014. These tax audits are carried out by the respective locally competent tax authority and are conducted continuously. It is not excluded that the domestic and foreign companies and foreign branches or permanent establishments of the Group have not recognized or have not adequately assessed tax risks of previous years, which could result in unforeseen subsequent taxation and additional tax claims for the periods in question. In the course of a tax audit related to fiscal year 2012, tax auditors challenged expenses arising from writing off intercompany debts at the level of an Austrian PORR subsidiary. Finally, these expenses were treated as non-deductible by tax auditors leading to tax costs of EUR 648,923.50. In 2019, an error in VAT treatment of travel allowances for employees in various Austrian subsidiaries led to a pending VAT case with additional VAT costs and penalties of EUR 2,614,308.67.

If any cases of breach of local or foreign tax laws are discovered, the Group may be charged with fines and penalties. Should any of these risks materialize, this could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Social security authorities could charge supplementary social security contributions e.g. if they impose payroll taxes on compensatory payments which were tax-free prior to a change of the authorities' interpretation. Therefore, substantial additional tax or social security contribution demands could arise which would have a materially adverse impact on the business, financial condition and/or results of the Group.

Any of the countries the Group's companies and their permanent establishments are operating in, could modify its tax laws in ways that would adversely affect the Group.

Internal control risk

Risk relating to the failure and ineffectiveness of appropriate risk management systems.

The Group's risk management system is designed to assist with the assessment, avoidance and reduction of risks which jeopardize its business. The Group's operating risks primarily include the complex risks of construction project selection and execution. There are, however, inherent limitations on the effectiveness of any risk management system. These limitations include the possibility of human error and the circumvention or overriding of the system. Accordingly, any such system can provide only reasonable assurances of achieving the desired objectives. For example, due to the specifics of the construction industry, individual risks such as losses on a construction project may only be detected with delay. Other risks include risks from the violations of internal guidelines, applicable law or criminal acts by the Group's employees or third parties retained by the Group such as sub-contractors or service providers and their employees. Should any of these risks materialize, this could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Risk relating to corrupt or otherwise illegal business practices of its employees.

There is a risk that internal regulations to prevent corrupt or otherwise illegal business practices are inadequate to preclude involvement of employees of the Group in illegal business practices and that these regulations may not adequately protect the Group from becoming involved in illegal business practices. The number of rules which are applicable to the Group increases continuously because of increasing regulation at national and international levels. For example, a number of antitrust and competition investigations by authorities have been carried out in the construction industry at national and international level in the recent past. The Group is and has been the subject of such investigations. There is a possibility that the Group will be the target of further antitrust procedures or competitive governmental investigations in the future and that employees do not adhere to the internal compliance requirements. This applies in particular with regard to the involvement of the Group to private and public tenders with only a limited number of competitors involved. In these situations there is the risk that antitrust authorities, competitors or customers suggest relevant antitrust collusion between bidders and take appropriate action. In the construction sector, which is particularly characterized by procurement procedures of large public projects or tendering large private projects, cases of corruption repeatedly occur. In cases of corruption or other illegal acts committed by employees of the Group this can cause damage to reputation, the imposition of penalties and exclusion from public procurement or bidding process, which could have a material adverse effect on the business prospects, the Issuer's financial standing and as a result on the ability of the Issuer to meet its obligations under the Notes.

Environmental and governance risks

Risk relating to pollution legacy and other environmental damages.

The Group's operations are subject to various environmental laws and regulations relating to the management, disposal and remediation of hazardous substances and the emission and discharge of pollutants into the air, water and soil. Existing comprehensive precautionary measures and risk management might turn out to be insufficient and as a result such substances may occasionally cause damage to customers, employees and third parties and expose the Group to liability. In addition, the Group could be held liable under any of these laws and regulations for contamination resulting not only from its own activities but also from the historical activities carried out by others on its project sites or on properties acquired by the Group.

The Group owns sites which have been found to contain soil contamination and polluted groundwater. The Group is responsible for clean-up and monitoring of these properties. Furthermore, the Group operates several landfills in Austria, for example in Langes Feld in Vienna, Austria. In addition to responsibility for clean-up costs for own properties, the Group may be subject to clean-up costs related to contaminated construction sites owned by third parties, for example when construction works are executed on properties owned by third parties. The Group may also be required to incur compliance costs associated with immission, emission and waste disposal regulations. The Group was required to remediate, for example, a property in Simmering, Vienna, Austria with hydrocarbon compounds pollutions; the costs for the remediation which took place mainly in 2005 and 2006 amounted to about EUR 23.5 million (of which about 75% were reimbursed by the Austrian Remediation Fund (*österreichischer Altlastensanierungsfonds*)). Should any of these risks relating to clean-up costs or other environmentally legally necessary measures materialize, this could have a material adverse effect on the business prospects, results of operations and financial condition of the Issuer.

Risk relating to insufficient insurance coverage.

The scope of the Group's insurance coverage is subject to a cost benefit analysis unless it is maintained to satisfy the requirements under certain regulations and contracts. In general, the insurance covers various liability risks relating to business; the purely entrepreneurial risk of the Group is not insured. The Group may therefore be subject to damages and losses which are not or not sufficiently covered by insurance. A recent concrete example concerns the "Medical Park" project in Germany: During the construction of a medical rehabilitation centre, a subcontractor drilled sewage pipes. Shortly before the completion of the project, moisture penetration of soil and walls and consequently mould formation were detected. The costs for repairing the property damage were insured, the pecuniary and financial loss due to delayed commissioning were not covered by insurance (< EUR 3 million). A claim against the subcontractor's liability insurance has yet to yield a result. Any losses not covered under the terms of the Group's insurance policies, particularly in damages or delays arising in connection with the execution of construction works, could have a material adverse effect on business prospects, results of operations and financial condition of the Issuer.

Risk relating to holding activities.

The Issuer is only exceptionally involved in operational activities. It is a holding company which has no relevant assets beyond the participations in its subsidiaries and real property. Being a holding company, the Issuer depends on being provided with liquidity and profit by its subsidiaries in order to be able to generate funds and meet its obligations towards its creditors. The Issuer has entered into profit transfer agreements or control and profit transfer agreements (*Beherrschungs- und Ergebnisabführungsverträge*) with several of its Austrian subsidiaries. The Issuer's liquidity is dependent on the profit generated by the companies it holds. In return, its cash reserves and profits from companies in its holding structure must be used to set-off net losses incurred by any of the companies it holds. For example, the Issuer's Group company PORR Bau GmbH contributed far more than one third to the Issuer's consolidated turnover in 2020. At the same time, the entire consolidated result of the Group as of 31 December 2020 (EBT TEUR -51,048) is almost exclusively attributable to PORR Bau GmbH (EBT TEUR -50,772). In the past, for example, the market situation in Poland, as well as a revaluation of a project in Norway (where the Issuer is not directly operating, but where Group companies are operating) had a significant negative impact on the profits and earnings situation of the Issuer. If the distribution of dividends from a subsidiary to the Issuer (or the transfer of profits under a profit transfer agreement) is delayed or if such distribution does not take place at all, this might, irrespective of existing credit lines and intra-group cash pooling, have considerably negative consequences for the Issuer's liquidity position which may jeopardize the Company's ability to meet its obligations and pay dividends.

The IT systems may fail or be subject to unauthorised third-party access or attacks.

The PORR Group uses comprehensive IT systems to manage its business activities, including the use of servers and the application of specialist software as well as access control systems and data mirroring. The PORR Group, customers or third parties could be subject to breaches of IT and/or data security. Such breaches of security may be, for example, caused by hackers using programs able to uncover remote controlling login data or by carrying out denial-of-service or ransomware attacks. Any disruptions or failures of one or more of these IT systems could have significant consequences for the operations of the PORR Group. Any unauthorised third-party access to the PORR Group's systems may also result in data protection law breaches or such IT systems being inaccessible or unavailable to the extent necessary for use by the PORR Group. Cyber-attacks from third parties may lead to the complete loss of data of the PORR Group. Access to such data is necessary both for the management of "digital" construction sites (where no or hardly any paper is used anymore) as well as for the financial management of the PORR Group since nearly all payment transfers are linked to electronic approvals via specific finance management software solutions. The cyber-attack on the IT systems of PORR AG in the beginning of May 2019 has resulted in a short-term inaccessibility to the PORR Group's data. Any of the above described risks could have a negative impact on the business, financial condition and results of operations of the PORR Group. Any misuse of data or a cybersecurity breach could harm the PORR Group's reputation and expose the PORR Group to uninsured liability, increase the risk of regulatory scrutiny and subject the PORR Group to lawsuits, result in the imposition of material penalties and fines under Austrian, German, EU or other applicable law or regulations.

The ESG Ratings of the PORR Group from ISS, MSCI and EcoVadis are not regulated ratings, nor are they credit ratings. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion, report, certification or validation of any ESG Rating provider to fulfil any green, social, sustainability or other criteria.

Several ESG Rating providers have assigned ESG Ratings to the Issuer. The ESG Rating providers' opinions, reports or validations, are not incorporated in, and do not form part of, this Prospectus. The ESG Ratings provide an opinion on certain environmental, social and governance and related considerations and are not intended to address any credit, market, risk in relation to the creditworthiness or other aspects of the Issuer, the Group or an investment in the Notes including without limitation market price, marketability, investor preference or suitability of any security. ISS, MSCI, EcoVadis as well as any other providers of ESG ratings are not regulated, and their respective ESG ratings are not to be regarded as credit ratings.

Currently the providers of ESG Ratings are not subject to any specific regulatory regime or other regime or oversight. Prospective investors must determine for themselves the relevance of any ESG Rating for the purpose of any investment in the Notes. In particular, no assurance or representation is made or given that any such ESG Rating reflects any present or future requirements, investment criteria or guidelines which may apply to any investor or its investments. Holders of the Notes will have no recourse against the Issuer, the Bookrunner or the provider(s) of any ESG Ratings for the contents of any such opinion or certification relating to the ESG Ratings. Prospective investors should be aware that any change or withdrawal of any such opinion or certification relating to the ESG Ratings or any opinion or certification by an ESG Rating provider attesting that the Issuer is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the PORR Group and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

4.2 Risks relating to the Notes

Risks related to the nature of the securities

Risk relating to the subordination of the Notes.

The obligations of the Issuer under the Notes constitute direct, unsecured and deeply subordinated obligations of the Issuer ranking (i) senior to Junior Obligations (as described below), (ii) *pari passu* among themselves and with any Parity Obligations (as described below) and (iii) junior to all other existing and future unsubordinated obligations as well as subordinated obligations of the Issuer which expressly rank senior to the obligations resulting from the Notes, except as otherwise provided by mandatory provisions of law. In the event of liquidation, dissolution or insolvency, however not in the event of a reorganisation, no payments on the Notes will be made for as long as any claims from not subordinated and subordinated creditors (which expressly rank senior to the obligations resulting from the Notes) against the Issuer have not been completely satisfied. The rights of the Holders resulting from the Notes have not been secured, neither by the Issuer nor by a third party; such security will not be provided at any time in the future.

"Junior Obligations" means any claim arising out of (i) the ordinary shares of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any present or future security, registered security or other instrument (x) of the Issuer that rank (or are expressed to rank) junior to the Notes or (y) of any of its Group Entities under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) junior to the Notes, as well as (iv) the ABAP obligatorische Genussrechte 2007 (ISIN AT0000A086F0). "Parity Obligations" means present or future securities or any other instrument (i) of the Issuer that rank (or are expressed to rank) *pari passu* with the Notes, including but not limited to the hybrid bond issued in 2017 (ISIN XS1555774014) or the hybrid bond issued in 2020 (ISIN XS2113662063) or (ii) of any of its Group Entities under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) *pari passu* with the Notes.

In a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, the Holders may recover proportionately less than the holders of unsubordinated obligations of the Issuer. Holders of the Notes will have limited ability to influence the outcome of any insolvency proceeding or a restructuring outside insolvency.

Investors should take into consideration that unsubordinated liabilities may also arise out of events that are not reflected on the Issuer's balance sheet, including, without limitation, the issuance of guarantees or other payment undertakings. Claims of beneficiaries under such guarantees or other payment undertakings will, in winding-up or insolvency proceedings of the Issuer, become unsubordinated liabilities and will therefore be paid in full before payments are made to Holders.

Risk of Early Redemption.

The Notes can be redeemed or repurchased and cancelled under certain circumstances. The Issuer is in principle under no obligation to redeem the undated Notes at any time. Pursuant to the Terms and Conditions the Holders of the Notes have no right to call the Notes, except if the Issuer enters into liquidation and is settled or dissolved (unless this is done for the purpose or as a result of a merger, restructuring or reorganization in respect of which the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer) and subject to the complete satisfaction of any claims from unsubordinated and subordinated creditors which expressly rank senior to the obligations resulting from the Notes. At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions after the occurrence of a Gross-up Event, an Accounting Event, a Tax Event, a Change of Control or if 80 per cent. or more in principal amount of the Notes initially issued have been redeemed or purchased, or in general with effect as of (and including) the First Reset Date or any Interest Payment Date thereafter. In the event that the Issuer exercises the option to call and redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

The redemption at the option of the Issuer may affect the market value of the Notes. During any period when the Issuer may, or may be perceived to be able to, elect to redeem the Notes, the market value of the Notes generally may not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of a right to call the Notes for redemption prior to their scheduled maturity. Should the Issuer's actions diverge from such expectations, the market value of the Notes and the development of an active public market may likely be adversely affected.

Prospective investors should be aware that they bear the financial risk of an investment in the Notes for a long period as well as the risk of being not able to recover their investment before the end of this period.

Risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk (for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.

The Notes are undated securities in which an investment constitutes a financial risk for an indefinite period.

The Notes are undated securities and Holders may not declare the Notes due and payable. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in a foreseeable future.

The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event.

Changes in accounting principles could have an impact on the Group's consolidated financial statements. Changes in accounting requirements or the application and interpretation thereof may entail uncertainty related to the Company's accounting, financial reporting and internal control and could also negatively affect the Company's financial condition, results of operations and cash flows.

Specifically, the current IFRS accounting classification of the Notes as equity instruments may change. In June 2018, the International Accounting Standards Board (**"IASB"**) published the discussion paper DP/2018/1 on "*Financial Instruments with Characteristics of Equity*" (the **"DP/2018/1 Paper"**) and a public meeting was held on this matter. At the December 2020 meeting, the IASB further discussed potential changes, but limited decisions have been made on how classification requirements will actually be adjusted and consultation will be required before any changes are implemented. The IASB met on 28 April 2021 to continue its discussions on potential refinements to disclosure proposals explored in its DP/2018/1 Paper, namely proposals for disclosure of information about terms and conditions, priority on liquidation and potential dilution. While there is no specific indication that the classifications of the Notes from an accounting perspective would change as a result of the standard setting project, there is some uncertainty as to the future classification of the Notes given the ongoing work of the IASB. The IASB has indicated to pursue the matter further and accordingly, no assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes pursuant to the Terms and Conditions of the Notes.

The Terms and Conditions do not provide for any express events of default provisions.

The Holders should be aware that the Terms and Conditions do not contain any express events of default provisions which will create legal uncertainty for Holders in case of an event of default by the Issuer. As a consequence, Holders may not know in which cases an event of default has definitely occurred, which legal steps are to be set and what the economic and legal consequences of an event of default may be. Holders may even be required to sue the Issuer.

Holders of the Notes have no voting rights.

The Notes are non-voting with respect to general meetings of shareholders of the Issuer. Consequently, the Holders of the Notes cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such arrears of interest or any other decisions by the Issuer's shareholders concerning the capital structure or any other matters relating to the Issuer.

Holders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.

The only remedy against the Issuer available to the Holders of the Notes for recovery of amounts which have become due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amounts or to file an application for the institution of insolvency proceedings. On an insolvency or liquidation of the Issuer, any Holder may only claim the amounts due and payable under the Notes, after the Issuer has discharged or secured in full all claims that rank senior to the Notes.

Risk relating to the lack of limitation on issuing further debt.

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of payments of interest under the Notes and/or may reduce the amount recoverable by Holders in the event of insolvency or liquidation of the Issuer. In addition, under the Notes, the Issuer will not be restricted from issuing or repurchasing its other securities. Holders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganisation or a restructuring, merger or similar transaction that may adversely affect the Holders.

Risk relating to the shortened prescription period.

The limitation period for claims in respect of principal of the Notes is ten years. This period is shorter than the limitation period of thirty years provided for by Austrian civil law.

Liquidity risk in case that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue.

There is currently no secondary market for the Notes. Application has been made for the Notes to be admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. However, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes may additionally be restricted by country specific reasons.

Market risk relating to fixed interest rate notes.

The Notes bear interest at a fixed rate to but excluding the First Reset Date. A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such note changes in the opposite direction. If the market interest rate increases, the price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

Reset of Interest Rate linked to the 5-year ICESWAP2 swap rate.

From and including the First Reset Date to but excluding the day the Notes are due for redemption, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year ICESWAP2 swap rate for the relevant Reset Period plus a margin.

Investors should be aware that the performance of the 5-year ICESWAP2 swap rate and the interest income on the Notes cannot be anticipated and neither the current nor the historical level of the 5-year ICESWAP2 swap rate is an indication of the future development of the 5-year ICESWAP2 swap rate. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Furthermore, during each Reset Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current interest rate on the capital market (market interest rate), as the market interest rate fluctuates. During each of these periods, the investor is exposed to the risk as described in risk factor "*Fixed Interest Rate Notes*" above.

Reform of interest rate "benchmarks".

Following the respective First Reset Date, interest amounts payable under the Notes are calculated by reference to the annual swap rate for swap transactions denominated in Euro with a term of 5 years, which appears on the Reuters Screen Page ICESWAP2.

This swap-rate, the EURIBOR and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a **"Benchmark"** and together, the **"Benchmarks"**) have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

International proposals for reform of Benchmarks include the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the **"Benchmark Regulation"**) which is fully applicable since 1 January 2018.

The Benchmark Regulation could have a material impact on the Notes, including in any of the following circumstances:

- a rate or index which is a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 Benchmark Regulation), the administrator is recognised (Article 32 Benchmark Regulation) or the relevant Benchmark is endorsed (Article 33 Benchmark Regulation) (subject to applicable transitional provisions). If this is not the case, Notes linked to such Benchmarks could be impacted; and

- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could have an impact on the Notes, including determination of the rate by the Issuer, the Calculation Agent or an independent adviser, as the case may be.

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of the Notes.

Under the Terms and Conditions of the Notes, certain benchmark replacement provisions will apply in case a Benchmark (or any component part thereof) used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise unavailable:

If a Benchmark (or any component part thereof) used to calculate interest amounts payable under the Notes for any interest period has ceased to be calculated or administered, the Issuer shall endeavour to appoint an independent adviser, which must be an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets. Such independent adviser will be tasked with determining whether an officially recognized successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. If the independent adviser determines a successor rate or alternative rate (the **"New Benchmark Rate"**), such rate will replace the previous Benchmark for purposes of determining the relevant interest rate. Such determination will be binding for the Issuer, the Calculation Agent, the Paying Agents and the Holders. Any amendments pursuant to these fallback provisions will apply with effect from the respective effective date specified in the Terms and Conditions of the Notes.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the Reference Rate (as defined in the Terms and Conditions of the Notes) applicable to the immediately following reset period shall be the original benchmark rate determined on the last preceding interest determination date, provided, however, that, in case of the first reset period, the Reference Rate shall be the original benchmark rate on the screen page on the last day preceding the interest determination date on which such original benchmark rate was displayed. In that case, Holders are subject to the risk of receiving lower interest payments than expected.

The replacement of a Benchmark could have adverse effects on the economic return of the Holder compared to the applicable original benchmark rate.

Risk relating to optional deferral of interest payments.

The Issuer may elect in its discretion to defer the payment of interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Holders. Such interest will not be due and payable on that Interest Payment Date.

Holders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting deferred interest payments will not bear interest. Any failure to pay interest as a result of an optional deferral will not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. While the deferral of interest payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Notes.

Any deferral of interest payments or the perception that the Issuer will or will need to exercise its optional deferral right will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Risks relating to high volatility in the markets.

From and including the First Reset Date to but excluding the day the Notes are due for redemption, the Notes bear interest at a rate which will be determined on each Reset Date at the 5-year ICESWAP2 swap rate for the relevant Reset Period plus a margin. Should a date on which the interest rate for the Notes is determined fall into times of high volatility in the market, this could have a negative effect (either from the Issuer's view or from an investor's view) on such interest rate which will then be determined in the future.

An Austrian court may appoint a trustee (Kurator) for the Notes to exercise the rights and represent the interests of Holders on their behalf.

Pursuant to the Austrian Notes Trustee Act (*Kuratorengesetz*), a trustee (*Kurator*) may be appointed by an Austrian court for the purposes of representing the common interests of the Holders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the Terms and Conditions or changes relating to the Issuer, or under similar circumstances. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Holders and will be entitled to make statements on their behalf which shall be binding on all Holders. Where a trustee represents the interests and exercises the rights of Holders, this can conflict with or otherwise adversely affect the interests of individual or all Holders.

Certain payments on Notes may be subject to U.S. withholding tax under FATCA.

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**"foreign passthru payments"**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Austria) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**"IGAs"**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Investors will have to rely on Euroclear's and Clearstream, Luxembourg's procedures for transfer and payment.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer. The Notes will be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in the Global Notes.

The market value of the Notes could decrease if the creditworthiness of the Group worsens or for other reasons.

The market value of the Notes is, amongst others, primarily influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer. In the event of any such negative impact, the price at which a Holder can sell the Notes might be considerably below the Issue Price or the purchase price paid by such Holder.

Similarly, a number of other factors including, but not limited to, the following examples may also result in a decrease in the market value of the Notes: This applies to economic and political events in Austria or other countries the economies or politics of which have an effect also on Austria, like the US (trading policies) or the UK (Brexit and its aftermath). Other reasons are such factors affecting the capital markets in general and the stock exchange on which the Notes are traded, market interest, rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption on the relevant First Reset Date (or a certain period before) or any Interest Payment Date (or a certain period before) thereafter. For example, the market price of the Notes can be influenced by corporate announcements concerning future earnings expectations or guidance of the Group even if the material causes of the announcements have no effects on the Group's ability to fulfil its obligations under the Notes.

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could potentially have a different perception. Market participants may in particular have a different perception if market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group adversely change. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes is likely to decrease.

The market price of the Notes could decrease if an increase of market interest rates occurs.

All segments of the Euro interest rate markets are effected by the monetary policy of the ECB. Any changes in the prevailing easing monetary policy could have effects on the market price of the Notes. At present Euro interest rates are on a historical low level and determined by negative interest rates of deposit accounts with ECB; AAA or AA rated government bonds with tenors of up to 20 years are traded at negative bond yields. Tightening monetary policy or the expectations of such a policy could lower bond prices quickly. For instance, an interest rate increase could reduce the market price of the Notes.

Investors are subject to inflation risk. As a result, the real interest rate from the investment in the Notes can be reduced.

Investors are subject to the risk that the value of capital invested by an investor in the Notes or the interest income from these lose value when the purchasing power of the underlying currency falls due to inflation. Inflation reduces the value of the capital invested by the investor in the Notes. In the case of a bond with a contractually agreed termination right of the Issuer after a period of 5 years, which is the First Reset Date for the Notes, there is an inflation risk that could result in the Holder potentially losing value thereby reducing the real rate of return on the investment in the Notes. If the inflation rate is higher than the interest on the Notes, the yield of the Notes may even be negative. At the same time, the possibilities of selling the Notes are limited, so that the investor must expect to hold the Notes at least until the First Reset Date, thus realizing a loss in value due to inflation in full.

Investors are exposed to the risk that the Issuer will raise further debt. The Issuer may engage in transactions that are not in the interest of the Holders or, for other reasons, conflicts of interest may arise between the Issuer and the Holders.

The Issuer is not subject to any restrictions on the issue of additional Notes. The Issuer may also obtain other debt financing at any time. The interests of the Issuer and those of the Holders are different. Further debt financing increases the Issuer's indebtedness, may have a negative impact on the market price of the Notes and reduce the funds from which redemption of the Notes occurs in the event of the Issuer's insolvency. This can have adverse effects for investors. As lender of the Issuer, credit institutions could be in conflict of interest with the Holders. This may adversely affect the Holders.

The euro denominated Notes may give such investors a currency risk for which the euro is a foreign currency; governments and competent authorities could also introduce exchange controls in the future.

The Notes are denominated in euro. Likewise, payments of interest and repayments are made in euros. If the Euro is a foreign currency to a Holder, such Holder will be exposed to the risk of changes in foreign exchange rates that may affect the income of the Notes. Changes in exchange rates can have many causes, such as macroeconomic factors, speculation and intervention by central banks and governments. In addition, as has already happened in the past, governments and monetary authorities may introduce foreign exchange controls that could adversely affect their exchange rates. As a result, Holders may receive less capital or interest than expected or no capital or interest.

Amendments to applicable laws, regulations or administrative practice as well as tax conditions bear risks for the Issuer, the Notes and the Holders.

The Terms and Conditions of the Notes are governed by Austrian law, as it stands at the date of this Prospectus. The Issuer cannot make any assurances regarding the effects of possible court decisions or changes to Austrian law (or applicable law in Austria) or the administrative practice after the date of approval of this Prospectus. Investors are exposed to the risk that these aforementioned decisions and / or changes will adversely affect the Issuer, the Notes and the Holders.

If the tax situation changes, this can have a negative impact on the Holders.

The tax law situation at the time the Notes are issued may change in the future. Changes in tax laws, the practice of their application and their interpretation by public authorities and courts can, on the one hand, have a negative impact on the economic situation of the Issuer and, on the other hand, on the economic value of the Notes. The amount of the return after tax largely depends on the individual tax situation of the Holder. Future changes by the legislators, in particular the possible introduction of a financial transaction tax, the tax authorities or decisions of the highest court may negatively influence or change the tax treatment presented. A termination of the Notes prior to the First Reset Date can also have an impact on the tax situation of a Holder, e.g. in cases when a Holder, subject to the individual tax situation and the respective tax regime in the Holder's jurisdiction, require a minimum holding period for the Notes in order to obtain tax benefits.

The purchase of the Notes by potential investors may violate laws.

Potential investors are encouraged to inform themselves of the applicable laws and to seek professional advice with regard to the legality of a purchase of the Notes. Neither the Issuer nor the Bookrunner and their affiliates are responsible for the legitimacy of any prospective investor purchasing the Notes with any applicable laws or regulations or administrative practice in the home country of the investor. Should the Notes be purchased by an investor in violation of applicable laws, such purchase could, for example, be void under civil law, constitute an administrative offence or restrict the respective investor in transferring the Notes.

Risks related to the admission of the Notes to trading on a regulated market

Investors are exposed to the risk that the Notes will not be admitted to trading on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange or that the upgrowth of the market price of the Notes is uncertain.

The Issuer intends to apply for the admission of the Notes to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. It is not guaranteed that the Vienna Stock Exchange will comply with this application for admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. Even if approval has been granted, it can be suspended or revoked for a variety of reasons. In such cases, investors are exposed to the risk that either there is no regulated market or even no market where they can trade the Notes. As a result, their disposability would be severely limited and investors would have to look for other ways to sell. This can be associated with a time and cost. In addition, a reference price formed on the Vienna Stock Exchange is missing.

Even if the Issuer's application for admission of the Notes to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange is approved, it cannot be guaranteed that the future market price of the Notes will not be less than the price investors have paid to purchase the Notes. Negative effects on the market price of the Notes may be triggered in particular by a deterioration in the Issuer's business, a deterioration of the Issuer's or the overall economy, an increase in interest rates and a general downturn in the capital market and real estate market. Significant fluctuations in stock market prices and trading volumes on the securities markets have taken place in recent years. Such fluctuations may adversely affect investors.

The revocation or suspension of trading in the Notes (or even the lack of admission to trading) may result in distorted pricing or the inability to sell the Notes.

The FMA is entitled to suspend trading of the Notes or to demand such a suspension of trading from the Vienna Stock Exchange if, in the opinion of the FMA, this is necessary in the interests of a properly functioning market and does not conflict with investor interests. The FMA may also require the Vienna Stock Exchange to suspend trading in connection with measures against market manipulation and insider trading. The Vienna Stock Exchange is also entitled to dispose of a trade suspension on its own initiative. It is also possible that there will be no admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange.

Any suspension of trading of the Notes (or the lack of admission to trading) will result in Holders being unable to sell their Notes over the stock exchange or, possibly, with a time delay, over the counter. This may have adverse effects on the Holders.

No conclusion may be drawn from the indicated "up to" aggregate principal amount of the Notes, and the Issuer may or may not decide to issue further Notes.

The indicated "up to" aggregate principal amount of the Notes as set out in the Terms and Conditions will represent the maximum issue volume of the Notes. The actual volume to be issued on 18 November 2021 will correspond to an aggregate principal amount of EUR 50,000,000 and is lower than the maximum issue volume. The actual volume of the Notes may vary during the life of the Notes depending in particular on the demand for the Notes offered. The Issuer has reserved the right to issue further Notes by way of private placements, however, the Issuer has no obligation to do so, and the price of such Notes may be equal to, or higher or lower as the case may be, as the issue price of the Notes issued on 18 November 2021. No conclusion may therefore be drawn from the indicated "up to" aggregate principal amount of the Notes with regard to the liquidity of the Notes in the secondary market.

5. TERMS AND CONDITIONS OF THE NOTES

Anleihebedingungen

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

Terms and Conditions

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only.

1. Nennbetrag und Stückelung, Verbriefung, Clearingsystem

1.1 ***Nennbetrag und Stückelung***. Diese Serie von Schuldverschreibungen der Undated Resettable Fixed Rate Subordinated Notes der PORR AG, Wien, Republik Österreich (die **"Emittentin"**) wird in Euro im Gesamtnennbetrag von bis zu EUR 100.000.000,00 (Euro einhundert Millionen) (der **"Gesamtnennbetrag"**) am 18.11.2021 (der **"Emissionstag"**) begeben. Die an den Inhaber zahlbaren und untereinander gleichrangigen Schuldverschreibungen werden in Stückelungen von EUR 1.000 begeben und sind nur in Mindestgesamtnennbeträgen von EUR 100.000 und einem ganzzahligen Vielfachen von EUR 1.000 über diesem Betrag übertragbar (die **"Schuldverschreibungen"**; dieser Begriff umfasst sämtliche weiteren Schuldverschreibungen, die gemäß Punkt 10. begeben werden und eine einheitliche Serie mit den Schuldverschreibungen bilden).

1.2 Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die **"Vorläufige Globalurkunde"**) verbrieft, die bei einer gängigen Verwahrstelle für das Clearing System (wie nachstehend definiert) am oder um den Emissionstag der Schuldverschreibungen hinterlegt wird. Die vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die **"Dauerglobalurkunde"**, die Vorläufige Globalurkunde und die Dauerglobalurkunde gemeinsam die **"Globalurkunden"** und jede für sich eine **"Globalurkunde"**) ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind

Principal Amount and Denomination, Form, Clearing System

Principal Amount and Denomination. This series of notes of Undated Resettable Fixed Rate Subordinated Notes is being issued by PORR AG, Vienna, Republic of Austria (the **"Issuer"**) in Euro in the aggregate principal amount of up to EUR 100,000,000.00 (Euro one-hundred million) (the **"Aggregate Principal Amount"**) on 18 November 2021 (the **"Issue Date"**). The notes payable to the bearer and ranking *pari passu* among themselves are being issued in denominations of EUR 1,000 and are only transferable in minimum aggregate principle amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof (the **"Notes"**; this term includes any further Notes issued pursuant to clause 10 that form a single series with the Notes).

The Notes are initially represented by a temporary global security (the **"Temporary Global Note"**) which will be deposited with a common depositary for the Clearing System (as defined below) on or around the Issue Date of the Notes. The Temporary Global Note will be exchanged for a permanent global security (the **"Permanent Global Note"**, together with the Temporary Global Note, the **"Global Notes"** and each a **"Global Note"**). The Temporary Global Note and the Permanent Global Note shall each be signed manually by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. The Global Notes shall be deemed a global note pursuant to § 24 lit b Austrian Securities Deposit Act. The right to have definitive Notes or interest jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Die Globalurkunden stellen eine Sammelurkunde gemäß § 24 lit b Depotgesetz dar. Der Anspruch auf Ausfolgung einzelner Schuldverschreibungen oder einzelner Zinsscheine ist ausgeschlossen. Die Vorläufige Globalurkunde wird an einem Tag gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Emissionstag liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftliche(n) Eigentümer der Schuldverschreibungen keine U.S.-Person(en) ist/sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute gemäß dem United States Internal Revenue Code 1986 in der jeweils geltenden Fassung halten). Solange die Schuldverschreibungen durch die Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Emissionstag eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem Punkt 1.2 auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.

coupons issued is excluded. The Temporary Global Note shall be exchanged for the Permanent Global Note on a date which will not be earlier than 40 days after the Issue Date. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is/are not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions as defined in the United States Internal Revenue Code of 1986, as amended). Payment of interest on Notes represented by a Temporary Global Note shall be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the Issue Date shall be treated as a request to exchange the Temporary Global Note pursuant to this clause 1.2. Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

1.3 ***Clearingsystem***. Die Globalurkunden werden solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. **"Clearingsystem"** bedeutet folgendes: Clearstream Banking, S.A., Luxemburg (**"CBL"**) und Euroclear Bank SA/NV Brüssel (**"Euroclear"**), sowie jeder Funktionsnachfolger.

Clearing System. The Global Notes will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. **"Clearing System"** means the following: Clearstream Banking, S.A., Luxembourg (**"CBL"**) and Euroclear Bank SA/NV Brussels (**"Euroclear"**), as well as each functional successor.

1.4 ***Anleihegläubiger***. Den Inhabern der Schuldverschreibungen (die **"Anleihegläubiger"**) stehen Miteigentumsanteile an den Globalurkunden zu, die ausschließlich gemäß den Vorschriften des Clearingsystems übertragen werden können.

Holder of Notes. The holders of Notes (the **"Holders"**) hold proportionate co-ownership interests in the Global Notes, which are transferable exclusively pursuant to the conditions of the Clearing System.

1.5 ***ISIN und Common Code***. Die Wertpapierkennnummer (International Securities Identification Number oder ISIN) lautet XS2408013709. Der Common Code lautet 240801370.

ISIN and Common Code. The ISIN (International Securities Identification Number or ISIN) is XS2408013709. The Common Code is 240801370.

2. Status der Schuldverschreibungen

2.1 ***Status der Schuldverschreibungen***. Die Schuldverschreibungen begründen unmittelbare, nicht besicherte und tief nachrangige Verbindlichkeiten der Emittentin, die (i) vorrangig zu Nachrangigen Wertpapieren (wie in Punkt 4.5 definiert) sind, (ii) untereinander und mit Gleichrangigen Wertpapieren (wie in Punkt 4.5 definiert) im Rang gleich stehen und (iii) nachrangig gegenüber allen anderen bestehenden und zukünftigen nicht nachrangigen Verbindlichkeiten der Emittentin sowie nachrangigen Verbindlichkeiten der Emittentin sind, die ausdrücklich den Verbindlichkeiten aus den Schuldverschreibungen im Rang vorgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin, aber ohne Zahlungspflicht im Fall einer Sanierung, erfolgen Zahlungen auf die Schuldverschreibungen solange nicht (aufschiebende Bedingung), wie die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger, die ausdrücklich den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im Rang vorgehen, gegen die Emittentin nicht zuerst vollständig erfüllt sind. Ein Anleihegläubiger kann seine Schuldverschreibungen durch schriftliche Mitteilung an die Emittentin, die bei der Emittentin oder bei der Zahlstelle abzugeben ist, fällig stellen, woraufhin seine Schuldverschreibungen sofort zu ihrem Rückzahlungsbetrag (wie in Punkt 5.2 definiert) und vorbehaltlich der in diesem Punkt 2. genannten aufschiebenden Bedingung ohne weitere Handlung und Formalitäten fällig werden, wenn die Emittentin in die Liquidation geht und abgewickelt oder aufgelöst wird (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem oder der die Emittentin noch zahlungsfähig ist und bei dem oder der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt). Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

Status of the Notes

Status of the Notes. The Notes constitute direct, unsecured and deeply subordinated obligations of the Issuer ranking (i) senior to Junior Obligations (as defined in clause 4.5), (ii) *pari passu* among themselves and with any Parity Obligations (as defined in clause 4.5) and (iii) junior to all other existing and future unsubordinated obligations as well as subordinated obligations of the Issuer which expressly rank senior to the obligations resulting from the Notes, except as otherwise provided by mandatory provisions of law. In the event of liquidation, dissolution or insolvency, however not in the event of a reorganization, no payments on the Notes will be made for as long as (condition precedent) any claims from not subordinated and subordinated creditors (which expressly rank senior to the obligations resulting from the Notes) against the Issuer have not been completely satisfied. A Holder may declare his Notes due and payable by giving written notice to the Issuer, which notice may be given to the Issuer or the Paying Agent, meaning that his Notes become due and payable immediately at their Redemption Amount (as defined in clause 5.2), and subject to the condition precedent as provided for in this clause 2, without further action or formalities, if the Issuer enters into liquidation and is settled or dissolved (unless this is done for the purpose or as a result of a merger, restructuring or reorganization in respect of which the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer). The rights of the Holders resulting from the Notes have not been secured, neither by the Issuer nor by a third party; such security will not be provided at any time in the future.

3. Aufrechnungsverbot

No right to set-off

3.1 ***Aufrechnungsverbot***. Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, mögliche Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

No right to set-off. The Holders may not set off any claims arising under the Notes against any claims that the Issuer may have against any of them. The Issuer may not set off any claims it may have against any Holder against obligations arising under the Notes.

4. Verzinsung

Interest

4.1 ***Zinslauf***. Vorbehaltlich der nachstehenden Ausnahmen werden die Schuldverschreibungen ab und einschließlich dem 18.11.2021 (der **"Zinslaufbeginn"**) bezogen auf den Gesamtnennbetrag in Höhe des jeweils maßgeblichen Zinssatzes (wie in Punkt 4.2 definiert) verzinst. Zinsen sind nachträglich am 18.11. eines jeden Jahres fällig und zahlbar, erstmals am 18.11.2022 (jeweils ein **"Zinszahlungstag"**), sofern die Emittentin nicht von ihrem Recht gemäß Punkt 4.3 (a) zur Aussetzung der Zinszahlung Gebrauch macht.

Interest accrual. Subject to the following exceptions, the Notes will bear interest on their Aggregate Principal Amount at the relevant Interest Rate (as defined in clause 4.2) from and including 18 November 2021 (the **"Interest Commencement Date"**). Interest will be due and payable (*fällig*) annually in arrear on 18 November in each year, commencing on 18 November 2022 (each an **"Interest Payment Date"**), provided that the Issuer does not exercise its right to suspend payment of interest pursuant to clause 4.3 (a).

4.2 ***Zinssatz***.

Interest Rate.

(a) Der **"Zinssatz"** entspricht

(i) vom Zinslaufbeginn (einschließlich) bis zum 18.11.2026 (der **"Erste Rückzahlungstermin"**) (ausschließlich) einem Fest-Zinssatz in Höhe von 7,50% per annum; und

(ii) vom Ersten Rückzahlungstermin (einschließlich) dem Reset-Zinssatz (wie nachstehend definiert) per annum für die betreffende Zinsperiode.

The **"Interest Rate"** will be

(i) from the Interest Commencement Date (inclusive) to 18 November 2026 (the **"First Reset Date"**) (exclusive) a fixed interest rate of 7.50% per annum; and

(ii) from the First Reset Date (inclusive) the Reset Interest Rate (as defined below) per annum for the relevant Interest Period.

(b) Der **"Reset-Zinssatz"** ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich der Marge (wie untenstehend definiert) *per annum*, wie von der Berechnungsstelle festgelegt.

The **"Reset Interest Rate"** will be the Reference Rate for the relevant Reset Period plus the Margin (as defined below) per annum, as determined by the Calculation Agent.

"Bildschirmseite" bezeichnet die Reuters Bildschirmseite ICESWAP2 oder eine andere Seite von Reuters oder eine andere Informationsquelle als Nachfolger der Reuters Seite ICESWAP2 unter der Überschrift "EURIBOR BASIS" und dem Untertitel "11:00 AM Frankfurt time" (auf dem solche Überschriften und Untertitel von Zeit zur Zeit erscheinen). Hat die Bildschirmseite dauerhaft aufgehört, den Ursprünglichen Benchmarksatz anzugeben, ist

"Screen Page" means Reuters Screen Page ICESWAP2 or such other page of Reuters or such other information service which is the successor to the Reuters Screen Page ICESWAP2 under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time). If the Screen Page permanently ceases to quote the Original Benchmark Rate but such quotation is available from another page selected by the Calculation diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die **"Ersatzbildschirmseite"**), wird die Ersatzbildschirmseite zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes eingesetzt.

Agent in its reasonable discretion (the **"Replacement Screen Page"**), the Replacement Screen Page must be used for the purpose of the calculation of the Original Benchmark Rate.

Die **"Marge"** beträgt 12,58 Prozentpunkte (1.258 Basispunkte).*

The **"Margin"** means 12.58 percentage points (1,258 basis points).*

* Die Marge entspricht dem ursprünglichen Credit Spread zuzüglich eines Step-ups von 500 Basispunkten.

* The Margin is equal to the original credit spread plus a step-up of 500 basis points.

"Zinsperiode" bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und nachfolgend ab einem Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinszahlungstag (ausschließlich).

"Interest Period" means each period from the Interest Commencement Date (inclusive) to the first Interest Payment Date (exclusive) and thereafter from each Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive).

"Zinsfestsetzungstag" bezeichnet den zweiten Geschäftstag, der dem Beginn des maßgeblichen Reset-Zeitraums vorangeht.

"Interest Determination Date" means the second Business Day prior to the commencement of the relevant Reset Period.

"Reset-Zeitraum" bezeichnet jeden Zeitraum ab dem Ersten Rückzahlungstermin (einschließlich) bis zum nächstfolgenden Reset-Tag (ausschließlich) und nachfolgend ab jedem Reset-Tag (einschließlich) bis zu dem jeweils nächstfolgenden Reset-Tag (ausschließlich).

"Reset Period" means each period from the First Reset Date (inclusive) to the next following Reset Date (exclusive) and thereafter from each Reset Date (inclusive) to the next following Reset Date (exclusive).

"Reset-Tag" bezeichnet den Ersten Rückzahlungstermin und danach jeden fünften Jahrestag des jeweils unmittelbar vorangehenden Reset-Tages.

"Reset Date" means the First Reset Date and thereafter each fifth anniversary of the immediately preceding Reset Date.

"Zinstagequotient" bedeutet im Hinblick auf die Berechnung des Zinsbetrages für eine beliebige Zinsperiode oder einen Teil davon (der **"Zinsberechnungszeitraum"**) die tatsächliche Anzahl der Tage im relevanten Zeitraum ab dem letztvorangegangenen Zinszahlungstag (oder, wenn es keinen solchen gibt, dem Emissionstag) (jeweils einschließlich) bis zum relevanten Zahltag (ausschließlich) geteilt durch die Anzahl der Tage (365 oder 366) im Zeitraum vom letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, dem Emissionstag) (jeweils einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) (Actual/Actual (ICMA)).

"Day Count Fraction" (*Zinstagequotient*) means, in respect of the calculation of the Interest Amount for any Interest Period or any part thereof (the **"Calculation Period"**), the actual number of days in the relevant period from (and including) the most recent Interest Payment Date (or, in the absence of such date, from (and including) the Issue Date) and up to (but excluding) the relevant payment day divided by the number of days (365 or 366, as the case may be) in the period from (and including) the last Interest Payment Date (or, in the absence of such date, from (and including) the Issue Date) and up to (but excluding) the next following Interest Payment Date (Actual/Actual (ICMA)).

(c) **Feststellung des Referenzsatzes**. Die Berechnungsstelle bestimmt an jedem

Determination of the Reference Rate. The Calculation Agent will determine the relevant

Zinsfestsetzungstag den betreffenden Referenzsatz nach Maßgabe dieses Punktes 4.2(c).

Reference Rate in accordance with this clause 4.2(c) on each Interest Determination Date.

Der **"Referenzsatz"** für einen Reset-Zeitraum wird von der Berechnungsstelle an dem betreffenden Zinsfestssetzungstag (wie oben definiert) vor dem Reset-Tag, an dem der betreffende Reset-Zeitraum beginnt (der **"Referenz-Reset-Termin"**), festgelegt und ist,

The **"Reference Rate"** for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined above) prior to the Reset Date on which the relevant Reset Period commences (the **"Reference Reset Date"**) and will be,

(i) solange kein Benchmark-Ereignis eingetreten ist,

(a) der Ursprüngliche Benchmarksatz; oder

(b) falls eine für die Festlegung des Ursprünglichen Benchmarksatzes benötigte Information am betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite erscheint, der Referenzbankensatz an diesem Zinsfestsetzungstag.

Kann der Referenzbankensatz nicht gemäß der Definition dieses Begriffs bestimmt werden, aber ist kein Benchmark-Ereignis eingetreten, entspricht der jeweilige "Referenzsatz" dem festgelegten Ursprünglichen Benchmarksatz am vorangehenden Zinsfestsetzungstag; und

(ii) wenn ein Benchmark-Ereignis eingetreten ist, wird der "Referenzsatz" für jeden Reset-Zeitraum, der an oder nach dem Stichtag (wie in Punkt 4.2(d)(viii) definiert) beginnt, gemäß Punkt 4.2(d) bestimmt.

(i) as long as no Benchmark Event has occurred,

(a) the Original Benchmark Rate; or

(b) in the event that any of the information required for the purposes of the determination of the Original Benchmark Rate does not appear on the Screen Page on the relevant Interest Determination Date, the Reference Bank Rate on that Interest Determination Date.

If the Reference Bank Rate cannot be determined pursuant to the definition of this term, but no Benchmark Event has occurred, the relevant "Reference Rate" shall be equal to the last Original Benchmark Rate determined on the preceding Interest Determination Date; and

(ii) if a Benchmark Event has occurred, the "Reference Rate" for each Reset Period commencing on or after the Effective Date (as defined in clause 4.2(d)(viii)) will be determined in accordance with clause 4.2(d).

"Ursprünglicher Benchmarksatz" bezeichnet den um 11:00 Uhr (Frankfurter Zeit) festgelegten, als jährlichen Prozentsatz ausgedrückten Swapsatz *per annum* für in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am betreffenden Zinsfestssetzungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird.

"Original Benchmark Rate" means the annual swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage *per annum* for Euro denominated swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant Interest Determination Date at or around 11:00 a.m. (Frankfurt time).

Der **"Referenzbankensatz"** ist der Prozentsatz, der auf Basis der 5-Jahres-Mid-Swapsatz-Quotierungen, die der Berechnungsstelle auf Ersuchen der Emittentin ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden von

"Reference Bank Rate" means the percentage rate determined by the Calculation Agent on the basis of the 5-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market selected by the Issuer (the **"Reset**

der Emittentin ausgewählten Swap-Händlern im Interbankenhandel (die **"Reset-Referenzbanken"**) gestellt werden, am Zinsfestsetzungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei 5-Jahres-Mid-Swapsatz-Quotierungen genannt werden, wird der Referenzbankensatz das arithmetische Mittel der 5-Jahres-Mid-Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei 5-Jahres-Mid-Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine 5-Jahres-Mid-Swapsatz-Quotierung zur Verfügung gestellt wird, ist der Referenzbankensatz gleich der zur Verfügung gestellten Quotierung. Dabei bezeichnet **"5-Jahres-Mid-Swapsatz-Quotierung"** das arithmetische Mittel der nachgefragten (*bid*) und angebotenen (*offered*) Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am betreffenden Reset-Termin beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

Reference Banks") to the Calculation Agent at the request of the Issuer at approximately 11.00 a.m. (Frankfurt time) on the Interest Determination Date. If at least three 5-year Mid Swap Rate Quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two 5-year Mid Swap Rate Quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one 5-year Mid Swap Rate Quotation is provided, the Reference Bank Rate will be the quotation provided. For this purpose, **"5-year Mid Swap Rate Quotation"** means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

(d) **Benchmark-Ereignis.** Wenn ein Benchmark-Ereignis in Bezug auf den Ursprünglichen Benchmarksatz (oder eine Teilkomponente davon) eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und den Reset des Zinssatzes gemäß diesem Punkt 4.2(d) Folgendes:

(d) **Benchmark Event.** If a Benchmark Event has occurred in relation to the Original Benchmark Rate (or any component part thereof), the relevant Reference Rate and the reset of the Interest Rate in accordance with this clause 4.2(d) will be determined as follows:

(i) Die Emittentin wird sich bemühen, sobald dies (nach billigem Ermessen der Emittentin) praktikabel ist, einen Unabhängigen Berater zu benennen, der einen Neuen Benchmarksatz, die Anpassungsmarge und etwaige Benchmark-Änderungen (gemäß Punkt 4.2(d)(v)) festlegt

(i) The Issuer shall endeavour to appoint an Independent Adviser as soon as it is (in the Issuer's reasonable discretion) practicable, who will determine a New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments (in accordance with clause 4.2(d)(v)).

(ii) Wenn vor dem betreffenden Zinsfestsetzungstag

(a) es der Emittentin nicht gelingt, einen Unabhängigen Berater zu ernennen; oder

(b) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz gemäß diesem Punkt 4.2(d)(ii) festlegt,

dann entspricht der "Referenzsatz" für den unmittelbar nachfolgenden Reset-Zeitraum dem an dem letzten zurückliegenden Zinsfestsetzungstag festgestellten Ursprünglichen Benchmarksatz.

Falls dieser Punkt 4.2(d)(ii) bereits im Hinblick auf den Ersten Rückzahlungstermin angewendet werden muss, entspricht der "Referenzsatz" für den ersten Reset-Zeitraum dem Ursprünglichen Benchmarksatz auf der Reset-Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

Falls der gemäß diesem Punkt 4.2(d)(ii) bestimmte Ausweichsatz zur Anwendung kommt, wird Punkt 4.2(d) erneut angewendet, um den Referenzsatz für den nächsten nachfolgenden Reset-Zeitraum zu bestimmen.

(iii) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz*. Falls der Unabhängige Berater nach billigem Ermessen feststellt,

(a) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz anstelle des Ursprünglichen Benchmarksatzes maßgeblich; oder

(b) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz an Stelle des Ursprünglichen Benchmarksatzes maßgeblich

(ii) If prior to the relevant Interest Determination Date,

(a) the Issuer fails to appoint an Independent Adviser; or

(b) the Independent Adviser appointed by it fails to determine a New Benchmark Rate in accordance with this clause 4.2(d)(ii),

then the "Reference Rate" applicable to the immediately following Reset Period shall be the Original Benchmark Rate determined on the last preceding Interest Determination Date.

If this clause 4.2(d)(ii) is to be applied in respect of the First Reset Date, the "Reference Rate" applicable to the first Reset Period shall be the Original Benchmark Rate on the Reset Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

If the fallback rate determined in accordance with this clause 4.2(d)(ii) is to be applied, clause 4.2(d) will be operated again to determine the Reference Rate applicable to the next subsequent Reset Period.

(iii) *Successor Benchmark Rate or Alternative Benchmark Rate*. If the Independent Adviser determines in its reasonable discretion that:

(a) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate; or

(b) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be used und dann entspricht der "Referenzsatz" für den unmittelbar nachfolgenden Reset-Zeitraum und alle folgenden Reset-Zeiträume dem betreffenden Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich der Anpassungsmarge gemäß Punkt 4.2(d)(iv).

and then the "Reference Rate" for the immediately following Reset Period and all following Reset Periods will be the relevant New Benchmark Rate on the relevant Interest Determination Date plus the Adjustment Spread as provided in clause 4.2(d)(iv).

(iv) *Anpassungsmarge*. Die Anpassungsmarge (oder die Formel oder die Methode zur Bestimmung der Anpassungsmarge) wird auf den Neuen Benchmarksatz angewendet, um den betreffenden Referenzsatz zu bestimmen.

(iv) *Adjustment Spread*. The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the New Benchmark Rate to determine the relevant Reference Rate.

(v) *Benchmark-Änderungen*. Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsmarge gemäß diesem Punkt 4.2(d) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass Änderungen hinsichtlich dieser Anleihebedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsmarge zu gewährleisten (diese Änderungen, die **"Benchmark-Änderungen"**), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen und die Emittentin wird diese durch eine Mitteilung gemäß Punkt 4.2(d)(vi) bekanntmachen.

(v) *Benchmark Amendments*. If any New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this clause 4.2(d), and if the Independent Adviser determines that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the **"Benchmark Amendments"**), then the Independent Adviser will determine the Benchmark Amendments and the Issuer will give notice thereof in accordance with clause 4.2(d)(vi).

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

The Benchmark Amendments may comprise in particular the following conditions of these Terms and Conditions:

(A) den Referenzsatz einschließlich der "Bildschirmseite" und/oder die Methode zur Bestimmung des Ausweichsatzes (sog. *fallback*) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder

(A) the Reference Rate including the "Screen Page" and/or the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or

(B) die Definitionen der Begriffe "Geschäftstag", "Zinszahlungstag", "Reset-Termin", "Zinsfestsetzungstag", "Zinstagequotient" und/oder "Zinsperiode" (einschließlich der Festlegung ob der Referenzsatz vorausschauend vor oder zu Beginn der betreffenden Zinsperiode oder zurückblickend vor oder zum Ablauf der

(B) the definitions of the terms "Business Day", "Interest Payment Date", "Reset Date", "Interest Determination Date", "Day Count Fraction" and/or "Interest Period" (including the determination whether the Reference Rate will be determined in advance on or prior to the relevant Interest Period or betreffenden Zinsperiode bestimmt wird); und/oder

(C) die Geschäftstagekonvention gemäß Punkt 6.2.

(vi) *Mitteilungen, etc.* Die Emittentin hat einen Neuen Benchmarksatz, die Anpassungsmarge und etwaige Benchmark-Änderungen gemäß diesem Punkt 4.2(d) der Zahlstelle und der Berechnungsstelle sowie gemäß Punkt 12. den Anleihegläubigern ohne schuldhafte Verzögerung nach deren Festsetzung mitzuteilen. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

Der Neue Benchmarksatz, die Anpassungsmarge und etwaige Benchmark-Änderungen, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, die Berechnungsstelle, die Zahlstelle, eventuelle weitere Zahlstellen und die Anleihegläubiger bindend. Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsmarge und die etwaigen Benchmark-Änderungen geändert.

Am Tag dieser Mitteilung hat die Emittentin der Zahlstelle und der Berechnungsstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu übergeben, die

(a)

(A) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;

(B) den nach Maßgabe der Bestimmungen dieses Punktes 4.2(d) festgestellten Neuen Benchmarksatz benennt;

(C) die entsprechende Anpassungsmarge und etwaige Benchmark-Änderungen benennt, die jeweils nach Maßgabe der

in arrear on or prior to the end of the relevant Interest Period); and/or

(C) the business day convention in clause 6.2.

(vi) *Notices, etc.* The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this clause 4.2(d) to the Paying Agent and the Calculation Agent and, in accordance with clause 12., the Holders without undue delay following the determination thereof. Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Issuer, the Calculation Agent, the Paying Agent, any additional paying agents and the Holders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments, if any, with effect from the Effective Date.

On the date of such notice, the Issuer shall deliver to the Paying Agent and the Calculation Agent a certificate signed by two authorized signatories of the Issuer

(a)

(A) confirming that a Benchmark Event has occurred;

(B) specifying the relevant New Benchmark Rate determined in accordance with the provisions of this clause 4.2(d);

(C) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any), each as determined in accordance with the provisions of this clause 4.2(d); and

Bestimmungen dieses Punktes 4.2(d) festgestellt wurden; und

(D) den Stichtag benennt; und

(b) bestätigt, dass die etwaigen Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsmarge zu gewährleisten.

(vii) *Definitionen.* Zur Verwendung in diesem Punkt 4.2(d):

Die **"Anpassungsmarge"**, die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (a) die Spanne oder (b) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne,

(A) die im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem Nominierungsgremium empfohlen wird; oder

(B) die (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) an den internationalen Anleihekapitalmärkten (oder, falls diese nicht verfügbar sind, an den internationalen Swapmärkten) auf den Neuen Benchmarksatz (oder eine Teilkomponente davon) angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen,

unter der Voraussetzung, dass sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden, und, soweit dies unter den gegebenen Umständen vernünftigerweise durchführbar ist, alle

(D) specifying the Effective Date; and

(b) confirming that the Benchmark Amendments, if any, are necessary to ensure the proper operation of such relevant New Benchmark Rate and the applicable Adjustment Spread.

(vii) *Definitions.* As used in this clause 4.2(d):

The **"Adjustment Spread"**, which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread or (b) the result of the operation of the formula or methodology for calculating the spread,

(A) which in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(B) which (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is applied to the New Benchmark Rate (or any component part thereof) in the international debt capital markets (or, failing that, the international swap markets) to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate,

provided that all determinations will be made by the Independent Adviser in its reasonable discretion and will reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice wirtschaftlichen Nachteile oder Vorteile (je nach Fall) für die Anleihegläubiger infolge der Ersetzung verringern oder beseitigen.

or benefit (as the case may be) to Holders as a result of the replacement.

"Alternativ-Benchmarksatz" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapitalmärkten (oder, falls diese nicht verfügbar sind, an den internationalen Swapmärkten) zur Bestimmung von Zinssätzen bzw. Mid-Swap-Sätzen in Euro angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater vorgenommen werden.

"Alternative Benchmark Rate" means an alternative benchmark or an alternative screen rate which is customarily applied in the international debt capital markets (or, failing that, the international swap markets) for the purpose of determining rates of interest or mid swap rates, respectively in EUR, provided that all determinations will be made by the Independent Adviser.

Ein **"Benchmark-Ereignis"** tritt ein, wenn:

(A) der Ursprüngliche Benchmarksatz (oder eine Teilkomponente davon) nicht mehr regelmäßig veröffentlicht oder nicht mehr erstellt wird; oder

(B) eine öffentliche Bekanntmachung des Administrators des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) dahingehend vorliegt, dass dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) vornehmen wird); oder

(C) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) vorliegt, dass der Ursprüngliche Benchmarksatz (oder einer Teilkomponente davon) dauerhaft oder auf unbestimmte Zeit nicht mehr

A **"Benchmark Event"** occurs if:

(A) the Original Benchmark Rate (or any component part thereof) ceasing to be published on a regular basis or ceasing to exist; or

(B) a public statement by the administrator of the Original Benchmark Rate (or any component part thereof) is made that it has ceased or that it will cease publishing the Original Benchmark Rate (or any component part thereof) permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate (or any component part thereof)); or

(C) a public statement by the supervisor of the administrator of the Original Benchmark Rate (or any component part thereof) is made, that the Original Benchmark Rate (or any component part thereof) has been or will be permanently or indefinitely discontinued; or fortgeführt wird oder fortgeführt werden wird; oder

(D) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) vorliegt, wonach der Ursprüngliche Benchmarksatz (oder eine Teilkomponente davon) allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet wird oder verwendet werden darf,

(D) a public statement by the supervisor of the administrator of the Original Benchmark Rate (or any component part thereof) is made as a consequence of which the Original Benchmark Rate (or any component part thereof) has been or will be prohibited from being used either generally, or in respect of the Notes; or

(E) eine öffentliche Bekanntmachung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon), in deren Folge der Ursprüngliche Benchmarksatz (oder eine Teilkomponente davon) nicht länger als repräsentativ für einen industrieweit akzeptierten Benchmarksatz abgegeben wird; oder

(E) a public statement by the supervisor of the administrator of the Original Benchmark Rate (or any component part thereof) is made as a consequence of which the Original Benchmark Rate (or any component part thereof) has ceased or will cease to be representative as an industry accepted benchmark rate; or

(F) die Verwendung des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) zur Berechnung oder Bestimmung des Referenzsatzes für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist; oder

(F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate or determine any Reference Rate using the Original Benchmark Rate (or any component part thereof).

"Nachfolge-Benchmarksatz" bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Nominierungsgremium empfohlen wurde.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

"Neuer Benchmarksatz" bezeichnet den jeweils gemäß diesem Punkt 4.2(d) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this clause 4.2(d)

"Nominierungsgremium" bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon):

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate (or any component part thereof):

(A) die Zentralbank für die Währung in der die Benchmark oder der

(A) the central bank for the currency to which the benchmark or screen rate

Bildschirmsatz dargestellt wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder

(B) jede Arbeitsgruppe oder jeden Ausschuss gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (*Financial Stability Board*) oder Teilen davon.

"Unabhängiger Berater" bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten.

(viii) Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsmarge und der etwaigen Benchmark-Änderungen gemäß diesem Punkt 4.2(d) (der **"Stichtag"**) ist der Zinsfestsetzungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:

(A) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund des Absatzes (A) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(B) den Tag, ab dem die Veröffentlichung des Ursprünglichen Benchmarksatzes (oder einer Teilkomponente davon) eingestellt wird, oder ab dem der Ursprüngliche Benchmarksatz (oder eine Teilkomponente davon) eingestellt wird, seine Verwendung untersagt wird,

(as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer.

(viii) The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this clause 4.2(d) (the **"Effective Date"**) will be the Interest Determination Date falling on or after the earliest of the following dates:

(A) if the Benchmark Event has occurred as a result of clause (A) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event; or

(B) if the Benchmark Event has occurred as a result of clause (B), (C), (D) or (E) of the definition of the term "Benchmark Event", the date from which the Original Benchmark Rate (or any component part thereof) ceases to be published, is discontinued, will be prohibited from being oder nicht länger als repräsentativ angesehen wird, wenn das Benchmark-Ereignis aufgrund der Absätze (B), (C), (D) oder (E) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

used or ceases to be representative, as the case may be; or

(C) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund des Absatzes (F) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(C) if the Benchmark Event has occurred as a result of clause (F) of the definition of the term "Benchmark Event", the date from which the prohibition applies.

(e) Der Zinssatz erhöht sich ab dem Kalendertag, der 61 Tage nach dem Eintritt eines Kontrollwechsels (wie in Punkt 5.5 (b) definiert) liegt (einschließlich) um 5,00 Prozentpunkte (d.h. 500 Basispunkte) per annum.

The Interest Rate will be increased by 5.00 percentage points (500 basis points) per annum from the day (inclusive) falling 61 days after the day on which a Change of Control (as defined in clause 5.5 (b)) has occurred.

(f) Die Berechnungsstelle wird veranlassen, dass der Reset-Zinssatz und der Zinsbetrag für die jeweilige Zinsperiode der Emittentin und der Wiener Börse sowie den Anleihegläubigern durch Bekanntmachung gemäß Punkt 12. baldmöglichst, aber keinesfalls später als zu Beginn der maßgeblichen nächstfolgenden Zinsperiode, auf die sich diese Bekanntmachung bezieht, bekannt gemacht wird. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode kann der mitgeteilte Zinsbetrag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend der Wiener Börse sowie den Anleihegläubigern gemäß Punkt 12. bekannt gemacht.

The Calculation Agent will arrange for the Reset Interest Rate and each Interest Amount for each Interest Period to be notified to the Issuer and the Vienna Stock Exchange as well as to the Holders by notice in accordance with clause 12 as soon as possible, but in no event later than at the beginning of the immediately following Interest Period to which this notice relates. In the event of an extension or shortening of the Interest Period the notified Interest Amount may subsequently be amended (or appropriate alternative arrangements may be made by way of adjustment) without notice. Any such amendment will be promptly notified to the Vienna Stock Exchange as well as to the Holders in accordance with clause 12.

(g) Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses Punktes 4.2 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Zahlstelle und die Anleihegläubiger bindend.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this clause 4.2 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Holders.

4.3 ***Zahlung und Aufschub von Zinsen.***

Payment and deferral of interest

(a) ***Optionale Zahlung von Zinsen.*** Vorbehaltlich der Punkte 4.3 (b) und 4.4 (b) hat die Emittentin keine Verpflichtung zur Zahlung von Zinsen, die während einer Zinsperiode auflaufen, die an einem Optionalen Zinszahlungstag (wie nachstehend definiert) endet; eine Nichtzahlung begründet keinen Verzug der Emittentin und keine sonstige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Soweit sich die Emittentin entscheidet die Zinsen nicht zu zahlen, die während einer Zinsperiode auflaufen, die an einem Optionalen Zinszahlungstag endet, hat die Emittentin dies den Anleihegläubigern gemäß Punkt 12. unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Optionalen Zinszahlungstag bekannt zu machen.

Optional payment of interest. Subject to clauses 4.3 (b) and 4.4 (b), the Issuer shall have no obligation to pay interest which accrues during an Interest Period ending on an Optional Interest Payment Date (as defined below) if it does not elect to do so; any such failure to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose. If the Issuer decides not to pay interest which accrues during an Interest Period ending on an Optional Interest Payment Date the Issuer shall notify the Holders by giving not less than 10 and not more than 15 Business Days' notice in accordance with clause 12 prior to the Optional Interest Payment Date.

Eine solche Bekanntmachung ist unwiderruflich. Die nicht gezahlten Zinsen stellen Zinsrückstände (jeweils ein **"Zinsrückstand"**) dar. Zinsrückstände werden nicht verzinst.

Such notice will be irrevocable. Any such unpaid interest shall constitute arrears of interest (each an **"Arrear of Interest"**). Arrears of Interest shall not bear interest.

(b) ***Obligatorische Zahlung von Zinsen.*** Die Emittentin ist verpflichtet, Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (wie nachstehend definiert) (ausschließlich) endet, an dem betreffenden Obligatorischen Zinszahlungstag zu zahlen.

Compulsory payment of interest. The Issuer shall pay interest which accrues during an Interest Period ending on a Compulsory Interest Payment Date (as defined below) (exclusive) on that Compulsory Interest Payment Date.

4.4 ***Zahlung von Zinsrückständen.***

Payment of Arrears of Interest.

(a) ***Optionale Zahlung von Zinsrückständen.*** Die Emittentin kann ausstehende Zinsrückstände jederzeit ganz oder teilweise nachzahlen. Soweit sich die Emittentin entscheidet, Zinsrückstände demgemäß nachzuzahlen, hat sie dies den Anleihegläubigern durch Bekanntmachung gemäß Punkt 12. bei Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem in der Bekanntmachung festgelegten Zahlungstag mitzuteilen. Die Bekanntmachung muss den Betrag der zahlbaren Zinsrückstände je Schuldverschreibung nennen. Eine solche Bekanntmachung ist unwiderruflich und verpflichtet die Emittentin, die betreffenden Zinsrückstände an dem in dieser Bekanntmachung festgelegten Zahlungstag zu zahlen.

Optional payment of Arrears of Interest. The Issuer may pay outstanding Arrears of Interest (in whole or in part) at any time. If the Issuer decides to so pay any outstanding Arrears of Interest, it shall give not less than 10 and not more than 15 Business Days' notice prior to the payment date to be specified in such notice to the Holders in accordance with clause 12. The Notice shall state the amount of Arrears of Interest to be paid per Note. Such notice will be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in that notice.

(b) ***Obligatorische Zahlung von Zinsrückständen***. Die Emittentin ist verpflichtet ausstehende Zinsrückstände (ganz, jedoch nicht nur teilweise) zu zahlen (maßgebend ist das früheste Ereignis):

Compulsory payment of Arrears of Interest. The Issuer must pay outstanding Arrears of Interest (in whole but not in part) on the earlier of:

(i) am nächsten Zinszahlungstag, an dem sich die Emittentin entschließt, gemäß Punkt 4.3 (a) Zinsen (ganz oder teilweise) zu zahlen;

(i) the next Interest Payment Date on which the Issuer elects to pay interest (in whole or in part) pursuant to clause 4.3 (a);

(ii) am nächsten Obligatorischen Zinszahlungstag;

(ii) the next Compulsory Interest Payment Date;

(iii) an dem Tag, an dem die Schuldverschreibungen gemäß Punkt 5. zur Rückzahlung fällig werden; und

(iii) the date on which the Notes fall due for redemption pursuant to clause 5; and

(iv) an dem Tag, an dem die Emittentin in die Liquidation geht und abgewickelt oder aufgelöst wird (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem oder der die Emittentin noch zahlungsfähig ist und bei dem oder der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

(iv) the date on which the Issuer enters into liquidation and is settled or dissolved (unless this is done for the purpose or as a result of a merger, restructuring or reorganization in respect of which the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer).

4.5 ***Definitionen.***

Definitions.

"Geschäftstag" ist ein Tag, der ein Bankarbeitstag in Wien ist und an dem das Trans-European Automated Real-Time Gross Settlement Express Transfer (**"TARGET2"**) System und die Clearingsysteme Zahlungen in Euro abwickeln.

"Business Day" means a day which is a banking day in Vienna and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**"TARGET2"**) System and the Clearing Systems settle payments in euro.

"Obligatorischer Zinszahlungstag" bedeutet jeder Zinszahlungstag, an dem eine Dividende, Verzinsung, andere Ausschüttung oder Zahlung (einschließlich zum Zweck der Rückzahlung oder des Rückkaufs) in Bezug auf Nachrangige Wertpapiere oder Gleichrangige Wertpapiere (wie nachstehend definiert), bei denen die Zahlung von Dividenden, Verzinsungen, anderen Ausschüttungen oder Zahlungen (einschließlich zum Zweck der Rückzahlung oder des Rückkaufs) im alleinigen Ermessen der Emittentin steht, innerhalb von 12 Monaten unmittelbar vor einem solchen Zinszahlungstag gültig beschlossen oder bezahlt wurde, ausgenommen solche Zahlungen von Dividenden, Verzinsungen,

"Compulsory Interest Payment Date" means any Interest Payment Date on which any dividend, interest, other distributions or payment (including for the purpose of repayment or repurchase) in respect of any Junior Obligations or Parity Obligations (as defined below) where the payment of dividends, interest, other distributions or payments is at the discretion of the Issuer since the last 12 months immediately preceding such Interest Payment Date, has been validly resolved or paid, except for such payments of dividends, interest, other distributions or payments (including for the purpose of repayment or repurchase) made by a Group anderen Ausschüttungen oder Zahlungen (einschließlich zum Zweck der Rückzahlung oder des Rückkaufs), die von einer Konzerngesellschaft der Emittentin an die Emittentin und/oder an eine andere Konzerngesellschaft der Emittentin erfolgen.

Entity of the Issuer to the Issuer and/or to any other Group Entity of the Issuer.

"Nachrangige Wertpapiere" bezeichnet jeden Anspruch aus (i) den Stammaktien der Emittentin, (ii) jeder gegenwärtigen oder zukünftigen Aktie einer anderen Gattung von Aktien der Emittentin, (iii) jedes gegenwärtige oder zukünftige Wertpapier, Namenswertpapier oder andere Instrument (x) der Emittentin, welches im Verhältnis zu den Schuldverschreibungen nachrangig (oder als im Rang nachstehend bezeichnet wird) ist oder (y) einer Konzerngesellschaft unter einer Garantie oder sonstigen Haftungsübernahme der Emittentin, sofern die Wertpapieremission oder die Garantie oder sonstige Haftungsübernahme im Verhältnis zu den Schuldverschreibungen nachrangig (oder als im Rang nachrangig bezeichnet wird) ist, sowie (iv) die ABAP obligatorische Genussrechte 2007 (ISIN AT0000A086F0).

"Junior Obligations" means any claim arising out of (i) the ordinary shares of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any present or future security, registered security or other instrument (x) of the Issuer that rank (or are expressed to rank) junior to the Notes or (y) of any of its Group Entities under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) junior to the Notes, as well as (iv) the ABAP obligatorische Genussrechte 2007 (ISIN AT0000A086F0).

"Optionaler Zinszahlungstag" ist jeder Zinszahlungstag, der kein Obligatorischer Zinszahlungstag ist.

"Optional Interest Payment Date" means any Interest Payment Date which is not a Compulsory Interest Payment Date.

"Gleichrangige Wertpapiere" bezeichnet gegenwärtige oder zukünftige Wertpapiere oder jedes andere Instrument (i) der Emittentin, die im Rang gleichrangig mit den Schuldverschreibungen stehen (oder als im Rang gleichrangig bezeichnet werden), inklusive aber nicht begrenzt auf die Hybridanleihe 2017 (ISIN XS1555774014) oder die Hybridanleihe 2020 (ISIN XS2113662063) oder (ii) einer Konzerngesellschaft unter einer Garantie oder sonstigen Haftungsübernahme der Emittentin, sofern die Wertpapieremission oder die Garantie oder sonstige Haftungsübernahme im gleichen Rang mit den Schuldverschreibungen (oder als im gleichen Rang stehend bezeichnet wird) steht.

"Parity Obligations" means present or future securities or any other instrument (i) of the Issuer that rank (or are expressed to rank) *pari passu* with the Notes, including but not limited to the hybrid bond issued in 2017 (ISIN XS1555774014) or the hybrid bond issued in 2020 (ISIN XS2113662063) or (ii) of any of its Group Entities under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) *pari passu* with the Notes.

4.6 ***Ende der Verzinsung und Verzugszinsen***. Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden, oder, sollte die Emittentin die bei Fälligkeit aus diesen Schuldverschreibungen zu leistende Rückzahlung bei Fälligkeit nicht leisten, mit Beginn des Tages der tatsächlichen Zahlung. Der im Falle eines solchen

Cessation of interest and default interest. Interest on the Notes shall cease to accrue from the beginning of the day they are due for redemption, or, in case the Issuer fails to make the relevant redemption payment under the Notes when due, from the beginning of the day on which such payment is made. In case of such failure to pay (*Verzug*), the

Verzuges anzuwendende Zinssatz entspricht dem gesetzlichen Verzugszinssatz.

respective interest rate shall be equal to the statutory applicable default interest rate.

5. Keine Fälligkeit, Rückzahlung und Rückkauf

No Maturity, Redemption and Repurchase

5.1 ***Keine Endfälligkeit***. Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer nach Maßgabe der Bedingungen in den Punkten 5.2 bis 5.7 (sofern die Emittentin nicht in die Liquidation geht und nicht abgewickelt oder aufgelöst wird, wie in Punkt 2.1 beschrieben), nicht zurückgezahlt.

No final maturity. The Notes have no final maturity date and shall not be redeemed except in accordance with the provisions set out in clauses 5.2 to 5.7 (provided the Issuer does not enter into liquidation and is not settled or dissolved, as described in Clause 2.1).

5.2 ***Rückzahlung nach Wahl der Emittentin***. Die Emittentin ist berechtigt, durch unwiderrufliche Bekanntmachung an die Anleihegläubiger gemäß Punkt 12. unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 60 Tagen die Schuldverschreibungen zu ihrem Nennbetrag (vollständig, jedoch nicht nur teilweise) mit Wirkung zu einem Zeitraum, der 90 Tage vor dem Ersten Rückzahlungstermin beginnt und am Ersten Rückzahlungstermin (einschließlich) endet, und zu jedem nachfolgenden Zinszahlungstag zu kündigen.

Redemption at the option of the Issuer. The Issuer shall be entitled, upon giving not less than 10 and not more than 60 days' irrevocable notice to the Holders in accordance with clause 12, to call and redeem the Notes at their principal amount (in whole but not in part) with effect as of a period commencing 90 days prior to the First Reset Date and ending on the First Reset Date (inclusive) and any subsequent Interest Payment Date.

Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen zu ihrem Nennbetrag an dem in der Kündigungserklärung festgelegten Rückzahlungstag zuzüglich der bis zu diesem Tag (ausschließlich) aufgelaufenen Zinsen (der **"Rückzahlungsbetrag"**) zurückzuzahlen.

In case such call notice is given, the Issuer shall redeem the Notes at their principal amount on the date fixed for redemption in the call notice plus any interest accrued to such date (exclusive) (the **"Redemption Amount"**).

Der Emittentin steht ein Kündigungsrecht gemäß diesem Punkt 5.2 nicht zu, soweit Zinsrückstände ausstehen.

The Issuer shall not be entitled to call and redeem the Notes in accordance with this clause 5.2 if any Arrears of Interest are outstanding.

5.3 ***Kündigungsrecht der Emittentin und vorzeitige Rückzahlung aus einem Gross-Up Ereignis, Steuer- oder Rechnungslegungsgründen***.

Issuer Call Right and Early Redemption due to a Gross up Event, a Tax Event or an Accounting Event.

(a) Bei Eintritt eines Gross-up Ereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses (wie jeweils nachstehend definiert) vor dem Ersten Rückzahlungstermin, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) zum Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zu kündigen und zurückzuzahlen. Der Emittentin steht ein

If prior to the First Reset Date, either a Gross-Up Event, a Tax Event or an Accounting Event (as defined below) occurs, the Issuer may call and redeem the Notes (in whole but not in part) at their Early Redemption Amount (as defined below). The Issuer shall not be entitled to call and redeem the Notes in accordance with this clause 5.3 if any Arrears of Interest are outstanding.

Kündigungsrecht gemäß diesem Punkt 5.3 nicht zu, soweit Zinsrückstände ausstehen.

(b) Ein **"Gross-Up Ereignis"** liegt vor, wenn (i) die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß Punkt 7. als Folge einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassener Bestimmungen oder Vorschriften) der Republik Österreich oder einer ihrer Gebietskörperschaften oder Behörden der oder in der Republik Österreich oder einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung solcher Gesetze, Verordnungen oder Vorschriften zu zahlen, soweit die betreffende Änderung oder Ergänzung oder Durchführung am oder nach dem Emissionstag wirksam wird und (ii) die Emittentin diese Verpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

A **"Gross up Event"** shall occur if (i) the Issuer has or will become obliged to pay Additional Amounts pursuant to clause 7 as a result of any change in, or amendment to, the laws (or any rules or regulations issued thereunder) of the Republic of Austria or any political subdivision or any authority of or in the Republic of Austria or any change in, or amendment to, any official interpretation or application of those laws or rules or regulations which amendment or change or execution becomes effective on or after the Issue Date, and (ii) that obligation cannot be avoided by the Issuer, taking reasonable measures available to it.

Im Fall eines Gross-Up Ereignisses kann die Emittentin die Schuldverschreibungen wie folgt kündigen:

In case of a Gross up Event, the Issuer may call the Notes by:

(i) Bekanntmachung einer Kündigungsmitteilung gemäß Punkt 12., nicht früher als 90 Tage vor dem ersten Tag, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen zusätzlichen Beträge gemäß Punkt 7. auf die Schuldverschreibungen zu zahlen; und

(i) giving a notice of redemption to the Holders in accordance with clause 12 not earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts pursuant to clause 7 on the Notes; and

(ii) vor Abgabe einer solchen Kündigungsmitteilung Übermittlung an die Zahlstelle:

(ii) delivering, prior to giving any such notice of redemption, to the Paying Agent:

(x) eines Gutachtens eines unabhängigen und angesehenen Rechtsanwaltes, der zumindest seit 5 Jahren in die Liste der Österreichischen Rechtsanwaltskammer eingetragen ist und als solcher praktiziert, aus dem hervorgeht, dass die Emittentin verpflichtet ist oder verpflichtet sein wird, die betreffenden zusätzlichen Beträge als Folge einer entsprechenden Änderung im Gesetz zu zahlen, und

(x) an opinion of an independent legal advisor of recognised standing, who has been registered in the list of the Austrian Chamber of Attorneys at Law for a minimum of 5 years and practicing as such, to the effect that the Issuer has or will become obliged to pay the relevant Additional Amounts as a result of the relevant change in law; and

(y) einer von ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterzeichneten Bescheinigung, die bestätigt, dass die Emittentin berechtigt ist, die maßgebliche Rückzahlung vorzunehmen, und aus der die

(y) a certificate signed by duly authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemptions and setting out a statement of facts showing that the conditions

Tatsachen hervorgehen, auf deren Grundlage die Voraussetzungen für das Rückzahlungsrecht der Emittentin eingetreten sind.

precedent to the exercise of the right of the Issuer to redeem have been satisfied.

(c) Im Falle eines Steuerereignisses oder Rechnungslegungsereignisses ist die Emittentin berechtigt, jederzeit durch Bekanntmachung an die Anleihegläubiger gemäß Punkt 12. unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (vollständig, jedoch nicht nur teilweise) zu kündigen. Falls solch eine Kündigung bekannt gemacht wird, ist die Emittentin berechtigt, die Schuldverschreibungen zum vereinbarten Datum in der Kündigungsbekanntmachung für die Rückzahlung zum Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

In case of a Tax Event or an Accounting Event, the Issuer may, upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with clause 12, call the Notes (in whole but not in part) at any time. In case such call notice is given, the Issuer shall redeem the Notes on the date fixed for redemption in the call notice at their Early Redemption Amount (as defined below).

(d) Ein **"Steuerereignis"** liegt vor, wenn

A **"Tax Event"** shall occur if

(i) ein Gutachten eines angesehenen unabhängigen Steuerberaters der Zahlstelle übergeben wird, aus dem hervorgeht, dass am oder nach dem Emissionstag, als Folge von:

(i) an opinion by an independent tax counsel of recognized standing is delivered to the Paying Agent, stating that on or after the Issue Date, as a result of:

(x) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassener Bestimmungen oder Vorschriften) der Republik Österreich oder einer ihrer Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Emissionstag erlassen, verkündet oder wirksam wird; oder

(x) any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Republic of Austria or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or effective on or after the Issue Date; or

(y) einer Änderung oder Ergänzung der offiziellen Auslegung solcher Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Emissionstag erlassen, verkündet oder wirksam wird, oder

(y) any change in, or amendment to, an official interpretation of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or effective on or after the Issue Date; or

(z) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach dem Emissionstag erlassen oder verkündet wird, und nach der die Rechtslage im Hinblick auf diese

(z) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position

Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht,

which is issued or announced on or after the Issue Date,

Vergütungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, von der Emittentin für die Zwecke der österreichischen Ertragssteuern (insbesondere für Zwecke der Körperschaftssteuer) nicht mehr in mindestens demselben Umfang wie bei der Begebung der Schuldverschreibungen abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr abzugsfähig sein werden; und

remuneration payable by the Issuer on the Notes is no longer, or within 90 days of the date of that opinion will no longer be, deductible by the Issuer for Austrian taxes on earnings (including corporate income tax) to at least the same degree as upon issue of the Notes; and

(ii) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

ii) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

(e) Ein **"Rechnungslegungsereignis"** liegt vor, wenn der Zahlstelle ein Gutachten einer international anerkannten zur Wirtschaftsprüfung in der Republik Österreich befugten Wirtschaftsprüfungsgesellschaft übergeben worden ist, aus dem hervorgeht, dass die Emittentin die durch die Ausgabe der Schuldverschreibungen aufgenommenen Mittel nicht oder nicht mehr als "Eigenkapital" im Sinne der International Financial Reporting Standards, wie sie in der EU oder in der Republik Österreich anzuwenden sind (**"IFRS"**), oder derjenigen Rechnungslegungsvorschriften die IFRS nachfolgen und welche die Emittentin zur Erstellung ihres Konzernjahresabschlusses für das jeweilige Geschäftsjahr anwendet, in einem Konzernjahresabschluss der Emittentin auszuweisen berechtigt ist.

An **"Accounting Event"** shall occur if an opinion of an internationally recognized accounting firm authorised to provide auditing services in the Republic of Austria has been delivered to the Paying Agent stating that the funds raised through the issuance of the Notes must not or must no longer be recorded as "equity" pursuant to the International Financial Reporting Standards, as applicable in the EU or in the Republic of Austria (**"IFRS"**), or such other accounting standards which succeed IFRS and are applied by the Issuer for drawing up its consolidated financial statements for the relevant financial year.

5.4 ***Definitionen*.**

***Definitions*.**

Der **"Vorzeitige Rückzahlungsbetrag"** je Schuldverschreibung (i) entspricht im Falle eines Gross-Up Ereignisses, dem Nennbetrag der Schuldverschreibungen zuzüglich den aufgelaufenen Zinsen bis zum Datum der Rückzahlung oder (ii) wird im Falle eines Steuerereignisses oder Rechnungslegungsereignisses berechnet als das Höhere von (x) dem Nennbetrag der Schuldverschreibungen und (y) dem Abgezinsten Marktpreis der Schuldverschreibungen, in jedem Fall zuzüglich der aufgelaufenen Zinsen zum, aber nicht inklusive dem Rückzahlungsdatum.

The **"Early Redemption Amount"** will per Note (i) upon the occurrence of a Gross up Event, equal the principal amount of the Notes, plus accrued interest until the date of redemption or (ii) upon the occurrence of a Tax Event or an Accounting Event, be calculated as the greater of (x) the principal amount of the Notes and (y) the Make-Whole Redemption Price (as defined below) of the Notes, in each case plus accrued interest to but not including the redemption date.

Der **"Abgezinste Marktpreis"** wird von einem Finanzberater (wie nachstehend definiert) errechnet und entspricht der Summe der auf den in der Kündigungserklärung festgelegten Rückzahlungstag Abgezinsten Werte (wie nachstehend definiert) (i) des Nennbetrages der Schuldverschreibungen und (ii) der verbleibenden vorgesehenen Zinszahlungen je Schuldverschreibung bis zum Ersten Rückzahlungstermin (ausschließlich).

The **"Make-Whole Redemption Price"** will be calculated by a Financial Adviser (as defined below) and will equal the sum of the Present Values (as defined below), as at the date of redemption as published in the call notice, of (i) the principal amount of the Notes and (ii) of any remaining scheduled payments of interest on such Note to the First Reset Date (exclusive).

Ein Finanzberater (wie nachstehend definiert) ermittelt die **"Abgezinsten Werte"**, indem er am 4. Geschäftstag vor dem Rückzahlungstag den Nennbetrag der Schuldverschreibungen und die verbleibenden vorgesehenen Zinszahlungen bis zum Ersten Rückzahlungstermin auf jährlicher Basis unter Zugrundelegung eines Jahres mit 365 oder 366 Tagen und der Zahl der tatsächlich in dem Jahr verstrichenen Tage und der Angepassten Vergleichbaren Rendite (wie nachstehend definiert) zuzüglich 1,5% abzinst.

The **"Present Values"** will be calculated by a Financial Adviser (as defined below) on the fourth Business Day prior to the redemption date by discounting the principal amount of the Notes and the remaining interest payments to the First Reset Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year, and using the Adjusted Comparable Yield (as defined below) plus 1.5%.

Die **"Angepasste Vergleichbare Rendite"** ist die Rendite, die am Tag der Rückzahlung für eine Referenz Staatsanleihe mit Euro- Zinssatz zu zahlen wäre, die ein Finanzberater (wie nachstehend definiert) unter Berücksichtigung einer vergleichbaren Laufzeit mit der Restlaufzeit der Schuldverschreibungen bis zum Ersten Rückzahlungstermin bestimmt hat und welches zum Zeitpunkt der Bestimmung gemäß marktüblicher Praxis als Berechnungsgrundlage für die Preisbestimmung bei Neuemission von Unternehmensanleihen mit vergleichbarer Laufzeit bis zum Ersten Rückzahlungstermin dienen könnte. **"Finanzberater"** bedeutet einen unabhängigen Finanzberater, der von der Emittentin auf ihre Kosten bestellt wird.

The **"Adjusted Comparable Yield"** will be the yield at the date of redemption on the Euro government benchmark security selected by a Financial Adviser (as defined below) as having a maturity comparable to the remaining term of the Notes to the First Reset Date that could be utilised, at the time of selection and in accordance with market practice, in pricing new issues of corporate debt securities of comparable maturity to the First Reset Date. **"Financial Adviser"** means an independent financial adviser, appointed by the Issuer at the Issuer's expenses.

5.5 ***Vorzeitige Rückzahlung nach Kontrollwechsel.***

Early Redemption following a Change of Control.

(a) Bei Eintritt eines Kontrollwechsels (wie nachstehend definiert) kann die Emittentin die Schuldverschreibungen vollständig, aber nicht in Teilbeträgen zum Nennbetrag der Schuldverschreibungen zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Zinsen mit unwiderruflicher Kündigungsmitteilung an die Anleihegläubiger gemäß Punkt 12. unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen kündigen und mit Wirkung bis spätestens 60 Tage nach Eintritt eines

If a Change of Control (as defined below) has occurred, the Issuer may call and redeem the Notes (in whole but not in part) at their principal amount, plus any accrued interest until the redemption date (exclusive) on the giving of not less than 30 and not more than 60 days' irrevocable notice to Holders in accordance with clause 12 with the redemption becoming effective no later than 60 days following the occurrence of a Change of Control. The Issuer shall not be entitled to call and redeem the Notes in accordance with clause 5.5 (a) if any

Kontrollwechsels zurückzahlen. Der Emittentin steht ein Kündigungsrecht gemäß diesem Punkt 5.5 (a) nicht zu, soweit Zinsrückstände ausstehen. Die Emittentin hat den Anleihegläubigern den Eintritt eines Kontrollwechsels unverzüglich gemäß Punkt 12. anzuzeigen.

Arrears of Interest are outstanding. Immediately after the occurrence of a Change of Control the Issuer has to publish a notice to Holders in accordance with clause 12.

(b) **"Kontrollwechsel"** gemäß diesem Punkt 5.5 findet statt, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder Personen, welche im Namen einer solchen Person oder solcher Personen handeln, zu irgendeiner Zeit direkt oder indirekt eine kontrollierende Beteiligung im Sinne des Österreichischen Übernahmegesetzes erlangen, welche zu einem tatsächlichen Pflichtangebot führt. Eine kontrollierende Beteiligung, die – aus welchem Grund auch immer – zu keinem tatsächlichen Pflichtangebot führt, gilt nicht als Kontrollwechsel gemäß diesem Punkt 5.5.

"Change of Control" in this clause 5.5 shall be deemed to have occurred if any person or persons acting in concert or any third person or persons acting on behalf of such person(s) at any time obtain(s) directly or indirectly a controlling participation pursuant to the Austrian Takeover Act (*Übernahmegesetz*) which results in an actual mandatory takeover bid. A controlling participation which – for whatever reason – does not result in an actual mandatory takeover bid shall not be deemed a Change of Control pursuant to this clause 5.5.

5.6 ***Rückkauf*.**

***Repurchase*.**

(a) Die Emittentin oder eine der Konzerngesellschaften (wie nachstehend definiert) können jederzeit Schuldverschreibungen auf dem freien Markt zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

The Issuer or any of its Group Entities (as defined below) may at any time purchase Notes in the open market or otherwise at any price. Such acquired Notes may be held, cancelled or resold.

(b) **"Konzerngesellschaft"** ist jedes mit der Emittentin verbundene Unternehmen im Sinne des § 244 Abs 2 des Unternehmensgesetzbuches.

"Group Entity" means any of the Issuer's affiliated enterprises within the meaning of Section 244 paragraph 2 of the Austrian Entrepreneurial Code (*Unternehmensgesetzbuch*).

5.7 ***Kündigung und vorzeitige Rückzahlung bei geringfügigem ausstehenden Nennbetrag*.**

***Issuer Call Right and Early Redemption in case of small outstanding principal amount*.**

Wenn durch Rückkäufe der Emittentin oder ihrer Konzerngesellschaften zu irgendeinem Zeitpunkt der auf die Schuldverschreibungen ausstehende Nennbetrag 20% oder weniger des in Punkt 1.1 genannten Gesamtnennbetrags der Schuldverschreibungen beträgt, kann die Emittentin die Schuldverschreibungen (vollständig aber nicht in Teilbeträgen) zum Nennbetrag zuzüglich aufgelaufener Zinsen nach unwiderruflicher Kündigungsmitteilung an die Anleihegläubiger gemäß Punkt 12. unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 60 Tagen kündigen und zurückzahlen. Der Emittentin steht ein Kündigungsrecht gemäß diesem Punkt 5.7 nicht zu, soweit

If, by reason of purchases made by the Issuer or any of its Group Entities, the outstanding principal amount of the Notes has fallen at any time below 20% or less of the aggregate principal amount of the Notes set forth in clause 1.1, the Issuer may call and redeem the Notes (in whole but not in part) at their equal to the principal amount of the Notes, plus accrued interest until the date of redemption on the giving of not less than 10 and not more than 60 days' irrevocable notice to the Holders in accordance with clause 12. The Issuer shall not be entitled to call and redeem the Notes in accordance with this clause 5.7 if any Arrears of Interest are outstanding.

Zinsrückstände ausstehen und nicht nachgezahlt wurden.

6. Zahlungen

Payments

6.1 ***Zahlung von Kapital und Zinsen***. Die Emittentin verpflichtet sich, Kapital und Zinsen bei Fälligkeit in Euro zu bezahlen. Derartige Zahlungen erfolgen, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, an die Zahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber. Die Emittentin wird mit Zahlung an die Anleihegläubiger von ihrer entsprechenden Zahlungspflicht gegenüber den Anleihegläubigern befreit.

Payment of Principal and Interest. The Issuer undertakes to pay, as and when due, principal and interest payable on the Notes in euro. Such payments shall, subject to applicable fiscal and other laws and regulations, be made to the Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Upon payment to the Holders, the Issuer shall be released from its payment obligations vis-à-vis the Holders.

6.2 ***Fälligkeitstag kein Geschäftstag***. Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; Anleihegläubiger sind nicht berechtigt, eine Zinszahlung oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

Due Date not a Business Day. If the due date for any payment of principal and/or interest is not a Business Day, payment shall be made on the next following Business Day; Holders shall have no right to claim payment of interest or other indemnity in respect of such a delay in payment.

7. Steuern

Taxation

7.1 ***Steuern***. Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlichen Gebühren jedweder Art (die **"Steuern"**) geleistet, die von der Republik Österreich oder einer ihrer Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In einem solchen Falle wird die Emittentin, vorbehaltlich der Bestimmungen dieses Punktes 7. solche zusätzlichen Beträge (die **"Zusätzlichen Beträge"**) zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne Einbehalt oder Abzug erhalten hätten.

Taxes. All payments of principal and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature (**"Taxes"**) imposed, levied, collected, withheld or assessed by the Republic of Austria or any political subdivision or any authority of or in the Republic of Austria that has power to tax, unless the Issuer is compelled by a law or other regulation to make such withholding or deduction. In that event, the Issuer will pay, subject to the provisions of this clause 7, such additional amounts (the **"Additional Amounts"**) as will result in receipt by the Holders of the same amounts as they would have received if no such withholding or deduction had been required.

7.2 ***Ausnahme***. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern:

Exception. However, no such Additional Amounts shall be payable with respect to such Taxes:

(i) denen ein Anleihegläubiger wegen einer anderen Beziehung zur Republik Österreich unterliegt als der bloßen Tatsache,

(i) to which a Holder is liable because of a relationship with the Republic of Austria other than the mere fact of him being the holder of the relevant Notes; or dass er der Inhaber der betreffenden Schuldverschreibungen ist; oder

(ii) denen der Anleihegläubiger nicht unterläge, wenn dieser seine Schuldverschreibungen binnen 30 Tagen nach Fälligkeit oder, falls die notwendigen Beträge der Zahlstelle bei Fälligkeit nicht zur Verfügung gestellt worden sind, ab dem Tag, an dem diese Mittel der Zahlstelle zur Verfügung gestellt worden sind und dies gemäß Punkt 12. bekannt gemacht wurde, zur Zahlung vorgelegt hätte; oder

(ii) to which the Holder would not be subject to if he had presented his Notes for payment within 30 days from the due date for payment, or, if the necessary funds have not been provided to the Paying Agent when due, from the date on which such funds have been provided to the Paying Agent, and a notice to that effect has been published in accordance with clause 12; or

(iii) die von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle in einem Mitgliedsstaat der Europäischen Union ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder

(iii) which are withheld or deducted by a Paying Agent if payment could have been made by another Paying Agent in a Member State of the European Union without such deduction or withholding; or

(iv) die von einer Depotbank oder einer als Inkassobeauftragten des Anleihegläubigers handelnden Person einbehalten werden oder auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt.

(iv) which are withheld by a securities custodian or a person acting as collection agent for the Holder or which are levied otherwise than by the Issuer making a withholding or deduction from any amounts of principal or interest payable by it.

Die österreichische Kapitalertragsteuer, unabhängig davon, ob auf Zinszahlungen oder Veräußerungsgewinne erhoben, ist keine Steuer, für die seitens der Emittentin Zusätzliche Beträge zu bezahlen sind.

Austrian withholding tax (*Kapitalertragsteuer*), irrespective of whether levied on interest payments or capital gains, does not constitute tax for which the Issuer is obliged to pay Additional Amounts.

7.3 Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen schließt jegliche Zusätzlichen Beträge im Hinblick auf Kapital oder Zinsen ein, die gemäß diesem Punkt 7. zahlbar sind.

Any reference in these Terms and Conditions to principal or interest will be deemed to include any Additional Amounts in respect of principal or interest which are payable under this clause 7.

8. Verjährung

Prescription

8.1 Die Verjährungsfrist aus Ansprüchen auf das Kapital beträgt zehn Jahre und aus Ansprüchen auf Zinsen drei Jahre, jeweils ab Fälligkeit.

The limitation period for claims in respect of principal of the Notes shall be ten years, and in respect of interest three years respectively, in each case after due date.

9. Zahlstelle und Berechnungsstelle

Paying Agent and Calculation Agent

9.1 ***Zahlstelle und Berechnungsstelle***. Die HSBC Bank plc ist die anfängliche Zahlstelle (die **"Zahlstelle"**). Die HSBC Bank plc ist die

Paying Agent and Calculation Agent. HSBC Bank plc is the initial paying agent (the **"Paying**

anfängliche Berechnungsstelle (die **"Berechnungsstelle"**).

Agent"). HSBC Bank plc is the initial calculation agent (the **"Calculation Agent"**).

9.2 ***Rechtsverhältnisse***. Die Zahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

Status. The Paying Agent and the Calculation Agent act solely as agent of the Issuer and do not assume any obligations towards the Holders; no relationship of contract, agency or trust shall be established between them and the Holders.

9.3 ***Änderung oder Beendigung der Bestellung***. Die Emittentin behält sich das Recht vor, die Bestellung der Zahlstelle oder der Berechnungsstelle zu verändern oder zu beenden und Nachfolger oder zusätzliche Zahlstellen oder Berechnungsstellen zu ernennen. Als Zahlstelle oder Berechnungsstelle kann nur ein Kreditinstitut mit Sitz in einem Mitgliedstaat des Europäischen Wirtschaftsraums bestellt werden. Eine Abberufung, Bestellung oder ein sonstiger Wechsel in Bezug auf die Zahlstelle oder die Berechnungsstelle oder deren angegebene Geschäftsstelle(n) wird nur wirksam (außer im Insolvenzfall der Zahlstelle, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß Punkt 12. vorab unter Einhaltung der Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden. Die Emittentin wird dafür sorgen, dass stets eine Zahlstelle und eine Berechnungsstelle ernannt sind. Die Emittentin wird ferner dafür sorgen, dass, so lange die Schuldverschreibungen an einer Wertpapierbörse notiert sind und die Regularien dieser Börse dies verlangen, eine Zahlstelle und eine Berechnungsstelle mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort ernannt sind und einen eventuellen Nachfolger oder eine eventuelle zusätzliche Zahlstelle oder Berechnungsstelle in Übereinstimmung mit diesen Regularien zu ernennen, wobei es sich bei einem eventuellen Nachfolger oder einer eventuellen zusätzlichen Zahlstelle oder Berechnungsstelle um ein Kreditinstitut innerhalb des europäischen Wirtschaftsraums handeln wird.

Change or Termination of Appointment. The Issuer reserves the right at any time to change or terminate the appointment of the Paying Agent or the Calculation Agent and to appoint successor or additional paying agents or calculation agents. Only a credit institution with its seat in a Member State of the European Economic Area may be appointed as Paying Agent or Calculation Agent. Any dismissal, appointment or other change in respect of the Paying Agent or the Calculation Agent or its designated office(s) shall only take effect (except in the insolvency of the Paying Agent where such a change takes effect immediately) if the Holders have been notified of this in accordance with clause 12 subject to the deadline of at least 30 and not more than 45 days. The Issuer will ensure that a Paying Agent and a Calculation Agent are appointed at any time. The Issuer will also ensure that, as long as the Notes are listed on a stock exchange and the regulations of this exchange so require, a Paying Agent and a Calculation Agent with a designated place of business shall be appointed on the place prescribed by the Exchange and to appoint any successor or any additional Paying agent or Calculation Agent in accordance with such regulations, whereupon a possible successor or any additional Paying Agent or Calculation Agent will be a credit institution within the European Economic Area.

10. Begebung weiterer Schuldverschreibungen

Issuance of further notes

10.1 Die Emittentin ist – neben der Emission weiterer Schuldverschreibungen, die mit diesen Schuldverschreibungen keine einheitliche Serie bilden – berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger weitere

The Issuer may – in addition to the issuance of further notes which do not form a single Series with the Notes – at any time without the consent of the Holders, issue further notes having the same terms and conditions as the Notes in all respects (or in all

Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tages der Emission, des Verzinsungsbeginns und des Emissionspreises) in der Weise zu emittieren, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden. In der Begebung weiterer Schuldverschreibungen ist die Emittentin frei.

respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes. The Issuer is free to issue further notes.

11. Börsenotierung und Zulassung zum Handel

Stock Exchange Listing and Admission to Trading

11.1 Es ist beabsichtigt, die Zulassung der Schuldverschreibungen zum Handel im Amtlichen Handel an der Wiener Börse zu beantragen.

It is intended to apply for listing of the Notes on the Official Market of the Vienna Stock Exchange.

12. Mitteilungen

Notices

12.1 ***Mitteilungen in elektronischer Form***. Falls die Schuldverschreibungen zum Handel an einem geregelten Markt zugelassen werden, gelten sämtliche Mitteilungen an die Anleihegläubiger als ordnungsgemäß bekannt gemacht, wenn sie durch elektronische Mitteilungsformen mit Verbreitung innerhalb der Europäischen Union und in dem Staat einer jeden Wertpapierbörse, an der Schuldverschreibungen notiert sind, durch elektronische Veröffentlichung veröffentlicht werden, solange diese Notierung fortdauert und die Regeln der jeweiligen Börse dies erfordern. Jede Mitteilung gilt am dritten Tag nach der Veröffentlichung als wirksam erfolgt; falls eine Veröffentlichung in mehr als einer elektronischen Mitteilungsform vorgeschrieben ist, ist der dritte Tag maßgeblich, nach dem die Bekanntmachung erstmals in allen erforderlichen elektronischen Mitteilungsformen erfolgt ist.

Notices via electronic means. If the Notes are admitted for trading on any stock exchange, notices to the Holders will be valid if published through electronic means having general circulation within the European Union and in the jurisdiction of any stock exchange on which the Notes may be listed from time to time, for so long as the Notes are listed on the respective exchange and the rules of any such exchange so require. Any such notice shall be deemed to effective on the third day after publication; if a publication is required in more than one electronic form of communication, the third day shall be decisive, after which the publication has been made for the first time in all required electronic forms of communication.

12.2 ***Mitteilungen über das Clearingsystem***. Mitteilungen an die Anleihegläubiger können anstelle der Veröffentlichung durch elektronische Mitteilungsform nach Maßgabe des Punktes 12.1 (vorbehaltlich anwendbarer Börsevorschriften und –regeln), solange eine die Schuldverschreibungen verbriefende Globalurkunde durch das Clearingsystem gehalten wird, durch Abgabe der entsprechenden Bekanntmachung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzt werden.

Notices via the Clearing System. Notices to Holders may (subject to applicable stock exchange rules and requirements), so long as any Global Note representing the Notes is held on behalf of the Clearing System, be given in lieu of publication by electronic means pursuant to clause 12.1 by delivery of the relevant notice to the Clearing System for communication to the Holders.

13. Ersetzung der Emittentin

Substitution of the Issuer

13.1 ***Ersetzung***. Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger,

Substitution. The Issuer may at any time, without the consent of the Holders, replace the Issuer with eine andere Gesellschaft, die direkt oder indirekt von ihr kontrolliert (im Sinn des Übernahmegesetzes) wird, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die **"Neue Anleiheschuldnerin"**), sofern

a company which is directly or indirectly controlled (within the meaning of the Austrian Takeover Act (*Übernahmegesetz*)) by the Issuer, as new issuer (the **"New Issuer"**) in respect of all obligations arising under or in connection with the Notes, with the effect of releasing the Issuer of all such obligations, if:

(a) die Emittentin sich nicht mit einer fälligen Zahlung auf die Schuldverschreibungen in Verzug befindet;

the Issuer is not in default of any payment due under the Notes;

(b) die Neue Anleiheschuldnerin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt;

the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes;

(c) die Neue Anleiheschuldnerin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten hat;

the New Issuer has obtained all authorizations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;

(d) die Emittentin unbedingt und unwiderruflich für die Zahlung sämtlicher fälliger Beträge der Neuen Anleiheschuldnerin aus oder im Zusammenhang mit den Schuldverschreibungen (einschließlich zusätzlich zu bezahlender Beträge aus Steuergründen) auf nachrangiger Basis garantiert;

the Issuer unconditionally and irrevocably guarantees for the payment of all amounts due by the New Issuer under or in connection with the Notes on a subordinated basis (including any additional amounts payable for tax reasons);

(e) die Neue Anleiheschuldnerin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in Euro an das Clearingsystem zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

the New Issuer is in the position to pay to the Clearing System in euro all amounts required for the performance of the payment obligations existing in relation to the Notes without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence;

(f) die Neue Anleiheschuldnerin sich verpflichtet hat, die Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Anleihegläubigern bezüglich der Ersetzung auferlegt werden; und

the New Issuer has agreed to indemnify the Holders against such taxes, duties or governmental charges as may be imposed on the Holders in connection with the substitution; and

(g) der Zahlstelle ein Rechtsgutachten von unabhängigen und angesehenen Rechtsanwälten aus jeder relevanten Jurisdiktion, die bestätigen, dass die Voraussetzungen in den vorstehenden

the Paying Agent has received a legal opinion from independent and respected lawyers from any relevant jurisdiction confirming that the conditions set

Unterabsätzen (a) bis (f) erfüllt wurden, vorliegt.

out in the preceding subparagraphs (a) to (f) have been met.

13.2 ***Bezugnahmen***. Im Fall einer Schuldnerersetzung nach Maßgabe von Punkt 13.1 gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und, vorbehaltlich des Punktes 15.1, jede Bezugnahme auf die Republik Österreich als eine solche auf den Staat, in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist. Unabhängig davon hat eine Schuldnerersetzung nach Maßgabe von Punkt 13.1 keine Auswirkungen auf die Definition der Konzerngesellschaft in Punkt 5.6.

References. In the event of a substitution of the Issuer pursuant to clause 13.1, any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer and, subject to clause 15.1, any reference to the Republic of Austria shall be a reference to the New Issuer's country of residence for tax purposes. Irrespective hereof, a substitution of the Issuer pursuant to clause 13.1 shall not affect the definition of a Group Entity in accordance with clause 5.6.

13.3 ***Bekanntmachung und Wirksamwerden der Ersetzung***. Die Ersetzung der Emittentin ist gemäß Punkt 12. bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin (und im Falle einer wiederholten Anwendung dieses Punktes 13. jede frühere Neue Anleiheschuldnerin) von ihren sämtlichen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen frei. Im Falle einer solchen Ersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind.

Notice and Effectiveness of Substitution. Notice of substitution of the Issuer shall be published in accordance with clause 12. The substitution shall become effective upon such publication, and the Issuer (and in the event of a repeated application of this clause 13, any previous New Issuer) shall be discharged from any and all obligations under or in connection with the Notes. In case of such substitution, the stock exchanges on which the Notes are listed will be notified.

14. Keine Gesellschafterrechte

No Shareholders' Rights

14.1 Die Schuldverschreibungen vermitteln den Anleihegläubigern keinerlei Gesellschafterrechte in Bezug auf die Emittentin. Insbesondere verbriefen die Schuldverschreibungen keinerlei Berechtigung der Anleihegläubiger auf einen Anteil am Liquidationserlös der Emittentin.

The Notes do not confer any shareholders' rights with respect to the Issuer to the Holders. In particular, the Holders will not be entitled to share in any liquidation proceeds of the Issuer under the Notes.

15. Anwendbares Recht und Gerichtsstand

Governing Law and Jurisdiction

15.1 ***Anwendbares Recht***. Form und Inhalt der Schuldverschreibungen, sämtliche Rechtsverhältnisse aus der Begebung der Schuldverschreibungen, sowie alle Rechte und Pflichten der Anleihegläubiger, der Emittentin und der Zahlstelle bestimmen sich nach österreichischem Recht.

Governing law. Form and content of the Notes, all legal relationships resulting from the issue of the Notes, as well as all rights and obligations of the Holders, the Issuer and the Paying Agent shall be governed by Austrian law.

15.2 ***Erfüllungsort***. Erfüllungsort ist Wien, Republik Österreich.

Place of Performance. Place of performance shall be Vienna, Republic of Austria.

15.3 ***Gerichtsstand***. Für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit diesen Anleihebedingungen (einschließlich allfälliger

Place of Jurisdiction. For all disputes which may arise out or in connection with these Terms and Conditions (including any disputes relating to non-

Streitigkeiten im Zusammenhang mit außervertraglichen Schuldverhältnissen, die sich aus oder im Zusammenhang mit diesen Anleihebedingungen ergeben) ist das für Handelssachen jeweils zuständige Gericht in Wien, Innere Stadt, ausschließlich zuständig.

contractual obligations arising out or in connection with these Terms and Conditions), the court competent for commercial matters in the first district of Vienna shall have exclusive jurisdiction.

15.4 ***Teilnichtigkeit***. Sollten irgendwelche Bestimmungen dieser Bedingungen ganz oder teilweise rechtsunwirksam sein oder werden, so bleiben die übrigen Bestimmungen dieser Bedingungen in Kraft. Unwirksame Bestimmungen sind dem Sinn und Zweck dieser Bedingungen entsprechend durch wirksame Bestimmungen zu ersetzen, die in ihren wirtschaftlichen Auswirkungen denjenigen der unwirksamen Bestimmungen so nahe kommen wie rechtlich möglich.

Partial Invalidity. If a provision in these Terms and Conditions becomes legally invalid, in whole or in part, the remaining provisions shall remain in effect. Invalid provisions shall pursuant to the purpose of these Terms and Conditions be replaced by valid provisions that from an economic point of view come as close as legally possible to the invalid provision.

16. Sprache

Language

16.1 Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information. Absätze in Kursivschrift sind nicht Bestandteil dieser Anleihebedingungen.

These Terms and Conditions are written in the German language and provided with an English language translation. The German text will be the only legally binding version. The English language translation is provided for convenience only. Paragraphs in italics do not form part of these Terms and Conditions.

6. USE OF PROCEEDS

In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately EUR 48.5 million, after deducting fees and other costs (which are expected to amount to up to approximately 3% of the aggregate principal amount of the Notes), based on the assumption that on 18 November 2021 Notes in the principal amount of EUR 50,000,000 will be issued. The proceeds of the issue are intended to be used to further strengthen the Company's balance sheet, and, in particular, to refinance the hybrid bond issued in 2017 (ISIN: XS1555774014) and for general corporate and (re)financing purposes.

Prior to the offering of the Notes, the Issuer has already repurchased part of the hybrid bond issued in February 2017 (ISIN: XS1555774014) in the principal amount of EUR 25,706,000. As of the date of this Prospectus, EUR 99,294,000 are still outstanding under the 2017 hybrid bond (of which EUR 48,219,000 will be repurchased as of 17 November 2021).

7. SELECTED FINANCIAL DATA

The following tables provide selected financial information as of and for the financial years ended 31 December 2018, 2019 and 2020 as well as of and for the period ended 30 June 2021 has been taken or derived from the Consolidated Financial Statements and the Half-Year Report 2021, which are included in this Prospectus. The German language originals of the Consolidated Financial Statements were prepared in accordance with IFRS, have been audited by BDO and have each received an unqualified audit opinion by BDO. The German language original of the Half-Year Report 2021 were prepared in accordance with IFRS on interim financial reporting (IAS 34) and have been reviewed by BDO. The Consolidated Financial Statements and the Half-Year Report 2021 included in this Prospectus are translations of the original German language documents.

In the Consolidated Financial Statements 2020, comparative figures for 2019 were restated.

Prospective investors are encouraged to read the information contained in this section in conjunction with the section entitled "*Management's Discussion & Analysis of Financial Condition and Results of Operations*" as well as the Consolidated Financial Statements and Half-Year Report 2021.

Selected consolidated income statement data

(in TEUR)	**Financial year ended**			**Period ended**	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unaudited/un-reviewed)
Total revenue	4,651,842	4,880,414	4,959,109	2,288,262	2,071,222
Earnings before interest, tax, depreciation and amortization (EBITDA) [(2)]	131,438	216,183[(1)]	219,467	114,006	65,804
Operating Result (EBIT) [(3)]	-37,209	54,722	92,324	21,186	-16,949
Earnings before tax (EBT) [(4)]	-51,048	37,409	88,131	11,451	-26,580
Year on year revenue growth	-4.68%	-1.59%	15.52%	10.48%	-5.06%
Operating profit/loss for the period	-37,209	54,722	92,324	21,186	-16,949
Net profit/loss for the period	-42,367	27,833	66,195	8,611	-22,698
Operating profit margin	-0.80%	1.12%	1.86%	0.93%	-0.82%
Net profit margin	-0.91%	0.57%	1.33%	0.38%	-1.10%
Earnings per Share (in EUR)	-2.28	0.50	1.88	-0.10	-1.16

(Source: Consolidated Financial Statements and Half-Year Report 2021, as well as calculations of the Company based thereon)

(1) To facilitate better comparability, the reporting of expenses related to IFRS 16 (disposals) has been changed. The comparative figures for 2019 have been restated accordingly. See note 6.2 of the notes to the Consolidated Financial Statements 2020 for more details.

(2) Earnings before interest, tax, depreciation and amortization. It is calculated as follows:

(in TEUR)	**Financial year ended**			**Period ended**	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unaudited/un-reviewed)
EBIT	-37,209	54,722	92,324	21,186	-16,949
Depreciation, amortisation and impairment expenses	-168,647	-161,461	-127,143	-92,820	-82,753
EBITDA	**131,438**	**216,183**	**219,467**	**114,006**	**65,804**

(3) Earnings before interest and tax, calculated as the sum of all income and expenses including goodwill impairments before interest for other debt borrowed for financing purposes (financing costs) and before taxes (taxes on income).

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unaudited/un-reviewed)
EBT	-51,048	37,409	88,131	11,451	-26,580
Financial income	12,771	15,396	18,466	1,955	3,787
Financial costs	-26,610	-32,709	-22,659	-11,690	-13,418
EBIT	**-37,209**	**54,722**	**92,324**	**21,186**	**-16,949**

(4) Earnings before tax, depreciation and amortisation calculated as the sum of all income and expenses including goodwill impairments, including interest for other debt borrowed for financing purposes (financing costs), but before taxes (taxes on income). It is calculated as follows:

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unaudited/un-reviewed)
Profit/loss for the period	-42,367	27,833	66,195	8,611	-22,698
Income tax expenses	8,681	-9,576	-21,936	-2,840	3,882
EBT	**-51,048**	**37,409**	**88,131**	**11,451**	**-26,580**

Selected data of the consolidated statement of financial position

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unaudited/unre-viewed)
Non-current assets	1,283,848	1,392,402	1,104,102	1,312,866	1,385,608
Current assets	2,225,615	2,272,527	2,010,634	2,306,917	2,306,712
thereof cash and cash equivalents	582,545	581,890	319,674	406,996	438,004
Total assets	3,509,463	3,664,929	3,114,736	3,619,783	3,692,320
Equity	650,549	599,038	618,234	654,082	679,836
Non-current liabilities	819,301	1,006,693	573,645	787,601	971,795
thereof non-current financial liabilities	327,200	441,295	188,142	334,083	417,034
thereof bonds and bonded loans (Schuldscheindarlehen)	294,604	346,384	175,586	264,688	336,476
Current liabilities	2,039,613	2,059,198	1,922,857	2,178,100	2,040,689
thereof current financial liabilities	95,534	110,919	49,840	86,373	115,360
thereof bonds and bonded loans (Schuldscheindarlehen)	41,977	28,981	56,290	71,981	38,997
Total equity and liabilities	3,509,463	3,664,929	3,114,736	3,619,783	3,692,320
Net financial debt	-136,691	-345,689	-150,184	-310,094	-469,863
Working capital (1)	434,983	418,116	390,176	539,152	604,939
Net working capital (2)	-262,269	-232,585	-128,846	-162,926	-20,838

(Source: Consolidated Financial Statements and Half-Year Report 2021, as well as calculations of the Company based thereon)

(1) Working capital is calculated as the sum of current trade receivables and inventories minus current trade payables.

(2) Net working capital is calculated as the sum of current assets excluding cash and cash equivalents as well as current securities minus the sum of current liabilities excluding bonds and bonded loans (*Schuldscheindarlehen*) as well as current financial liabilities.

Selected data from the statements of cash flow

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unaudited/unreviewed)
Net cash from operating activities..	166,998	249,850	186,292	-41,272	-148,904
Net cash flow from investing activities.....................................	-86,736	-110,730	-68,692	-80,260	-51,289
Net cash flow from financing activities.....................................	-73,369	121,762	-154,827	-56,972	61,449

(Source: Consolidated Financial Statements and Half-Year Report 2021)

Other operating data

(in EUR million)	Financial year ended			Period ended	
	31 December 2020	31 December 2019	31 December 2018	30 June 2021	30 June 2020
	(unaudited, unless otherwise indicated)				
Production output[(1)]................	5,185	5,570	5,593	2,496	2,273
Order backlog[(2)]......................	7,067	6,298	6,328	7,848	7,080
Order intake[(2)]	5,905	5,437	5,822	3,271	3,016

(Source: Unaudited information of the Company)

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

(2) The Order backlog and the Order intake have been adjusted for the projects A1 Leverkusen Bridge and H51 Pfons – Brenner. The comparative figures have been restated retrospectively.

8. MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of PORR Group's financial condition and results of operations is based on, and should be read in conjunction with, the Consolidated Financial Statements, the Half-Year Report 2021 and other financial information contained in this Prospectus. The review includes forward-looking statements, which are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those expressed or implied herein. For a discussion of some of those risks and uncertainties, see "*Forward-Looking Statements*" and "*Risk Factors*". For an overview on important selected financial data, see "*Selected Financial Data*".

8.1 Overview

The PORR Group is one of the leading European one-stop-shop construction groups offering a full range of construction products and construction related services in Austria and in its other Home Markets, namely Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania. Main commercial names under which the PORR Group operates are "PORR", "Stump-Franki", "Oevermann" and "Strauss & Partner". In addition to its Home Markets, the PORR Group operates on a project-related and opportunistic basis in other countries such as Qatar, the UAE, as well as Norway.

8.2 Key Factors Affecting Results of Operations

In the management's view, the following are the key factors that have affected the PORR Group's results of operations over the past three years, and are likely to continue to affect its results of operations:

(a) COVID-19 pandemic and economic consequences for the construction industry

The COVID-19 pandemic has had a massive influence on the national economies around the world including the construction industry, although there were regional differences in the performance of the European construction industry in 2020. While construction volumes rose sharply in some places in the beginning of 2020, the first decreases resulting from the COVID-19 pandemic were seen in March 2020. In further developments during 2020, the European construction sector made a relatively fast recovery and reached the production level of the previous year as soon as August 2020. That said, the full-year output was unable to offset the preceding production slumps and construction production in the EU contracted by around 4.6% against the previous year (Source: *OECD*, OECD Economic Outlook, December 2020; *Eurostat*, Construction, February 2021).

In the EU, civil engineering already proved its value as a key growth driver at the start of 2020. In contrast to building construction, it made it through the coronavirus-related downturn more resiliently and reported higher year-on-year production levels already in August 2020. The decrease in civil engineering stood at 3.1%, while building construction lost an average of 5.9% in production volumes. The experts from Euroconstruct have also forecast a significant rise in civil engineering activity for 2021. Building construction is also set to experience positive momentum in 2021, mainly driven by residential construction. In the renovation sector as well, pandemic-related restrictions led to declines in construction volumes (Source: *Eurostat*, Construction, February 2021; *EUROCONSTRUCT*, Country Report, November 2020).

The picture on the Home Markets of the PORR Group showed great variation. In Austria the temporary closure of construction sites from March 2020 meant a significant decrease in output. The subsequent operational guidelines negotiated in April 2020 by the social partners for the construction industry allowed the gradual resumption of construction activity. Already in summer there was a recovery in both revenue and orders. That said, output declined in spring, especially in building construction, could not be recovered. Nevertheless, the construction sector emerged from the crisis relatively unscathed compared to other industries. In 2021 the investments planned by ÖBB and ASFINAG will have a positive impact on infrastructure construction. The experts from the European Construction Sector Observatory (ECSO) anticipated a 6.2% increase in output in the Austrian construction sector in 2021 (Source: *Austrian Federal Economic Chamber*, March 2021; *European Commission*, European Construction Sector Observatory, November 2020, 29).

The construction industry in Germany remains an economic pillar with its revenue increase of 5.9%. Compared to other construction sectors, residential construction put in the best performance with growth of 10.5%. Public-sector construction achieved a plus of 6.2%, due in significant part to the stimulus packages and supplementary budgets issued by the federal government. The consequences of the COVID-19 pandemic were particularly noticeable in commercial construction, which saw lower revenue growth of 1.2%. In residential construction, the *Hauptverband der Deutschen Bauindustrie* (HDB) continues to be optimistic in its outlook. However, continued growth is expected in public-sector construction, partly because of the 2030 Federal Transport Infrastructure Plan. Overall, experts assume stable revenue volumes for 2021 (Source: *Hauptverband der Deutschen Bauindustrie e.V.*, February 2021).

In Switzerland, restrictive COVID-19 measures led to a decrease in revenue, especially in building construction. In public-sector civil engineering revenue levels held steady. In 2021 a slight recovery in sales volumes of 1.5% is expected (Source: *Schweizer Baumeisterverband*, Bauindex 1. Quartal, February 2021).

In PORR's Eastern European Home Markets, the construction industry was less severely affected by the COVID-19 pandemic than other economic sectors. In Poland revenue decreased by 3.0%. Here again civil engineering remained at a stable level. In the Czech Republic and Slovakia, construction volumes contracted by 6.3% and 11.2% respectively. The Romanian construction industry was an important pillar for overall economic development. Here construction volumes grew by 19.4% on average and were thereby able to stabilise investment expenditure. Overall, the EU's new, multiannual financial framework and the temporary recovery and resilience facility should serve as positive investment drivers in civil engineering on PORR's Eastern European Home Markets in the coming years (Source: *Eurostat*, Construction, February 2021).

The effects on the PORR Group's business were different in the different locations: while Austrian construction sites were partially closed in March and April 2020, construction in other jurisdictions continued. In all locations, distancing measures needed to be adhered to. Workers' transports needed to be reorganised so that a smaller number of passengers was transported by individual transport vehicles (leading to a larger number of transports required in order to have the same number of workers on a construction site as before the COVID-19 pandemic). Travel activities were also limited, and workers from other jurisdictions could not freely move from their respective home country to the relevant construction sites. Overall, the various measures and restrictions throughout the jurisdictions where the PORR Group is active have resulted in a lower productivity.

Management expects that the global vaccination programmes will limit the economic impact of the COVID-19 pandemic in the next years, however, local restrictions and potentially further virus variants cannot be excluded.

(b) General economic conditions and government spending on infrastructure projects

In 2020, 70.6% of the PORR Group's Production output originated from Austria and Germany and management estimates more than 40% of its Production output stems from infrastructure projects. The demand for the PORR Groups' products and services and, consequently, the Group's results in any given period are materially affected by construction sector activity levels, which in turn are primarily driven by general economic conditions (including levels of interest rates, amount of liquidity and credit available in an economy, and taxes) and the level of government spending on infrastructure projects. An environment characterized by declining or slow economic growth typically disincentivizes government, business and individual investments, and lowers the construction industry's output. The construction industry is usually one of the first affected by economic cycles. However, the construction industry can at times experience a delay in the effects of conditions in the broader economy due to the fact that it typically takes several years to finalize large-scale construction projects.

Government spending finances a significant portion of infrastructure development. Government spending on infrastructure projects is driven by political factors, which may cause governments to invest into infrastructure projects as a counter-cyclical measure, in order to stimulate the general economy as well as the situation of public budgets. At the same time, in Europe, infrastructure development is driven by large infrastructure projects on a supranational level which partially offsets any declines in infrastructure spending on a local level. Furthermore, specific political programs may influence public spending on infrastructure projects, such as focused efforts to improve infrastructure in certain regions or certain road and/or rail traffic lines, which may have a positive effect on the construction industry. The PORR Group closely monitors infrastructure projects that are planned in its Home Markets and other markets in which the PORR Group is active in order to successfully participate in the bidding process. Governmental infrastructure spending packages as a stimulus to boost local economies, including the construction industry, in the aftermath of the outbreak of the COVID-19 pandemic are in place in all Home Markets of the PORR Group. For example, governments in Austria (e.g. Infrastructure program 2020 [roads] and Zielnetz 2025+ [railways]), Germany (e.g. Bundesverkehrswegeplan 2030), Switzerland (e.g. Swiss funding programs: Swiss railways infrastructure fund [*Schweizer Bahninfrastrukturfond – BIF*] and Swiss motorway and urban transport fund [Nationalstrassen- und Agglomerationsverkehrs-Fonds – NAF]), Poland (e.g. Investment programmes of General Directorate for National Roads and Motorways [*Generalna Dyrekcja Dróg Krajowych I Autostrad – GDDKiA*] and Polish State Railways [*Polskie Koleje Panstwowe – PKP*]), Czech Republic/Slovakia (e.g. Innovation Strategy 2019-2030 [transport infrastructure]) and Romania (e.g. Civil engineering sector as key factor for future growth) are implementing significant infrastructure programs in areas such as roads, railways and other civil engineering projects. The PORR Group's management expects that such measures will increase the demand for construction services in the next years. Due to such infrastructure programs and stimulus packages, construction volume is expected to grow in the PORR Group's Home Markets, by 4.6% CAGR from 2020 to 2025; in this context, **"CAGR"** means compound annual growth rate and indicates the average year-on-year growth rate of an investment over a number of years (Source: *KPMG*, Market Study, August 2021, 9).

(c) The degree of competition in the markets in which the PORR Group operates

At a European level, the PORR Group competes with all internationally active construction companies which, like the PORR Group, operate across regions and in multiple countries. The Group faces competition from a number of medium-sized firms with a strong regional presence or specialization. In particular in Austria but also in its other Home Markets, increasing competition has led to shrinking margins until recently (the current production index from Statistics Austria recently shows that production has slowly recovered since summer 2020 and largely reached the pre-COVID-19 crisis level in May 2021; *Statistik Austria*, August 2021). The degree of competition affects the level of margins achievable and thus results of operations.

The PORR Group has reacted to this trend by focusing on selective acquisitions. This is already reflected in the Order backlog as of 30 June 2021. According to the Company, the pipeline has been optimised in terms of both risks and margins.

(d) Changes in raw material prices

The PORR Group is exposed to changes in the prices of its key raw materials (such as steel, cement, bitumen and gravel) and energy (such as diesel and electricity), as well as prices for project-related services sourced from third parties. The PORR Group endeavors to manage such pricing risks by way of concluding project-related framework agreements securing the PORR Group access to key raw materials at fixed prices. In addition, due to its vertical integration, the PORR Group has access to certain raw materials, in particular concrete, asphalt, stone and gravel both in Austria, as its most important market, and outside of Austria (e.g. asphalt plants in Czech Republic, Slovakia and Romania). Where the PORR Group does not have its own resources at its disposal, it is exposed to price fluctuation. This is taken into consideration in the bidding process in order to pass on price fluctuations of input materials to the customer. Therefore, in these situations, increases in the prices of raw materials and other input material and services typically have the greatest impact on the PORR Group's result of operations. However, in situations where prices rise unexpectedly or the Group has less or more costly access to the raw materials required for a particular project than its competitors, its ability to pass such increases on to its customers is limited. The current raw material shortage on the global market, in particular for steel and cement, has not only resulted in higher prices, but also in a reduction of productivity in the construction sector. Up to now, the PORR Group has efficiently managed its raw material procurement and is in most cases able to pass price increases to its customers, however, it cannot be excluded that the Group will either not be able to source sufficient raw materials at adequate prices in the future or it will not be able to pass price increases to its customers.

(e) Seasonality

Due to snow, ice, low temperatures and other adverse weather conditions, the PORR Group's revenue and Production output in the winter season are typically lower than in the spring, summer and autumn seasons. Seasonal patterns are particularly pronounced in the PORR Group's road construction business and to a lesser extent in its building construction business. While these variations do not affect the comparability of the Group's revenue, Production output and results from year to year, PORR Group's interim financial information reflects seasonal patterns.

(f) Efficiency in project calculation and risk management

Appropriate project calculation and subsequent effective risk management are key factors for the profitability of PORR Group's construction projects. As the costs and the timeline of a project are defined in advance at the bidding phase, actual costs and timeline to complete a construction project may deviate materially from the assumptions made in the bidding phase.

In this regard, the risk management system ensures that a uniform, aggregable quantitative opportunity/risk analysis is carried out, and thus an assessment of project risks is available at project and Group level. The aim of the system is to identify risks at an early stage and minimize dangers/risks on the one hand and maximize opportunities on the other by taking adequate measures. PORR has set up a uniform Group-wide system for this purpose. Monitoring the project risks applies to all PORR operating units and can be qualified in terms of calculation and execution risks. From the tender stage to the conclusion of a contract, all projects are assessed for specific technical, commercial and legal risks. This is carried out in close collaboration between the parties responsible for operations and the risk managers with the aid of risk checklists and in the course of final price meetings. Ongoing target/performance comparisons are carried out during the project execution stage of every project. If the project is outside the target parameters, then appropriate countermeasures are initiated, monitored by the risk managers, and assessed in terms of their effectiveness.

The organization of project risk was adjusted with effect from 1 January 2021. The Commercial Management unit took over the management of the countries at Group level. It integrates technical and commercial Group controlling, contract management and risk management.

(g) Cost, administration and financial efficiency

In addition to market-driven factors and project-related risk management, the overall cost, administrative and financial efficiency of the PORR Group has a material influence on its profitability. Therefore, even small improvements in material cost positions have a significant effect on the Group's future results of operations and profitability.

In this regard, efficient organization, especially through digitization in the technical as well as the commercial area, is expected to have a significant positive influence on the possibility of generating sales on the one hand and saving costs on the other. This applies to business processes, technologies and the knowledge and skills of employees. The decisive factors in the technical area are on the one hand the use of Building Information Modeling (**"BIM"**) and on the other hand the development of a Lean organization. In the commercial area, the financial processes, which include the areas of accounting, treasury, purchasing, tax and insurance, are being digitized and thus structured through dedicated programs to improve efficiency (focus on Finance 4.0). In addition, PORR has implemented a technical steering process for major projects, which is used from the acquisition phase through to the guarantee phase, in order to identify and highlight deviations from the technical, scheduling, planning, quality, organizational and economic target values to actual values of a construction or planning project as early as possible and to derive and implement appropriate measures in order to achieve the agreed targets again.

(h) *Other*

In contrast to the key factors listed above, acquisitions were of minor importance in recent years and had no significant impact on the results of operation.

8.3 Segment Reporting

(a) *Primary segments*

The Group presents segment information in accordance with IFRS 8. The segment reporting reflects essentially the management structure of its organization. The segment reporting also reflects the Group's internal reporting and the predominant sources of risks and returns in its business. The segment with primary responsibility for a relevant project and invoicing the customer records all income derived from that project as revenue. If the segment uses another segment to provide intra-group services in connection with that project, such other segment records inter-segmental revenue for the services performed, while the segment receiving the services incurs an intra-group expense in the same amount. Production output relating to that project is recorded in the segment providing the service (rather than the segment receiving the service and invoicing the customer, as is the case in respect of revenue).

Until 31 December 2020, the Group had the following four reportable segments: Business Unit 1 (Austria and Switzerland), Business Unit 2 (Germany), Business Unit 3 (International) and Holding.

- **Segment Business Unit 1 – Austria, Switzerland**: This segment covered the PORR Group's operating business on the Home Markets of Austria and Switzerland, specific major projects in building construction, industrial construction in Germany, PORR Umwelttechnik and railway construction with the Slab Track Europe. All products and services are offered.

- **Segment Business Unit 2 – Germany**: This segment covered the majority of the PORR Group's operating business on the Home Market of Germany. All products and services are offered.

- **Segment Business Unit 3 – International**: This segment contained the business activities in Poland, the Czech Republic, Slovakia and Romania, as well as the project business in Norway, Qatar, the UAE and other future project markets. It also included the competencies in tunnelling, railway construction and specialist civil engineering for the whole Group in addition to Major Projects and Slab Track International.

- **Holding**: This segment consisted of Group services, pde Integrale Planung GmbH, hospitals, PORREAL, STRAUSS Property Management and activities in PPP.

As of 1 January 2021, the Group has implemented a new, streamlined segment structure. The focus is on reducing complexity and establishing clear areas of responsibility.

- **AT / CH**: The segment AT / CH has country-level responsibility for Austria and Switzerland. In addition to permanent business, the national competencies in railway and structural engineering, specialist civil engineering and environmental engineering are bundled here. The segment is also home to major building construction projects, German industrial engineering, and the equity interests in IAT GmbH, ÖBA-Österreichische Betondecken GmbH, Prajo & Co GmbH, TKDZ GmbH, and ALU-SOMMER GmbH.

- **DE**: The segment DE comprises PORR's activities in German building construction and structural engineering as well as the German shareholdings in entities including Stump-Franki Spezialtiefbau GmbH and PORR Oevermann group.

- **PL**: The segment PL is responsible for the entirety of the business in Poland. Additional PORR equity interests in Poland are included here.

- **CEE**: The segment CEE concentrates on the Home Markets of the Czech Republic, Slovakia and Romania, including the local equity interests.

- **Infrastructure International**: The segment Infrastructure International bundles the PORR Group's international expertise in tunnelling and the activities of the Slab Track International division. Major Projects is also integrated here and holds overall responsibility for the project markets of Norway, Qatar and the UAE.

- **Holding**: PORR Beteiligungen and Management and PORREAL are included in this segment. The shared service center comprises all services and staff units of PORR and is also in the segment Holding.

8.4 Factors Affecting the Comparability of Financial Information

(a) Financial year 2018

The Group applied various financial reporting standards (IFRS) for the first time as of 1 January 2018, whereby only the first-time application of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments had a significant impact.

IFRS 15 Revenue from Contracts with Customers

The objective of IFRS 15 is to bring together a range of requirements that were previously contained in different standards and interpretations. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework. The model specifies that revenue is recognized as control is passed (control approach), either over time or at a point in time and thereby replaces the previously applied risk and reward model (transfer of risks and rewards). Furthermore, the scope of the requisite disclosures in the notes has been expanded.

For its initial application, PORR has chosen the cumulative adjustment approach IFRS 15.C3(b). This means that the effects for the first-time application as of 1 January 2018 are recognised directly in equity and do not therefore require any retrospective adjustments to the comparative figures for 2017. Therefore, the standards valid up until this point in time, IAS 18 and IAS 11, continue to apply to the comparative period.

IFRS 9 Financial Instruments

The standard includes requirements for the recognition, measurement and derecognition of financial instruments as well as for hedge accounting and replaces the previously applicable standard IAS 39.

The transitional provisions of IFRS 9 only permit a retrospective adjustment in accordance with IAS 8 in exceptional cases (hedges). What this means for PORR is that the effects of the first-time application as of 1 January 2018 are recognized directly in equity and do not therefore require any retrospective adjustments to the comparative figures for 2017. Therefore, the standard valid up until this point in time, IAS 39, continues to apply to the comparative period. The first-time application of IFRS 9 has had no impact on retained earnings.

(b) Financial year 2019

The Group applied various financial reporting standards (IFRS) for the first time as of 1 January 2019, whereby only the first-time application of IFRS 16 Leases had a significant impact.

IFRS 16 Leases

The standard specifies how to recognize, measure, present and disclose leases. IFRS 16 replaces the previous standard IAS 17 and three interpretations related to leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value (option to choose). On initial recognition the liability is discounted and in subsequent years it decreases through lease payments, while also increasing through unwinding. At the same time, a right of use (ROU) in the amount of the present value of future lease payments is capitalized and subsequently written down using the straight-line method. The previous differentiation between operating leases and finance leases is thereby no longer applicable. The standard was published in January 2016 and its application is obligatory for reporting periods beginning on or after 1 January 2019. IFRS 16 features different transition options. PORR decided against early adoption and chose the modified retrospective approach, whereby for leases related to property, it has applied the method pursuant to IFRS 16.C8b (ii) and for all other leases it has applied the method specified in IFRS 16.C8b (i).

(c) Financial year 2020

The Group applied various financial reporting standards (IFRS) for the first time as of 1 January 2020, whereby these first-time applications did not have any significant impact.

8.5 Critical Accounting Policies

The following section summarizes such of the Group's accounting policies which, in the opinion of management, are important for the presentation of the financial condition and results of operations of the Group, and whose application necessarily entails judgments, assumptions or estimates, which require subjective or complex assessments to be made. These assessments could subsequently prove to be inaccurate and therefore result in changes in the relevant financial information. For additional information, see note 5.1 in the Consolidated Financial Statements 2020.

(a) Impairment

Intangible assets are capitalised at acquisition cost and amortisation is recognised on a straight-line basis over the probable useful life. The amortisation apportionable to the business year is shown in the income statement under the item "Depreciation, amortisation and impairment expense". If impairment is established, the relevant intangible assets are recognised at the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the carrying amount that would have been determined had the impairment loss not been accrued. As of 31 December 2020, the carrying amount of the Group's intangible assets was EUR 147.9 million.

Goodwill is recorded as an asset. In order to assess any impairment demand, goodwill of the cash-generating unit or groups of cash-generating units are assigned, which benefit from the synergies of the business combination. This cash-generating unit or groups of cash-generating units are tested once a year for impairment, as well as at any other time where circumstances exist that indicate there may be possible impairment.

Property, plant and equipment, with the exception of real estate, is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and was subject to the previously accumulated and regularly applied straight-line depreciation during the year under review. As of 31 December 2020, the carrying amount of the Group's property, plant and equipment was EUR 926.8 million.

Impairment tests on goodwill, other intangible assets, property, plant, equipment and investment property are primarily based on estimated future net payment flows, which are expected from the continuous use of an asset and its disposal at the end of its useful life. Factors such as lower revenues or rising expenditure and the resulting lower net payment flows as well as changes to the discount factors used can lead to impairment due to a reduction in value or, as far as allowed, to a reversal of impairment due to an increase in value. For additional information regarding the growth rates and capital costs, which are taken into account for purposes of the Group's goodwill impairment tests, see notes 6.1, 18, 19 and 20 to the Consolidated Financial Statements 2020.

(b) Real estate used for operational purposes

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. The external assessments are held at periodic intervals of maximum five years; in the interim period assessments from internal experts are used to update the expert opinions. Revaluations are performed on a regular basis so that the carrying amounts do not deviate significantly from the fair values attributable at the end of the reporting period. The date for the revaluation for the end of the reporting period generally falls in the fourth quarter of the reporting year. The carrying amount is adjusted to the respective fair value by using a revaluation reserve in other comprehensive income. The revaluation reserve is reduced by the applicable deferred tax liability. On a subsequent sale or decommissioning of revalued land or buildings, the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred to retained earnings. Regular depreciation of revalued buildings is carried out pursuant to the straight-line method and recognised in the income statement, whereby the following depreciation rates were applied:

(in %)	**Rates of depreciation**	
	2020	**2019**
Land rights	1.22-50.0	1.22-50.0
Mining rights..	depends on assets	depends on assets
Buildings, including buildings on land owned by others..........	1.00-4.00	1.00-4.00

(Source: Consolidated Financial Statements 2020)

Rights of use in property, plant and equipment and real estate used for operational purposes conferred under lease agreements are recognised as future lease payments in the amount of their present value and written down on a straight-line basis over the term of the lease and/or under application of the specified rates of depreciation.

Assets under construction, including buildings under construction, which are intended for operational purposes or whose type of use has not yet been determined, are accounted for at acquisition cost or manufacturing cost less impairment. Depreciation or impairment of these assets commences upon their completion or attainment of operational status.

(c) Investment property

Investment property is real estate that is held for the purpose of generating rental income and/or for the purpose of its growth in value. This includes office and commercial premises, residential buildings and unimproved land. These are recognised at their fair values. As of 31 December 2020, the carrying value of the Group's real estate held as investment property amounted to EUR 31.4 million. Gains or losses from changes in value are reflected in profit or loss for the period in which the change in value occurred. The fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

Small adjustments in economic assumptions or other sources of estimates/uncertainties can have a significant impact on the fair value of real estate held as investment property and therefore on the financial condition and results of operation of the Group. In particular, an adjustment in the interest rate applied in the course of the real estate valuation may have a significant effect on the carrying value of real estate. Furthermore, there is a risk that property sales carried out on short notice generate proceeds and related real estate valuations which are lower than those achievable in an orderly sales process. A sensitivity analysis is included in note 6.1 to the Consolidated Financial Statements 2020.

(d) Associates and joint ventures

Shares in associates and in joint ventures are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired at fair value and, if applicable, goodwill. The carrying amount is increased or decreased annually by the proportionate annual profit or loss, dividends received and other changes to equity capital. Goodwill is not subject to planned amortisation, rather it is assessed for impairment as a part of the relevant shareholding when circumstances exist that indicate there may be possible impairment.

Group shares in profits and losses from consortia classified as joint ventures are presented in the consolidated income statement under profit/loss from companies accounted for under the equity method. Group revenues from goods and services to consortiums are presented in the consolidated income statement under revenue. Capital paid into a consortium is entered under trade receivables, together with profit shares and trade receivables for the relevant consortium and after deductions for withdrawals and general losses. If there is on balance a passive entry, this is included under trade payables.

(e) Provisions for severance payments, pensions and anniversary bonuses

The provisions for severance payments, pensions and anniversary bonuses are determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed by a recognised actuary on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 0.40% p.a. in 2020 (2019: 0.65%) was applied with increases of 2.0% (2019: 2.0%) for pensions, 2.25% (2019: 2.15%) for severance payments and for anniversary bonuses.

When determining provisions for severance payments and anniversary bonuses for Austria, deductions are made for fluctuations based on statistical data within a range of 0.4% to 10.5% in 2020 (2019: 0.4% to 10.5%) and for anniversary bonuses in Germany a range of 0.0% to 16.0% in 2020 (2019: 0.0% to 16.0%) was applied, while for severance payments in Poland a range of 0.0% to 9.25% was applied in 2020 (2019: 0.0% to 9.25%) and in the Czech Republic a range of 0.0% to 7.83% was applied for severance payments and anniversary bonuses in 2020. When determining provisions for pensions, a pension increase of 2.0% p.a. was applied in Austria and Germany in 2020 (2019: 2.0% p.a.). For Austrian companies the assumed retirement age is the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), taking into account all transitional arrangements; for German companies the legal retirement age is used. The life table AVÖ 2018-P was used for calculating provisions in Austria (2019: life table AVÖ 2018-P), while for Germany the life table Richttafeln 2018 G by Heubeck was used (2019: life table Richttafeln 2018 G by Heubeck).

Actuarial gains and losses for severance payments and pensions are recognised in full in other comprehensive income, while anniversary bonuses are shown under profit or loss for the period. Service costs are shown and charged under staff expense. Interest paid is recorded under finance costs.

Changes to the interest rates, pay increases, changes to the average lifetime and other factors applied may have a material influence on the present value of the provisions for severance payments, pensions and anniversary payments and staff expense in a financial year. For additional information and a sensitivity analysis, see note 6.1 to the Consolidated Financial Statements 2020.

(f) Other provisions

Other provisions take account of all currently discernible risks and contingent liabilities from past events whereby an outflow of resources is judged to be probable. They are recognised with the best estimate of the expenditure required to settle the present obligation if a reliable estimate exists.

Provisions are set up when the Group has a present legal or constructive obligation to third parties as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions for warranty claims and other contract risks are determined on the basis of an individual assessment of the risks. A provision is made when it is deemed probable that claims will be raised against the Group, irrespective of the period in which the matter is likely to be settled. The provision amount corresponds to the best possible estimate of the amount of the expected claim. Provisions related to impending losses and damages and penalties from contracts are recorded in other provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

(g) Financial instruments

Every financial instrument that falls under the scope of IFRS 9 is classified into measurement categories based on the business model underpinning it and the contractually agreed cash flow characteristics. Financial assets and liabilities are measured at fair value when they are initially recognised. In the subsequent period they are measured at amortised cost or fair value depending on the respective measurement category.

For financial instruments measured at amortised cost or at fair value through other comprehensive income, the expected credit loss model is applied for any impairment. Here a risk provision is formed on the date of acquisition in the amount of the twelve-month expected credit loss (stage 1). Should a significant increase in the credit risk occur, then the lifetime expected credit loss is recognised (stage 2). If there is objective evidence of actual impairment, then stage 3 applies.

For trade receivables, contract assets and lease receivables, the PORR Group uses the simplified approach pursuant to IFRS 9.5.15 and recognises the lifetime expected loss when calculating impairment. The Group draws on all available information when estimating the expected credit loss. This includes historic data and future-oriented information. As a general rule, no external creditworthiness assessments are available for financial instruments. The expected credit loss is calculated on the basis of the product from the expected net of the financial instrument, the probability of default for the period and the amount lost in the case of an actual loss.

The general impairment model is applied for loans (project financing) for companies accounted for under the equity method and other equity interests. Should no external creditworthiness assessments be available, then the credit risk is monitored using key performance indicators (KPIs) such as the day sales outstanding (DSO) and equity ratio for each equity interest.

(h) Revenues from contracts with customers

Revenue is recognised after deductions for sales tax, discounts and other reductions as well as other taxes related to sale. The point in time the revenue is realised depends on the type of revenue, described as follows:

For revenues from construction contracts, the revenue is realised over the period of the service rendered under application of the POC method. The probable contract revenue is shown under revenue in accordance with the respective percentage of completion. The basis for determining the percentage of completion is the services rendered to date relative to the overall services estimated. This also applies to revenues from contracts with customers that are realised in consortiums. Should appropriate conditions be met, multiple contracts are aggregated and measured together from across the Group. Variable components of contract revenue – especially supplements – shall be applied when it is highly probable that they will not lead to a reversal of the revenues already recognised. Invoices for advance payments are provided in line with a predefined payment plan that broadly corresponds to progress made on the construction project. In individual cases, the payment plans include a financing component that is recognised separately in the financing result as interest income.

Following the deduction of customer payments, the service rendered is recognised as a contract asset under trade receivables or as a contract liability under other liabilities if the payments received exceed the services rendered so far. If it is probable that the total contract costs will exceed the contract revenue, the expected loss is immediately recognised in full in the amount necessary to fulfil the contract. Contract-fulfilment costs are recognised and written down over the duration of the project as long as they would not have been incurred had the contract not been fulfiled.

Revenue from landfills and from the sale of raw materials are mostly realised at a point in time following transfer of the key opportunities and risks. Revenue from services arising from the management of real estate (property management) are realised over a period of time.

(i) Interest income

Interest income is defined in accordance with the effective interest method. The effective interest rate is any interest rate where the present value of future cash flow from the financial asset value corresponds to the carrying amount of the asset.

(j) Dividend income

Dividend income from financial investments is recognised when legal title arises.

(k) Borrowing costs

Borrowing costs resulting directly from the acquisition or production of qualifying assets, even those whose acquisition or manufacture takes up a considerable time period until the intended use or sale, form part of the cost of the asset and are therefore capitalised. Other borrowing costs are recorded as an expense in the period in which they were incurred.

8.6 Revenue and Production output

The Group presents Production output because it is widely used in the construction industry and management believes that it is a useful measure for assessing the overall construction output of the Group and other entities and consortia/joint ventures in which the Group holds a direct or indirect interest. It is important to note that Production output is not an IFRS financial measure and is not designed to measure the Group's financial performance.

The Group's Production output is determined from the proportional construction output of all companies in which the Group has a direct or indirect interest, as well as from the proportional output of consortia/joint ventures involving any one of the Group companies, reconciled pursuant to commercial criteria. As opposed to the gross revenues reported in the consolidated income statement, the output of consortia on the one hand and the output of all Group companies on the other hand – regardless of their form of inclusion in the consolidated financial statements (fully consolidated, at equity, proportionately consolidated or those of minor significance) – are included proportionately in the calculation of Production output.

Production output is not indicative of revenue because of differences in calculating Production output and revenue. Investors should also note that there is no official definition of Production output and that measures bearing the same or similar names disclosed by other construction companies or presented in industry reports and similar publications may be calculated differently. As a result, investors shall consider Production output only in conjunction with revenue and the Consolidated Financial Statements and related commentary as a whole.

Set forth below is a description of the adjustments to get from Production output to revenue or from revenue to Production output.

Entities fully consolidated under IFRS: Revenue as reported in the Consolidated Financial Statements includes 100% of revenues of all fully consolidated entities (irrespective of whether or not the direct or indirect holding is 100% or less than 100%). Production output, on the other hand, includes only the Group's pro rata share of the Production output of consolidated entities where the direct or indirect holding in such Group entity is less than 100%.

Entities not fully consolidated under IFRS and investments: Revenue as reported in the Consolidated Financial Statements does not include revenue attributable to not fully consolidated entities and investments. Instead, the Consolidated Financial Statements include income derived from not fully consolidated entities as share of profit/loss of associates and income derived from investments as income from financial investments. Production output, on the other hand, includes Production output attributable to entities not fully consolidated under IFRS (i.e., not fully consolidated subsidiaries and associates) and Production output attributable to investments, in each case pro rata to the Group's ownership interest in the relevant entity.

Consortia: Revenue as reported in the Consolidated Financial Statements does not include revenue attributable to consortia. However, revenue does include revenue derived from the provision of assets and staff to consortia against payment and profits from consortia (but not losses, which are reflected as other operating expenses in the Consolidated Financial Statements). Production output, on the other hand, also includes Production output attributable to consortia generating third-party revenue by using the assets and staff of their members or subcontractors, pro rata to the Group's interest in such consortia.

Differences between recognition as revenue and reflection as Production output: While the date of recognition or de-recognition of revenues in accordance with IFRS is exactly determined by the respective IFRS regulations, the reflection of Production output follows Group internal cost accounting rules. These internal rules differ from IFRS regulations so that the reflection of Production output does not have to correlate with the recognition of revenue.

Other adjustments: As compared to revenue, Production output includes various income that is not included in revenue but instead is reflected in the Consolidated Financial Statements as changes in inventories, own work capitalized, other income and interest income. Further, Production output does not include consortium-related income that arises when the Group operates as part of a consortium and bills customers for services provided by other consortium members, while such amounts are included in revenue as reported in the consolidated income statement.

Given the differences in the way Production output and revenue are calculated, Production output is typically materially higher than revenue. The below table provides a reconciliation of revenue to Production output for the financial years ended 31 December 2018, 2019 and 2020 as well as for the periods ended 30 June 2020 and 2021:

(in TEUR)	**Financial year ended**			**Period ended**	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Revenue....................	4,651,842	4,880,414	4,959,109	2,288,262	2,071,222
Total adjustments*	533,505	689,855	633,805	207,810	201,884
Production output * ...	5,185,347	5,570,269	5,592,914	2,496,072	2,273,106

(Source: Consolidated Financial Statements, Half-Year Report 2021 and unaudited internal information of the Company in respect of Production output and adjustments)

* Production output is not an IFRS financial measure and is therefore unaudited – total adjustments are also unaudited.

On a segmental level, further differences exist. While revenue on a segment level only includes revenue achieved with third parties, Production output on a segment level also includes services to other segments (and the receiving segment's Production output is reduced correspondingly).

8.7 Order backlog and Order intake

Orders are deemed received and reflected in Order backlog and Order intake only after orders have become legally binding or there is a binding commitment. Order backlog as of any date and Order intake in any period are not indicative of future revenue or Production output as a project may be delayed and/or cancelled for many reasons, in which case the Group will not be able to realize the corresponding revenue and/or Production output. Order backlog is calculated on the same basis as Production output. To the extent work performed is recognized as Production output and/or revenue, Order backlog is reduced correspondingly.

The following table presents Order backlog as of 31 December 2018, 2019 and 2020 as well as of 30 June 2020 and 2021:

(in TEUR)			As of		
	31 December 2020 (unaudited)	31 December 2019 (unaudited)	31 December 2018 (unaudited)	30 June 2021 (unreviewed)	30 June 2020 (unre-viewed/unaudited)
Total Order backlog ..	7,067,498	6,297,541	6,327,894	7,848,478	7,079,873

(Source: Unaudited internal information of the Company)

The following table presents Order intake in the financial years ended 31 December 2018, 2019 and 2020 as well as for the periods ended 30 June 2020 and 2021.

(in TEUR)		Financial year ended		Period ended	
	31 December 2020 (unaudited)	31 December 2019 (unaudited)	31 December 2018 (unaudited)	30 June 2021 (unreviewed)	30 June 2020 (unreviewed)
Total Order intake	5,905,283	5,437,071	5,821,884	3,271,305	3,016,421

(Source: Unaudited internal information of the Company)

Total Order backlog decreased slightly from EUR 6,328 million as of 31 December 2018 by EUR 30 million or 0.5% to EUR 6,298 million as of 31 December 2019 and then increased by EUR 770 million or by 12.2% to EUR 7,067 million as of 31 December 2020. (The Order backlog for 31 December 2018 and 2019 have been adjusted for the projects A1 Leverkusen Bridge and H51 Pfons-Brenner in 2020.) The high level of total Order backlog as of 31 December 2020 / 30 June 2021 was due to the fact that the Order intake exceeded the Production output by EUR 719.9 million in 2020 which resulted in a corresponding increase in total Order backlog.

In the first half of 2021, the Order intake also exceeds Production output. This particularly reflects the recovering economy which also results in a boost for the construction sector (the current production index from Statistics Austria recently shows that production has slowly recovered since summer 2020 and largely reached the pre-COVID-19 crisis level in May 2021; *Statistik Austria*, August 2021). The 9.8% growth in the Issuer's

Production output resulted from the absence of the impact of the COVID-19 pandemic in the previous year as well as from the rebound of the construction industry. Polish infrastructure construction also made a significant contribution to this increase. The 10.9% growth in the Order backlog is attributable to several factors, including the major new project for the expansion of the Vienna underground railway network.

Representative and material projects of the PORR Group included in total Order backlog as of 31 December 2020 and 30 June 2021 and which include material Order intakes (in MEUR) during the financial years 2020 and 2021 are, amongst others, the following:

(a) Order intakes: Material project acquisitions

2020

High Speed 2 − Stage 1+2a (PORR UK): The project volume of this railway project in the UK is EUR 287.6 million. Two sections of the High Speed 2 project use the PORR Group's Slab Track Austria system. On the High Speed 2 project in the UK, PORR and its Slab Track Austria system will ensure sustainable travel between London, Birmingham and Crewe.

LK131 Chorzów Batory – Naklo Ślaskie (PORR PL): The project volume of this railway project in Poland is EUR 248.9 million. In railway construction, PORR has experience in technically demanding projects and acquired the contract to modernize the track LK131 Chorzów Batory – Nakło Śląskie.

Siemens Zeleni Neubau HEP (PORR Industriebau): The project volume of this industrial construction sector project is EUR 165.5 million. In Erlangen, Germany, PORR has been building the Siemens Healthineers Campus, a state-of-the-art production facility for medical technology components, since autumn 2020. On an area of 47,000m², around 700 employees will work in the new production, logistics and administrative buildings to produce X-ray tubes and equipment. The site will also have laboratory facilities for cutting-edge research, testing brand new developments and maximizing efficiency.

Terminal LNG – Onshore (JV LNG Onshore): A large project in specialist civil engineering with a volume of EUR 117.8 million was acquired in Poland with the expansion of the LNG terminal in Świnoujście. With the construction of an additional gas tank, PORR – as the lead in a consortium – has been helping to increase the regasification capacity by around 50%. Additionally, PORR has been building an additional dock to expand the offshore infrastructure. The EU-subsidised expansion safeguards gas supply to Central and South Eastern Europe.

S16 Borki Wielkie – Mragowo (PORR PL): The project volume of this infrastructure project in Poland is EUR 112.4 million. PORR is realising the 16km-long section Borki Wielkie – Mragowo on the S16 expressway between Borki Wielkie and Mragowo in the Polish region of Ermland-Masuren.

2021:

ARGE U2 17-21 (PORR Bau GmbH): As part of a consortium, PORR has been awarded five lots from the extension of the U2/U5 metro lines, Vienna's largest metro project, with a project volume of EUR 240.1 million. PORR is responsible for building four underground railway stations (with additional TBM support) and seven kilometres of rail tunnels. The special challenge is owed to the fact that around seven kilometres of tunnel needs to be driven under a densely populated area, requiring outstanding technical knowhow. Three kilometres of this will be built using the New Austrian Tunnelling Method pioneered by PORR.

Alexander Berlins Capital ABC Tower (PORR DE): In the middle of the German capital at Berlin's Alexanderplatz a modern high-rise building with a height of 150 metres is taking shape. On 34 floors exclusive and micro apartments together with a swimming pool and a spa area are moving in. The ground floors will be occupied by retail stores. The project volume is EUR 240.0 million, making it one of the biggest building construction contracts in younger history in Germany.

S19 Kuznica – Sokolka (PORR PL): The project volume of this project in Poland is EUR 95.1 million. The S19 expressway is under construction in the east of Poland and will provide a north-south link between Belarus and Slovakia. In the first half of 2021, PORR won the design-build contracts for two sections of the expressway, with a total value of around EUR 130 million. PORR is responsible for a total of 27 kilometres of road, located between Kuźnica and Sokółka and between Krynice and Dobrzyniewo.

Schützengarten Dresden (PORR DE): The project volume of this residential construction project in Germany is EUR 84.8 million. In Dresden, a completely new and cityscape-changing residential quarter is being built with 479 flats with 23 staircases, 3 underground car parks and several retail units.

ARGE PSW Limberg III (Hinteregger, PORR Bau GmbH): The volume of this project is EUR 71.5 million. The Limberg III pumped storage power plant is already PORR's third major project for the Kaprun power plant. From 2025, an additional 480 MW of electricity will be available so that surges in demand can be quickly offset with clean power safely stored. This project also draws on PORR's expertise in tunnelling and its experience in high Alpine terrain.

(b) Material projects with a high order value included in total Order backlog

ARGE ATCOST21 (PTU GmbH, DE / PORR Tunnelbau): High-speed travel is the goal of Stuttgart 21. Here PORR is building the feeder to Ober- and Untertürkheim and the Filder Tunnel as part of a consortium. This railway track takes the most direct route vie the Swabian Alb. The total volume of the project is EUR 439.2 million.

KAT 3 – Koralmtunnel (PORR Bau GmbH): The centrepiece of the Koralmbahn – which will reduce the current three-hour travel time between the Austrian cities of Graz and Klagenfurt to around 45 minutes – is the Koralmtunnel. Here PORR has acquired the construction lot 3 with a project volume of EUR 297 million.

S3 Bolkow – Kamienna Gora (PORR PL): The largest road construction contract of the year 2018 involved the design and build of the S3 between Bolków and Kamienna Góra with a project volume of around EUR 290 million.

8.8 Results of Operations

(a) Overview

The following table provides an overview of the Group's results of operations for the financial years ended 31 December 2018, 2019 and 2020 as well as for the periods ended 30 June 2020 and 2021:

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)[1]	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Production output *	**5,185,347**	**5,570,269**	**5,592,914**	**2,496,072**	**2,273,106**
Revenue....................	4,651,842	4,880,414	4,959,109	2,288,262	2,071,222
Own work capitalised in non-current assets..	3,787	4,105	5,186	1,905	788
Income from companies accounted for under the equity method	34,036	87,448	86,551	27,643	10,600
Other operating income..........................	133,606	175,056	183,923	80,200	63,380
Cost of material and other related production services	-3,117,518	-3,292,838	-3,462,635	-1,461,103	-1,340,092
Staff expenses	-1,210,093	-1,243,180	-1,178,798	-621,409	-570,016

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)(1)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unre-viewed/unaudited)
Other operating expenses	-364,222	-394,822	-373,869	-201,492	-170,078
EBITDA	**131,438**	**216,183**	**219,467**	**114,006**	**65,804**
Depreciation, amortisation and impairment expense	-168,647	-161,461	-127,143	-92,820	-82,753
EBIT	**-37,209**	**54,722**	**92,324**	**21,186**	**-16,949**
Income from financial investments and other current financial assets	12,771	15,396	18,466	1,955	3,787
Finance costs	-26,610	-32,709	-22,659	-11,690	-13,418
EBT	**-51,048**	**37,409**	**88,131**	**11,451**	**-26,580**
Income tax expense	8,681	-9,576	-21,936	-2,840	3,882
Profit/loss for the period	**-42,367**	**27,833**	**66,195**	**8,611**	**-22,698**

(Source: Consolidated Financial Statements, Half-Year Report 2021 and unaudited internal information of the Company in respect of Production output)

(1) To facilitate better comparability, the reporting of expenses related to IFRS 16 (disposals) has been changed. The comparative figures for 2019 have been restated accordingly. See note 6.2 of the notes to the Consolidated Financial Statements 2020 for more details.

* Production output is not an IFRS financial measure and is therefore unaudited.

(b) Overview of Consolidated Income Statement Data per Segment

Set forth below is a breakdown of the revenue, Production output, inter-segment revenue and earnings before tax (EBT) of the segments of the Group for the financial years ended 31 December 2018, 2019 and 2020. Due to the new segmentation as of 1 January 2021, the respective numbers for the periods ended 30 June 2020 and 2021 are included in a separate table:

(in TEUR)	Financial year ended		
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)
Business Unit 1 – Austria, Switzerland			
Segment revenue	2,388,082	2,462,208	2,432,482
Production output *	2,659,219	2,827,947	2,803,902
Inter-segment revenue	11,070	20,459	34,982
Earnings before tax (EBT)	44,600	73,704	78,503
Business Unit 2 – Germany			
Segment revenue	833,716	972,090	855,721
Production output *	881,865	1,003,821	939,777
Inter-segment revenue	8,448	4,711	8,127
Earnings before tax (EBT)	-40,652	5,027	2,170
Business Unit 3 – International			
Segment revenue	1,362,328	1,375,115	1,578,693
Production output *	1,528,719	1,626,475	1,725,493
Inter-segment revenue	598	4,358	183
Earnings before tax (EBT)	-53,194	-44,983	6,571

(in TEUR)	Financial year ended		
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)
Holding			
Segment revenue	67,716	71,001	92,213
Production output *	115,544	112,026	123,742
Inter-segment revenue	106,058	130,787	110,836
Earnings before tax (EBT)	-1,802	3,661	887
Group			
Segment revenue	4,651,842	4,880,414	4,959,109
Production output *	5,185,347	5,570,269	5,592,914
Inter-segment revenue			
Earnings before tax (EBT)	-51,048	37,409	88,131

(Source: Consolidated Financial Statements; unaudited internal information of the Company in respect of Production output)

* Production output is not an IFRS financial measure and is therefore unaudited.

Set forth below is a breakdown of the revenue, Production output, inter-segment revenue and earnings before tax (EBT) of the segments of the Group for the periods ended 30 June 2020 and 2021. Due to the new segmentation as of 1 January 2021, the respective numbers for the periods ended 30 June 2020 and 2021 are included in this separate table:

(in TEUR)	Period ended	
	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Segment AT / CH		
Segment revenue	1,204,335	1,007,817
Production output *	1,319,892	1,107,526
Inter-segment revenue	13,274	10,128
Earnings before tax (EBT)	14,647	-5,871
Segment DE		
Segment revenue	375,553	420,103
Production output *	382,067	453,105
Inter-segment revenue	2,775	4,739
Earnings before tax (EBT)	-9,881	543
Segment PL		
Segment revenue	331,916	260,619
Production output *	318,442	248,162
Inter-segment revenue	399	422
Earnings before tax (EBT)	4,110	-681
Segment CEE		
Segment revenue	163,848	170,292
Production output *	194,411	210,309
Inter-segment revenue	2,947	2,438
Earnings before tax (EBT)	5	-13,079
Segment Infrastructure International		

(in TEUR)	Period ended	
	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Segment revenue	183,706	191,062
Production output *	239,683	217,367
Inter-segment revenue	3,372	1,008
Earnings before tax (EBT)	691	-5,249
Holding		
Segment revenue	28,905	21,330
Production output *	41,577	36,639
Inter-segment revenue	53,521	53,796
Earnings before tax (EBT)	1,879	-2,243
Group		
Segment revenue	2,288,262	2,273,106
Production output *	2,496,072	2,071,222
Earnings before tax (EBT)	11,451	-26,580

(Source: Half-Year Report 2021; unaudited internal information of the Company in respect of Production output)

* Production output is not an IFRS financial measure and is therefore unaudited.

8.9 Financial Year ended 31 December 2018 compared to the Financial Year ended 31 December 2019 and the Financial year ended 31 December 2020, as well as Period ended 30 June 2020 compared to Period ended 30 June 2021

(a) Revenue and Production output

Revenue includes invoiced construction work of own construction sites, goods and services sold/delivered to consortia, shares of profit from consortia and other revenue from ordinary activities. The majority of revenue is derived from construction work. The Company recognizes revenue from construction projects according to the POC method. Accordingly, revenue for a construction project is recognized gradually over the term of the underlying contract. Revenue from the sale of assets is recognized on delivery and transfer of ownership. Discounts and other reductions of revenue are deducted.

Production output decreased from EUR 5,593 million in the financial year 2018 by 0.4% or EUR 23 million to EUR 5,570 million in the financial year 2019 and decreased by EUR 385 million or 6.9% to EUR 5,185 million in the financial year 2020. In the first half of 2021, PORR generated Production output of EUR 2,496 million. The 9.8% growth resulted from the absence of the impact of the coronavirus in the previous year as well as from the rebound of the construction industry. Polish infrastructure construction also made a significant contribution to this increase.

In the financial year 2019, the Group achieved revenue of EUR 4,880 million, a decrease of 1.6% or EUR 79 million as compared to EUR 4,959 million in the financial year 2018. Thereof, revenue from construction contracts amounted to EUR 4,587 million (2018: EUR 4,655 million) and revenue from sales of raw materials and other services to EUR 293 million (2018: EUR 304 million). In the financial year 2020, the Group achieved revenue of EUR 4,652 million, a decrease of 4.7% or EUR 229 million as compared to EUR 4,880 million in the financial year 2019. Thereof, revenue from construction contracts amounted to EUR 4,361 million and revenue from sales of raw materials and other services to EUR 291 million. In the first half of 2021, PORR generated revenue of EUR 2,288.3 million. The 10.5% growth is mainly attributable to the higher output in Austria.

The differences between the development of revenue and Production output are due to differences in the calculation of these measures, including on a segment level. On a segment level, there is in addition a difference in recognition – external revenue is recognized by the segment receiving inter-segmental services and invoicing the customer, while Production output is recognized by the segment rendering inter-segmental services.

The segment Business Unit 1 – Austria, Switzerland generated Production output of EUR 2,828 million in the financial year 2019, an increase of EUR 24 million or 0.9% as compared to EUR 2,804 million in the financial year 2018. Particular contributors to this increase were the Austrian federal provinces of Tyrol, Carinthia and Upper Austria, as well as the positive growth in Switzerland in the division of structural engineering. At the same time, segment revenue increased from EUR 2,432 million in 2018 to EUR 2,462 million in 2019. In the financial year 2020, the segment Business Unit 1 – Austria, Switzerland generated Production output of EUR 2,659 million, a decrease of EUR 169 million or 6.0% as compared to EUR 2,828 million in the financial year 2019. Such decrease has been driven by the temporary closure of construction sites in Austria because of the pandemic. At the same time, segment revenue decreased from EUR 2,462 million in 2019 to EUR 2,388 million in 2020.

The segment Business Unit 2 – Germany generated Production output of EUR 1,004 million in the financial year 2019, an increase by EUR 64 million or 6.8% as compared to EUR 940 million in the financial year 2018. The reasons for such increase were in particular due to the high output for major structural engineering projects and foundation engineering. At the same time, segment revenue increased from EUR 856 million in 2018 by EUR 116 million or 13.6% to EUR 972 million in 2019. In the financial year 2020, the segment Business Unit 2 – Germany generated Production output of EUR 882 million, a decrease by EUR 122 million or 12.1% as compared to EUR 1,004 million in the financial year 2019. The main drivers have been the end of several major orders in structural engineering such as the A1 Leverkusen Bridge. At the same time, segment revenue decreased from EUR 972 million in 2019 by EUR 138 million or 14.2% to EUR 834 million in 2020.

The segment Business Unit 3 – International generated Production output of EUR 1,626 million in the financial year 2019, a decrease of EUR 99 million or 5.74% as compared to EUR 1,725 million in the financial year 2018. This development is mainly driven by the completion of the large-scale projects in Qatar and the more selective approach to acquisitions, especially in Poland. At the same time, segment revenue decreased from EUR 1,579 million in 2018 by EUR 204 million or 12.9% to EUR 1,375 million in 2019. In the financial year 2020, the segment Business Unit 3 – International generated Production output of EUR 1,529 million, a decrease of EUR 98 million or 6.0% as compared to EUR 1,626 million in the financial year 2019. Main drivers for this decrease were the ending of several large-scale tunnelling projects and included the ending of the output contribution from the H51 Pfons-Brenner project. The COVID-19 pandemic led to lower output, particularly with regard to Slovakia, the Czech Republic and Norway. At the same time, segment revenue decreased from EUR 1,375 million in 2019 by EUR 13 million or 0.9% to EUR 1,362 million in 2020.

The segment Holding generated Production output of EUR 112 million in the financial year 2019, a decrease of EUR 12 million or 9.5% as compared to EUR 124 million in the financial year 2018. The reason for this decrease was the sale of an associated company. At the same time, segment revenue decreased from EUR 92 million in 2018 by EUR 21 million or 23% to EUR 71 million in 2019. In the financial year 2020, the segment Holding generated Production output of EUR 116 million, an increase of EUR 3 million or 3.1% as compared to EUR 112 million in the financial year 2019 due to a new construction project with a subsidiary. At the same time, segment revenue decreased from EUR 71 million in 2019 by EUR 3 million or 4.6% to EUR 68 million in 2020.

In the first half of 2021 the segment AT / CH generated Production output of EUR 1,320 million and was thereby up by 19.2% against the previous year. Particularly strong increases were seen in the Austrian provinces of Vienna and Styria and the German industrial construction as an integrated part of this segment. The segment DE recorded Production output of EUR 382 million. The decrease of 15.7% year-on-year is mainly due to the targeted reduction in Production output in structural engineering. The lower Production output caused by adverse weather at the start of the year affecting PORR Oevermann and building construction in the North region also had an impact which was partly offset by the positive development in Government Services.

In the segment PL, the infrastructure sector and industrial construction were the main contributors to the increase in Production output of 28.3%. Overall, the segment PL generated Production output of EUR 318 million. With a decrease of 7.6%, the segment CEE was responsible for Production output of EUR 194 million. While a clear reduction was seen in building construction in Romania, it increased sharply in the Czech Republic and Slovakia. The segment Infrastructure International contributed EUR 240 million to total Production output. The 10.3% rise came from the Production output expansion in tunnelling and from the areas of Major Projects and Slab Track International. The segment Holding reported a Production output of EUR 42 million and therefore showed an increase of 13.5% against the first half 2020.

(b) Own work capitalized in non-current assets

Own work capitalized includes the Company's own expenses capable of being capitalized (essentially staff expense) in relation to the expansion of properties used by the Group as well as real estate development projects. Own work capitalized amounted to TEUR 4,105 in the financial year 2019. It decreased compared to TEUR 5,186 in the financial year 2018. In the financial year 2020, own work capitalized decreased and amounted to TEUR 3,787 .

(c) Share of profit/loss in companies accounted for under the equity method

The share of profit/loss in associated companies amounted to EUR 87 million in the financial year 2019, and remained same as compared to EUR 87 million in the financial year 2018. In the financial year 2020, share of profit/loss in companies accounted for under the equity method decreased by EUR 53 million or 61.1% to EUR 34 million. The decrease was based on lower output and higher COVID-19 pandemic-related costs in earnings from consortiums as well as from associates and joint ventures.

In the first half of 2021, earnings from companies accounted for under the equity method rose significantly to EUR 27.6 million. The higher earnings from consortiums and the improved earnings from companies accounted for under the equity method contributed here.

(d) Other operating income

Other operating income largely comprises income from releases of provisions, amounts invoiced to participations, other staff income, exchange gains and income from the sale of materials. A breakdown of categories and their development in the financial years ended 31 December 2018, 2019 and 2020 as well as for the periods ended 30 June 2020 and 2021 is set forth in the below table. The line "Other" includes mainly income from deductions for the private use of company cars, compensation for damages in the course of realising tenders and additional services rendered.

(in TEUR)	**Financial year ended**			**Period ended**	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Income from releases of provisions............	19,348	29,661	33,394	15,665	10,645
Income from the sale of property, plant and equipment................	10,027	19,673	17,887	7,280	4,421
Revenue from the provision of staff	11,281	18,955	26,189	9,143	6,042
Insurance payments.	11,619	14,737	12,938	8,499	6,842
Exchange rate gains.	14,126	17,614	14,437	5,747	6,847
Revenue from charging materials............	6,370	7,153	10,144	3,853	2,863
Revenue from other charges passed on....	16,288	20,324	19,979	13,483	12,017

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unre-viewed/unaudited)
Rent from space and land..........................	4,230	6,307	4,996	1,564	2,322
Other income related to staff	6,821	1,725	6,380	3,672	2,803
Valuation of investment properties	3,220	-	1,688	-	-
Other	30,276	38,907	35,891	11,294	8,578
Total	**133,606**	**175,056**	**183,923**	**80,200**	**63,380**

(Source: Consolidated Financial Statements, Half-Year Report 2021 and unaudited internal information of the Issuer)

Other operating income amounted to EUR 175 million in the financial year 2019 (restated), a decrease by EUR 9 million or 4.8% compared to EUR 184 million in the financial year 2018. This decrease was a result of the lower charges passed on to associates as large-scale projects in Qatar were completed in 2019. In 2019, other operating income also included higher results from sales of property, plant and equipment. In the financial year 2020, other operating income decreased by EUR 41 million or 23.7% to EUR 134 million. The main drivers of the decrease were a more limited release of provisions as a result of a change in project structure and lower income from selling property, plant and equipment coupled with lower revenue from other charges passed on, which was impacted by COVID-19 pandemic.

In the first half 2021 the effect of the COVID-19 pandemic reversed and higher charges passed on to consortia, joint ventures and companies accounted for under the equity method were realized. This, together with an increase in the release of provisions and higher sales of property, plant and equipment, led to an increase of other operating income from EUR 63 million in the first half of 2020 to EUR 80 million in the first half of 2021.

(e) Cost of materials and other related production services

It is common in the construction industry that in terms of expenses, costs of materials and other related production services represent the highest cost factor.

Cost of materials and other related production services amounted to EUR 3,293 million in the financial year 2019 (restated), a decrease of EUR 170 million or 4.9% as compared to EUR 3,463 million in the financial year 2018. As a percentage of revenue, the cost of materials and other related production services declined from 69.8% in 2018 to 67.5% in 2019. This decrease was due to, in particular, lower expenditure on purchased production services (-7.7%). In contrast, the Group's own construction expenses (i.e., the sum of expenses for materials and staff) increased by 1.3% to EUR 1,082 million. The cost structure thereby showed, on the one hand, stronger proprietary output in the construction business and, on the other, a stabilisation in the costs of subcontractor services in 2019 but reflects also the higher cost for materials and sub-contractors of projects in Poland.

In the financial year 2020, cost of materials and other related production services amounted to EUR 3,118 million, a decrease of EUR 175 million or 5.3% as compared to EUR 3,293 million in the financial year 2019. Cost of materials and other related production services also decreased as a percentage of revenue, namely from 67.5% in 2019 to 67.0% in 2020. This decline was mainly due to significant savings on materials outlay, which contracted by 8.9% to EUR 986 million. In contrast, expenditure on other related production services was disproportionately low and it decreased by 3.6% to EUR 2,132 million.

In the first half of 2021, the costs of materials and other related production services rose less sharply than revenue, climbing by 9.0%. That said, the material costs increased by 15.6%, reflecting the impact of price increases in the raw materials sector. In contrast, it was possible to secure savings in relation to revenue in expenses for purchased services, which rose by 6.2% and were thereby significantly lower than the growth in revenue.

(f) Staff expense

Staff expenses consists of wages and salaries, social welfare expenses and expenditure on severance payments, anniversary payments and pensions (which in turn include prior service costs and contributions to the staff welfare fund for employees, who commenced employment with an Austrian Group member after 31 December 2002 and voluntary severance payments). The interest expense arising from severance payments and pension obligations is recorded in the line item finance costs.

Actuarial gains/losses are recorded in other comprehensive income. A breakdown of categories and their development in the financial years ended 31 December 2018, 2019 and 2020 as well as for the periods ended 30 June 2020 and 2021 is set forth in below table.

(in TEUR)	**Financial year ended**			**Period ended**	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Wages and salaries..	-955,888	-993,471	-952,294	-499,939	-455,803
Social welfare expenses.....................	-236,926	-235,797	-218,062	-114,746	-107,971
Expenditure on severance payments and pensions	-17,279	-13,912	-8,442	-6,723	-6,241
Total	**-1,210,093**	**-1,243,180**	**-1,178,798**	**-621,409**	**-570,016**

(Source: Consolidated Financial Statements, Half-Year Report 2021 and unaudited internal information of the Issuer)

Staff expense amounted to EUR 1,243 million in the financial year 2019, an increase of EUR 64 million or 5.5% as compared to EUR 1,179 million in the financial year 2018. This increase was mainly due to an increase in wages and salaries, as well as social welfare expenses. These factors corresponded to an increase of 4.7% in the average number of employees from 18,566 in the financial year 2018 to 19,446 in the financial year 2019, but also include additional staff expenses of projects in Poland.

In the financial year 2020, staff expense amounted to EUR 1,210 million, a decrease by EUR 33 million or 2.7% as compared to the financial year 2019. This decrease was mainly due to pandemic-related credits received by the Group from subsidies for short-time work and social security benefits (i.e., a reduction in the employer's contribution), as well as other subsidies in the area of occupational health and safety. These factors were partially off-set by a 2.7% increase in the average number of employees from 19,446 in the financial year 2019 to 19,966 in the financial year 2020.

In the first half of 2021, staff expense amounted to EUR 621 million, an increase of EUR 51 million, or 9.0%, compared to EUR 570 million in the first half of 2020. This increase was mainly due to growth of revenue in the first half-year 2021 and therefore an increasing average number of employees, but also due to the expiration of subsidies, which reduced staff expense in the first half-year of 2020.

With an increase of 9.0%, staff costs stayed below the revenue increase in the first half-year of 2021.

(g) Other operating expenses

Other operating expenses include legal and consultancy services, office operation expenses, travel expenses, expenses related to buildings and land, advertising, commissions for bank guarantees as well as forming provisions for losses and penalties. The category "Other" comprises additions to provisions for construction projects and other provisions, losses from uncollectable receivables, taxes and duties, third party services and general administrative costs. A breakdown of categories and their development in the financial years ended 31 December 2018, 2019 and 2020 as well as for the periods ended on 30 June 2020 and 2021 is set forth in below table.

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Legal and consultancy services, insurance...	-54,643	-65,553	-57,733	-28,273	-25,395
Building and land....	-39,812	-40,600	-66,654	-20,651	-24,403
Exchange rate losses	-21,798	-15,960	-13,618	-8,987	-10,376
Fleet	-20,357	-23,164	-36,145	-9,298	-8,947
Advertising.............	-6,975	-17,730	-13,245	-2,143	-3,638
Office operations.....	-39,062	-37,072	-32,214	-17,345	-16,191
Commission on bank guarantees	-23,600	-18,885	-19,662	-12,984	-10,805
Other taxes	-12,743	-15,844	-12,866	-5,031	-6,728
Contributions and fees	-8,670	-8,294	-8,341	-1,853	-5,321
Training..................	-4,335	-5,552	-4,525	-1,953	-2,327
Travel expenses.......	-30,806	-37,493	-40,198	-15,236	-14,579
Other	-101,421	-108,675	-68,668	-77,738	-41,368
Total	**-364,222**	**-394,822**	**-373,869**	**-201,492**	**-170,078**

(Source: Consolidated Financial Statements, Half-Year Report 2021 and unaudited internal information of the Issuer)

Other operating expenses amounted to EUR 395 million in the financial year 2019 (restated), an increase of EUR 21 million or 5.6% as compared to EUR 374 million in the financial year 2018. This increase was mainly due to higher allocations to provisions for guarantees, losses, penalties and warranty claims. In addition, higher expenses for legal and consultancy services and insurance contributed to the increase. These factors were partially off-set by a significant decline in expenses for renting offices and plots, as well as the expenditure on the Group's vehicle fleet, due to the first-time application of IFRS 16.

In the financial year 2020, other operating expenses amounted to EUR 364 million, a decrease by EUR 31 million or 7.8% as compared to 2019. This decrease was due to lower expenditure for project-related items, including legal and consultancy services, damages and significantly lower travel expenses. Additionally there was a reduction in expenditure on advertising, events and conferences due to the COVID-19 pandemic.

In the first half of 2021 growth in other operating expenses of EUR 31.4 million (+18.5%) to EUR 201.5 million primarily resulted from higher charges passed on (staff, materials etc.) to consortiums, joint ventures and companies accounted for under the equity method. While savings were made in expenses resembling fixed costs that fall under other operating expenses, this item saw a disproportionate rise in project-related provisions, especially those for damage claims.

(h) Earnings before interest, tax, depreciation and amortization (EBITDA)

Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 216 million in the financial year 2019 (restated) as compared to EUR 219 million in the financial year 2018. This was due to the revaluation of a project in Norway and a challenging market environment in Poland, which was characterized by higher costs of construction materials and sub-contractors as well as staff expenses and was partially offset by the first time application of IFRS 16.

In the financial year 2020, EBITDA amounted to EUR 131 million and thereby decreased by EUR 85 million or 39.2% as compared to 2019. Such decrease is due to lower revenue contribution for covering fixed costs but also to COVID-19 pandemic-related extra costs, adjustments to earnings from the revaluation of projects (approximately EUR 65 million) and from lower contributions to earnings from companies accounted for under the equity method.

In the first half of 2021 the additional contribution to earnings caused by the rise in output – alongside lower expenses because of COVID-19 and an increase in productivity as well as improved earnings contributions from projects – led to a significant 73.3% increase in EBITDA in the period under review to EUR 114.0 million.

(i) Depreciation, amortization and impairment expense

This line item comprises depreciation, amortization and the impairment of intangible and tangible assets, including goodwill.

Depreciation, amortization and impairment expense amounted to EUR 162 million in the financial year 2019 (restated) as compared to EUR 127 million in the financial year 2018. This increase was mainly the result of applying IFRS 16 for the first time.

In the financial year 2020, depreciation, amortization and impairment expense amounted to EUR 169 million, an increase by EUR 7 million or 4.5% as compared to the financial year 2019 due to higher investments undertaken in the previous period. The aggregate depreciation, amortization and impairment expense was made up of amortization of intangible assets of EUR 5 million (2019: EUR 8 million), impairments of intangible assets of EUR 1 million (2019: EUR 3 million), and the depreciation of property, plant and equipment of EUR 163 million (2019: EUR 150 million) which include impairments (of property, plant and equipment) of EUR 1 million (2019: 0 million).

Depreciation, amortisation and impairment expense increased by EUR 10 million or 12.2% in from EUR 83 million in the first half of 2020 to EUR 93 million in the first half of 2021 as a result of the higher investment expenditure in previous years.

(j) Operating result (EBIT)

Operating result (EBIT) amounted to EUR 55 million in the financial year 2019 as compared to EUR 92 million in the financial year 2018. In the financial year 2020, operating result (EBIT) amounted to EUR -37 million.

In the first half of 2021, EBIT turned positive to EUR 21 million from EUR -17 million in the first half of 2020.

(k) Financial result

Income from financial investments and other current financial assets amounted to EUR 15 million in the financial year 2019 as compared to EUR 18 million in the financial year 2018. The decrease resulted from decreasing interest income from project financings. In the financial year 2020, income from financial investments and other current financial assets amounted to EUR 13 million, a decrease of EUR 3 million or 17.0% as compared to 2019. The main driver were decreasing late payment interests. Income from financial investments and other current financial assets decreased from EUR 4 million in the first half of 2020 to EUR 2 million in the first half of 2021, mainly due to a decrease in income of subsidiaries.

Finance costs amounted to EUR 33 million in the financial year 2019 as compared to EUR 23 million in the financial year 2018. The increase was mainly due to higher interest on leases caused by the first time application of IFRS 16 at the beginning of 2019. In addition, the increase in finance costs was due to higher interest related to long term provisions. In the financial year 2020, finance costs amounted to EUR 27 million, a decrease compared to EUR 33 million in 2019 due to improvements and optimisation of the financing coupled with a lower usage of credit lines. Finance costs decreased from EUR 13 million in the first half of 2020 to EUR 12 million in the first half of 2021 due to lower usage of credit lines.

(l) Earnings before tax (EBT)

Earnings before tax (EBT) amounted to EUR 37 million in the financial year 2019 as compared to EUR 88 million in the financial year 2018. This decrease was mainly due to the revaluation of a project in Norway and a challenging market environment in Poland, which was characterized by higher costs of construction materials and sub-contractors. On a segment level, earnings before tax of Business Unit 1 – Austria, Switzerland amounted to EUR 74 million in the financial year 2019 as compared to EUR 79 million in the financial year 2018 partially due to a decrease in railway construction and in Switzerland and lower contributions from major projects. Earnings before tax of Business Unit 2 – Germany amounted to EUR 5 million in the financial year 2019 as compared to EUR 2 million in the financial year 2018 mainly due to an increase in building construction contributed to this rise. Earnings before tax of Business Unit 3 – International amounted to EUR -45 million in the financial year 2019 as compared to EUR 7 million in the financial year 2018 largely due to higher costs in Poland as well as a negative contribution to earnings from of a project in Norway. Earnings before tax of the segment Holding amounted to EUR 4 million in the financial year 2019 as compared to EUR 1 million in the financial year 2018.

EBT amounted to EUR -51 million in the financial year 2020. Such decline was due to lower revenue contribution for covering fixed costs but also due to COVID-19 pandemic-related extra costs and adjustments to earnings from the revaluation of projects of together approximately EUR 130 million, which are approximately evenly divided between the two. On a segment level, earnings before tax of Business Unit 1 – Austria, Switzerland amounted to EUR 45 million in the financial year 2020, a decrease by EUR 29 million or 39,5% as compared to 2019. While the performance of major building construction projects was positive, the earnings nevertheless reflected the pandemic-related impact on output and the resultant decrease in the contribution available to cover fixed costs. Earnings before tax of Business Unit 2 – Germany amounted to EUR -41 million in the financial year 2020, a decrease by EUR 46 million as compared to 2019. In addition to the pandemic-related loss of earnings from building construction to cover costs, another major factor was the revaluation of projects in structural engineering. Earnings before tax of Business Unit 3 – International amounted to EUR - 53 million in the financial year 2020, a decrease by EUR 8 million or 18.3% as compared to 2019. In addition to the restrictions on output caused by COVID-19, earnings were particularly impacted by revaluations of projects in tunnelling and on the Home Markets of Business Unit 3. Earnings before tax of the segment Holding amounted to EUR -2 million in the financial year 2020, a decrease by EUR 5 million as compared to 2019.

EBT in the first half of 2021 increased from EUR -26.6 million in the first half of 2020 to EUR 11.5 million. The increase in output and cost savings achieved led EBT for the segment AT / CH to increase from EUR -5.9 million to EUR 14.6 million. EBT in the segment DE decreased from EUR 0.5 million in the first half of 2020 to EUR -9.9 million in the first half of 2021 due to the lower output, restructuring in structural engineering and the expenses incurred as a result of the insolvency of a subcontractor on a major project. EBT in the segment PL increased from EUR -0.7 million in the first half of 2020 to EUR 4.1 million in the first half of 2021, due to increased output and higher contract margins. Changes in the service portfolio and the removal of expenses for a major project led to the welcome development of break-even EBT. The increase in output and cost savings achieved led to positive EBT of EUR 0.7 million. The segment Holding showed EBT of 1.9 million.

(m) Income tax expense

Income tax expense comprises current taxes on income and earnings paid or owed in the individual countries and deferred taxes. Income tax expense amounted to EUR 10 million in the financial year 2019 as compared to EUR 22 million in the financial year 2018. Actual tax expense amounted to EUR 17 million in the financial year 2019 as compared to EUR 21 million in the financial year 2018. Deferred tax income amounted to EUR - 8 million in the financial year 2019 as compared to EUR 1 million in the financial year 2018. The decline in income tax expense resulted from the reduced tax basis in each tax jurisdiction.

In the financial year 2020, income tax amounted to EUR -9 million, a decrease by EUR 18 million or 190.7% as compared to 2019. Actual tax expense decreased from EUR 17 million in 2019 to EUR 6 million in 2020, while deferred tax income amounted to EUR -14 million following a deferred tax income of EUR -8 million in 2019.

In the first half of 2021 the tax result amounted to EUR -3 million (1-6/2020: EUR 4 million).

(n) Profit/loss for the period

The Group achieved a profit for the period of EUR 28 million in the financial year 2019, as compared to a profit for the period of EUR 66 million in the financial year 2018. In the financial year 2020, the Group achieved a loss for the period of EUR -42 million, a decrease by EUR 70 million or 252.2% as compared to 2019.

In the first half of 2021 PORR generated a profit for the period of EUR 9 million (1–6/2020: EUR -23 million).

8.10 Liquidity and Capital Resources as per 31 December 2018 compared to 31 December 2019 and 2020 and as per 30 June 2020 compared to 30 June 2021

(a) Overview of Capital Resources

The Group's primary sources of liquidity are cash from operating activities, bank borrowings and proceeds from the issuance of securities. Borrowers under the most material bank borrowings are PORR Bau GmbH and PORR AG. The Company typically provides guarantees in connection with the borrowings of its subsidiaries. Liquidity required for operational purposes is made available to the members of the Group via cash pools in Austria, Germany and Poland and/or intra-group financing agreements. As of 31 December 2020, the Group had available commitments under existing loan agreements of EUR 320 million in the aggregate (2019: EUR 352 million; 2018: EUR 397 million). As of 30 June 2021, the commitments under existing loan agreements amounted to EUR 265 million (30 June 2020: EUR 331 million).

(b) Cash flow

The following table shows certain information related to the cash flows of the Group in the indicated periods (cash and cash equivalents as of the end of the indicated periods):

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Loss/profit for the year	-42,367	27,833	66,195	8,611	-22,698
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	166,472	167,717	124,239	93,513	83,237
Interest income/expense	18,296	21,645	7,946	8,650	9,603

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unre-viewed/unau-dited)
Income from companies accounted for under the equity method	-1,388	-34,774	-26,272	-948	4,759
Dividends from companies accounted for under the equity method	6,114	23,368	18,882	6,231	1,529
Profits from the disposal of fixed assets	-8,824	-23,513	-18,842	-6,465	-3,835
Decrease in long-term provisions	-1,635	-5,980	-4,884	-2,282	-1,519
Deferred income tax	-14,455	-7,883	1,406	1,223	-6,150
Operating cash flow	**122,213**	**168,413**	**168,670**	**108,533**	**64,926**
Decrease/increase in short-term provisions	24,897	36,467	-5,007	6,528	-11,679
Decrease/increase in tax liabilities	1,983	-9,176	14,849	-	1,930
Increase/decrease in inventories	-1,137	7,021	-7,728	-12,475	-16,113
Decrease/increase in receivables	121,283	-13,693	-177,791	-244,716	-153,458
Decrease/increase in payables (excluding banks)	-40,424	78,807	189,012	111,924	-28,388
Increase in other short-term financial investments	-39,972	-	-		
Interest received	3,820	9,359	16,736	2,839	3,046
Interest paid	-24,520	-26,189	-17,892	-10,422	-11,923
Other non-cash transactions	-1,145	-1,159	5,443	-3,483	2,755
Cash flow from operating activities	**166,998**	**249,850**	**186,292**	**-41,272**	**-148,904**
Proceeds from the disposal of intangible assets	1,550	346	45	-	-
Proceeds from the sale of property, plant and equipment and disposal of investment property	46,264	40,542	40,725	16,814	8,198
Proceeds from the sale of financial assets	1,101	21,347	2,535	-	925
Proceeds from the repayment of loans	5,617	3,377	867	679	1,801
Investments in intangible assets	-7,374	-9,052	-4,193	-8,045	-3,684
Investments in property, plant and equipment and investment property	-126,101	-152,322	-118,014	-86,359	-55,759
Investment in financial assets	-5,624	-2,233	-17,519	-1,794	-345
Investment in loans	-3,405	-4,192	-23,414	-1,555	-930
Repayment of other financial assets	-	-	50,000	-	-
Payouts/proceeds from the sale of consolidated companies less cash and cash equivalents	2,731	-4,082	1,404	-	-
Payouts for the purchase of subsidiaries less cash and cash equivalents	-1,495	-4,461	-1,128	-	-1,495
Cash flow from investing activities	**-86,736**	**-110,730**	**-68,692**	**-80,260**	**-51,289**
Dividends	-12,147	-42,993	-42,992	-16,188	-10,503
Payouts to non-controlling interests	-1,652	-3,757	-1,160	-1,127	-574

(in TEUR)	Financial year ended			Period ended	
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unre-viewed/unau-dited)
Proceeds from profit participation rights/hybrid capital	150,000	-	-	-	150,000
Repayment of profit participation rights/hybrid capital	-28,603	-	-	-	-28,486
Proceeds from bonded loans (*Schuldscheindarlehen*)	-	240,000	40,000	-	-
Repayment of bonds and bonded loans (*Schuldscheindarlehen*)..	-39,000	-96,353	-109,946	-	-
Obtaining loans and other financing	146,192	508,875	445,080	60,246	51,500
Redeeming loans and other financing	-288,159	-487,260	-485,694	-99,903	-100,488
Capital increases attributable to non-controlling interest	-	3,250	-	-	-
Acquisition of non-controlling interests	-	-	115	-	-
Cash flow from financing activities	**-73,369**	**121,762**	**-154,827**	**-56,972**	**61,449**
Change to cash and cash equivalents	**6,893**	**260,882**	**-37,227**	**-178,504**	**-138,744**
Cash and cash equivalents as of 1 January	581,890	319,674	358,707	582,545	581,890
Currency differences	-6,238	1,334	-1,749	2,955	-5,142
Changes to cash and cash equivalents resulting from changes to the consolidated group	-	-	-57	-	-
Cash and cash equivalents as of 31 December	**582,545**	**581,890**	**319,674**	**406,996**	**438,004**

(Source: Consolidated Financial Statements and Half-Year Report 2021)

Operating cash flow/cash flow from operating activities: While operating cash flow in 2019 broadly held steady at EUR 168.4 million cash flow from operating activities rose significantly against 2018 by EUR 63.6 million to EUR 249.9 million. Consistently applied Working capital management facilitated a significant reduction in the absolute increase in receivables and thereby more than offset the rise in trade payables.

The decrease in operating cash flow in 2020 of EUR 46.2 million to EUR 122.2 million (2019: EUR 168.4 million) primarily resulted from the loss for the period. Cash flow from operating activities of EUR 167.0 million was EUR 82.9 million below the level of the previous year. The liquidity from reducing trade receivables (EUR 121.3 million) was used for reducing trade payables. Additional cash required was generated by increasing the prepayments received in the amount of EUR 40.4 million.

The EUR 43.6 million improvement in operating cash flow in the first half of 2021 of EUR 108.5 million broadly resulted from the improved Working capital management together with better results for the period. Cash flow from operating activities of EUR -41.3 million was EUR 107.6 million higher than in the comparable period of 2020. The revenue-related increase in receivables was partly offset by the increase in liabilities, which was also due to seasonal factors.

Cash flow from investing activities: In the financial year 2018, cash flow from investing activities amounted to EUR -69 million. Investments in property, plant and equipment and investment property were the most substantial factors, amounting to EUR 118 million.

In the financial year 2019, cash flow from investing activities amounted to EUR -111 million, a decrease of EUR 42 million, which was primarily caused by loss of the one-off effect from the repayment of the UBM mezzanine loan (EUR 50 million) in 2018.

In the financial year 2020, cash flow from investing activities increased by EUR 24 million to EUR -87 million. The most important factors were lower investments in property, plant and equipment due to the COVID-19 pandemic.

In the first half of 2021, the cash flow from investing activities amounted to EUR -80 million, compared to EUR -51 million in the first half of 2020. This increase was mainly due to an increase in investments in property, plant and equipment and investment property.

Cash flow from financing activities: In the financial year 2018, cash flow from financing activities amounted to EUR -155 million, mainly due to redeeming a bond, payment of dividends and the refinancing and partial repayment of bonded loans (*Schuldscheindarlehen*) and credit financing. As of 31 December 2018, the Group had cash and cash equivalents of EUR 320 million.

In the financial year 2019, cash flow from financing activities amounted to EUR 122 million, mainly reflecting the cash inflow from taking out additional bonded loans (*Schuldscheindarlehen*), which was partially off-set by the payment of dividends and the repayment of a bond. As of 31 December 2019, the Group had cash and cash equivalents of EUR 582 million.

In the financial year 2020, cash flow from financing activities amounted to EUR -73 million reflecting mainly the net increase in hybrid capital (EUR 121 million) and the net repayment of bonded loans (*Schuldscheindarlehen*) and bank loans (EUR -181 million). As of 31 December 2020, the Group had cash and cash equivalents of EUR 583 million.

As of 30 June 2021, the cash flow from financing activities amounted to EUR -57 million (2020: EUR 61 million), which was mainly due to the redemption of loans and other financing.

(c) Liabilities

The following table summarizes the Group's liabilities (and current assets, which are needed for the calculation of Net debt and Working capital) as of 31 December 2018, 2019 and 2020 as well as of 30 June 2020 and 2021.

(in TEUR)			**As of**		
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Inventories	74,756	76,030	82,798	87,231	90,115
Trade receivables	1,333,327	1,480,911	1,461,729	1,543,382	1,605,835
Other financial assets	172,039	86,183	97,188	186,647	106,958
Other receivables and current assets	48,329	47,513	49,220	67,740	53,970
Cash and cash equivalents	582,545	581,890	319,674	406,996	438,004
Assets held for sale	14,619	0	25	14,921	11,830
Current assets	**2,225,615**	**2,272,527**	**2,010,634**	**2,306,917**	**2,306,712**
Bonds and bonded loans (*Schuldscheindarlehen*)	294,604	346,384	175,586	264,688	336,476
Provisions	171,629	169,029	149,150	163,736	170,740

(in TEUR)	As of				
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Non-current financial liabilities....................	327,200	441,295	188,142	334,083	417,034
Other non-current financial liabilities	3,237	3,924	3,079	3,066	3,215
Deferred tax liabilities	22,631	46,061	57,688	22,028	44,330
Non-current liabilities	**819,301**	**1,006,693**	**573,645**	**787,601**	**971,795**
Bonds and bonded loans (*Schuldscheindarlehen*)...................	41,977	28,981	56,290	71,981	38,997
Provisions..................	195,203	170,312	133,757	201,731	163,193
Current financial liabilities............................	95,534	110,919	49,840	86,373	115,360
Trade payables	973,100	1,138,825	1,154,351	1,091,461	1,091,011
Other current financial liabilities....................	46,617	60,314	41,257	40,884	30,402
Other current liabilities	655,881	520,509	449,098	654,369	554,238
Tax payables	31,301	29,338	38,264	31,301	30,849
Liabilities held for sale	-	-	-	-	16,639
Current liabilities.....	**2,039,613**	**2,059,198**	**1,922,857**	**2,178,100**	**2,040,689**
Total liabilities..........	**2,858,914**	**3,065,891**	**2,496,502**	**2,965,701**	**3,012,484**
Net debt [1].................	**136,691**	**345,689**	**150,184**	**310,092**	**469,863**
Working capital [2].....	**434,983**	**418,116**	**390,176**	**539,152**	**604,939**

(Source: Consolidated Financial Statements and Half-Year Report 2021)

1) Net debt is calculated as the total of bonds and bonded loans (*Schuldscheindarlehen*) issued, plus financial liabilities less cash and cash equivalents and securities classified as current assets (investment certificates). Gross debt is calculated as the total of bonds and bonded loans (*Schuldscheindarlehen*) issued plus financial liabilities and amounted to TEUR 469,858 as of 31 December 2018, TEUR 927,579 as of 31 December 2019, TEUR 759,315 as of 31 December 2020 and TEUR 757,125 as of 30 June 2021.

2) Working capital is calculated as the sum of current trade receivables and inventories minus current trade payables.

(d) Bonds and bonded loans (Schuldscheindarlehen)

On 12 August 2015, the Company placed a bonded loan (*Schuldscheindarlehen*) totalling TEUR 185,500. The issue consists of four tranches with terms of three and five years and with a choice of interest at fixed or variable rates.

In August 2016 investors were offered the option of a premature extension of the terms for three, five and seven years. In addition, the volume was increased from TEUR 185,500 to a total of TEUR 200,000.

In February 2017 tranches totalling TEUR 58,000 and subject to variable interest rates were prematurely extended as follows: TEUR 18,000 to August 2020, TEUR 30,000 to August 2022 and TEUR 10,000 to August 2024. In August 2018, in addition to the contractually fixed repayment of the tranches subject to fixed rates totalling TEUR 21,000, tranches subject to variable rates totalling TEUR 40,000 were prematurely extended with a new end date of 14 August 2023.

In February 2019 tranches of TEUR 20,000 subject to interest at variable rates were prematurely extended to 16 February 2026. In addition, TEUR 183,000 was newly placed with terms of four, five and seven years. Of the total, TEUR 31,500 meets the "Eligible Green Principles" criteria and was placed as a Green bonded loan (*Schuldscheindarlehen*). A second-party opinion by the independent ratings agency Sustainalytics was provided to confirm that these principles are upheld. Under this scheme, environmentally friendly and sustainable investments in PORR office buildings are being refinanced along with investments related to PORR activities in environmental engineering. In May 2019 TEUR 20,000 of the total was paid back, in July the amount was increased by TEUR 22,000 and in October by TEUR 15,000.

In August 2020 a tranche of TEUR 18,000 subject to interest at fixed rates and two tranches of TEUR 11,000 fell due and were thereby redeemed. In September 2020, TEUR 10,000 was prematurely redeemed. As of 30 June 2021, the bonded loans (*Schuldscheindarlehen*) totalled TEUR 337,000 (nominal amount).

(nominal amounts in TEUR) Tenor	Bonded loans without green bonded loans	Green bonded loans	Total	in %
August 2021	42,000		42,000	12.46
February 2022	30,000		30,000	8.90
February 2023	11,000	5,500	16,500	4.90
August 2023	50,000		50,000	14.84
February 2024	10,000		10,000	2,97
February 2024	102,000	25,500	127,500	37.83
July 2024	22,000		22,000	6.53
February 2026	38,500	500	39,000	11.57
Total	**305,000**	**31,500**	**337,000**	**100.00**
Carrying amount as of 31 December 2020			**336,581**	

(Source: Consolidated Financial Statements 2020)

(e) Financial liabilities

As of 30 June 2021, the outstanding financial liabilities of PORR Group, primarily consisting of financial indebtedness from bonded loans (*Schuldscheindarlehen*), leasing and bank financing, totaled TEUR 757,125.

As of 30 June 2021, of the PORR Group's outstanding financial liabilities, bonded loans (*Schuldscheindarlehen*) represented approximately 44% (TEUR 336,669), leasing represented approximately 43% (TEUR 328,753), bank loans represented approximately 12% (TEUR 87,532) and derivative financial instruments represented approximately 1% (TEUR 4,170). Within the bank loans TEUR 58,075 are based on the Austrian Export Promotion Scheme (*Österreichisches Exportfinanzierungsverfahren*) and were taken out to refinance previous acquisitions made outside of Austria, TEUR 26,017 were granted in 2020 and 2021 due to COVID 19-promotion schemes in Switzerland and Germany and the residual part of TEUR 7,610 is represented by several smaller scaled bank financings.

The following tables show certain information related to the Group's interest-bearing liabilities as of 31 December 2018, 2019 and 2020 as well as of 30 June 2020 and 2021:

(in TEUR)			**As of**		
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Bank loans					
at variable interest rates	85,928	155,519	76,749	56,499	143,463
at fixed interest rates	8,220	55,875	46,026	31,033	52,337
Lease obligations	325,388	337,835	113,160	328,753	333,090

(in TEUR)	As of				
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Derivative financial instruments	2,060	2,214	2,002	4,170	2,799
Other financial liabilities					
at fixed interest rates	1,138	771	45	-	706
Total	**422,734**	**552,214**	**237,982**	**420,455**	**532,395**

(Source: Consolidated Financial Statements and Half-Year Report 2021)

(in TEUR)	30 June 2021	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years	of which secured by collateral
Bank loans	87,532	26,902	52,374	8,256	100
Lease obligations..............	328,753	58,634	141,799	128,319	328,753
Derivative financial instruments	4,170	837	3,334	-	-
Other financial liabilities...	-	-	-	-	-
Total	**420,455**	**86,373**	**197,507**	**136,575**	**328,853**

(Source: Internal calculations of the Company)

The Group did not have any borrowings and overdrafts from banks secure by real estate and inventory since 2018. Group obligations under finance leases are secured by the leased assets which are the property of the lessor under civil law. As of 31 December 2020, the carrying amount of assets securing financial leases was EUR 325 million (2019: EUR 338 million; 2018: EUR 113 million; 30 June 2021: EUR 329 million; 30 June 2020: EUR 333 million).

(f) Net debt

Net debt (calculated as the total of bonds and bonded loans (*Schuldscheindarlehen*) issued, plus financial liabilities less cash and cash equivalents and securities classified as current assets (investment certificates)) increased from EUR 150 million as of 31 December 2018 by EUR 196 million or 130.2% to EUR 346 million as of 31 December 2019 due to the sharp rise in lease liabilities resulting from applying IFRS 16 for the first time. As of 31 December 2020, Net debt declined because of the reduction in trade receivables and the increase in prepayments received by EUR 209 million or 60.5% to EUR 137 million. As of 30 June 2021, Net debt amounted to EUR 310 million (30 June 2020: EUR 470 million).

(g) Contingent liabilities

Contingent liabilities amounted to EUR 10 million as of 31 December 2020 (2019: EUR 9 million; 2018: EUR 6 million; 30 June 2021: EUR 2 million; 30 June 2020; EUR 9 million) and primarily relate to securing bank loans of companies accounted for under the equity method and other liabilities from the operational business whose drawdown is theoretically possible but considered unlikely.

The operational construction business requires various types of guarantees in order to safeguard contractual obligations, as described in more detail above under "11.10 Liquidity and Capital Resources as per 31 December 2018 compared to 31 December 2019 and 2020 and as per 30 June 2020 compared to 30 June 2021 – e) Financial liabilities". This generally relates to guarantees for tenders, contract fulfilment, advance payment and warranty. In addition, the Group is jointly and severally liable for all consortia in which it participates. The Group considers claims arising from such contingent liabilities unlikely.

(h) Off-balance sheet commitments

The Group does not engage in off-balance sheet financial transactions.

(i) Pension, severance and anniversary benefits

Pension Benefits: Pension commitments are as a rule defined individual benefit commitments to senior staff, which are not covered by plan assets. The obligations from direct pension benefits are partially covered by insurance policies. As of 31 December 2020, provisions for pension payments amounted to EUR 46 million (2019: EUR 46 million; 2018: EUR 40 million). As of 30 June 2021, provisions for pension payments amounted to EUR 41 million (30 June 2020: EUR 46 million).

Severance Benefits: In Austria, in case of termination or retirement of an employee there is a statutory obligation to make lump-sum severance payments to all terminated or retired employees who joined the Group (or its predecessor) prior to 1 January 2003. The amount of severance pay depends on the amount of the pay at the time of termination and the length of employment with the Group. Such employee claims are treated as claims under a defined benefit plan for which plan assets do not exist to cover such claims. As of 31 December 2020, provisions for severance payments amounted to EUR 79 million (2019: EUR 81 million; 2018: EUR 73 million); as of 30 June 2021, provisions for severance payments amounted to EUR 76 million (30 June 2020: EUR 81 million). For employees who joined on or after 1 January 2003, an employer is required to make contributions to an employee welfare fund – defined contribution scheme (*Mitarbeitervorsorgekasse*). Monthly contributions to this scheme amount to 1.53% of the salary/wage of each respective employee and are recognized as staff expense in the period in which they are incurred.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of employees whose employment is covered by the Austrian Construction Workers' Leave and Severance Pay Act. Currently, approximately 37% of the wage of relevant employees is payable to the holiday pay fund, amounting to EUR 59 million in 2020 (2019: EUR 56 million; 2018: EUR 51 million) and 4.6% of the wage of relevant employees is payable to the severance pay fund, amounting to EUR 9 million in 2020 (2019: EUR 8 million; 2018: EUR 7 million). This contribution covers employee severance pay claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This Austrian state plan covers all the companies in the construction sector. The benefits are financed on a pay-as-you-earn basis, i.e., the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. Employers are not legally or actually obliged to pay future benefits. Employers are only obliged to pay the prescribed contributions as long as they employ workers whose employment is covered by the Austrian Construction Workers' Leave and Severance Pay Act.

Payments to external employee provision funds are recognized as staff expense in the period in which they are incurred.

Service anniversary bonuses: Austrian legal regulations require the Group to make special payments to employees in Austria who reach a certain number of service years. This payment is dependent on the length of service and the monthly wage or salary on the anniversary date. As of 31 December 2020, provisions for service anniversary bonuses amounted to EUR 26 million (2019: EUR 24 million; 2018: EUR 20 million).

8.11 Equity as per 31 December 2018 compared to 31 December 2019 and 2020 and as per 30 June 2020 compared to 30 June 2021

The following table presents the equity of the Group as of 31 December 2020, 2019 and 2018 as well as of 30 June 2021 and 30 June 2020.

(in TEUR, unless otherwise indicated)	As of				
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (reviewed)	30 June 2020 (unreviewed/unaudited)
Share capital	29,095	29,095	29,095	29,095	29,095
Capital reserve...........	251,287	251,287	251,287	251,287	251,287
Profit participation rights / hybrid capital	325,854	195,250	155,290	318,354	318,557
Other reserves	29,749	111,449	135,974	38,906	67,914
Equity attributable to shareholders of parent	**635,985**	**587,081**	**571,646**	**637,642**	**666,853**
Profit-participation rights	-	-	42,624	**-**	**-**
Non-controlling interests	14,564	11,957	3,964	16,440	12,983
Equity	**650,549**	**599,038**	**618,234**	**654,082**	**679,836**
Total assets..............	**3,509,463**	**3,664,929**	**3,114,736**	**3,619,783**	**3,692,320**
Equity ratio in %*...	**18,5%**	**16,4%**	**19,9%**	**18,1%**	**18,4%**

(Source: Consolidated Financial Statements and Half-Year Report 2021)

* Equity ratio is calculated by dividing total equity by total assets. Equity ratio is not an IFRS financial measure and is therefore unaudited.

As of 30 June 2021, the position equity from profit participation rights included the ABAP Profit Participation Rights with a total nominal value of EUR 40 million and hybrid bonds with a total nominal value of EUR 273 million. The **"ABAP Profit Participation Rights"** were initially issued in 2007 by a Group company of the PORR Group, namely ABAP Beteiligungs Holding GmbH, and have been transferred to the Company as issuer in 2019. ABAP Profit Participation Rights have no maturity and only the Company, but not the holders, is entitled to terminate such rights at any time. Prior to 31 December 2025, the Issuer may only terminate the ABAP Profit Participation Rights in case the ABAP Profit Participation Rights do no longer qualify as equity under IFRS or in case interest payments are no longer deductible as a tax expense. In addition, the right of holders to ordinary termination is excluded, the right to extraordinary termination is tied to dividend payments by the Company after 31 December 2025. The ABAP Profit Participation Rights carry interest at 6% per annum with an interest step-up to 13% per annum as of 1 January 2026. Payment of interest is optional, unless the Company distributes a dividend. In case interest is not paid in respect of a financial year, arrears of interest have to be paid upon the distribution of a dividend by the Company together with additionally accrued interest. Upon termination of the ABAP Profit Participation Rights, the nominal amount terminated is to be repaid together with accrued interest and any arrears of interest.

As of 30 June 2021, the Company had three hybrid bonds outstanding as follows:

Designation	**Outstanding principal amount in EUR**	**ISIN**	**Market(s)**
Hybrid Bond 2014 *..........	25,000,000	AT0000A19Y36	Vienna Stock Exchange (Official Market)
Hybrid Bond 2017 **........	99,294,000	XS1555774014	Vienna Stock Exchange (Official Market)
Hybrid Bond 2020............	150,000,000	XS2113662063	Vienna Stock Exchange (Official Market)

Designation	Outstanding principal amount in EUR	ISIN	Market(s)
Total	**274,294,000**		

* The Hybrid Bond 2014 has been called and repaid by the Company as of 28 October 2021.
** Of the outstanding amount of EUR 99,294,000 of the Hybrid Bond 2017, EUR 48,219,000 will be repurchased as of 17 November 2021.

Equity as of 31 December 2019 of EUR 599 million was below the equity as of 31 December 2018 of EUR 618 million by EUR 19 million. In the same period, total assets increased from EUR 3,115 million as of 31 December 2018 by EUR 550 million to EUR 3,665 million as of 31 December 2019. Thereby, the equity ratio fell from 19.9% to 16.4%.

Equity as of 31 December 2020 of EUR 651 million was above the equity as of 31 December 2019 by EUR 52 million. In the same period, total assets fell from EUR 3,665 million as of 31 December 2019 by EUR 155 million to EUR 3,509 million as of 31 December 2020. Thereby, the equity ratio rose from 16.4% to 18.5%.

As of 30 June 2021, the equity amounted to EUR 654 million (30 June 2020: EUR 680 million).

8.12 Management of Market and Operating Risks

The assets, liabilities and planned transactions of the Group are exposed to risks arising from changes in liquidity, interest rates, foreign exchange rates and raw material prices. The goal of financial risk management is to limit these market risks through regular operating and financing activities. Derivative and non-derivative hedging instruments are used for this purpose, depending on the assessment of risk. In general, risks are only hedged if they could have an effect on the cash flow of the Group. Derivative financial instruments are used exclusively as hedging instruments, i.e., they are not used for trade or other speculative purposes. All hedge transactions are performed centrally by the Group treasury, unless in specific cases other Group companies are authorized to conclude transactions outside the Group treasury. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. All Group treasury activities are subject to strict risk/processing control, the fundament of which is a functional separation of commerce, processing and accounting.

(a) Liquidity risk

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity. Managing the liquidity risk is based on a financial plan updated once a quarter, which originates at operational level. For all projects, designated commercial agents conduct individual and monthly planning for the current year and for the subsequent year. The operational component involves planning all liquidity-related financial issues such as due dates for financing, M&A and capital market transactions, interest and dividends; this is performed centrally at holding level with the person holding Group responsibility.

At year-end 2020 the Group had a liquidity level of TEUR 582,545 and securities recognised as current assets of TEUR 40,079; this liquidity is used on the one hand for the seasonal peak liquidity demand from April to November typical to the construction industry, as well as for settling loans due, bonded loans (*Schuldscheindarlehen*) tranches and potential corporate acquisitions. Should additional liquidity demand arise, this could be covered by drawing on existing lines of credit. As of 30 June 2021, liquidity amounted to TEUR 406,996 (30 June 2020: TEUR 438,004).

As of 31 December 2020, Net debt, defined as the balance from cash and cash equivalents, debt securities in current assets, bonded loans (*Schuldscheindarlehen*), and current and non-current financial liabilities, amounted to TEUR 136,691 (2019: TEUR 345,689). As of 30 June 2021, Net debt amounted to TEUR 310,092 (30 June 2020: TEUR 469,863).

Current financial liabilities, defined as the current portion of bonded loans (*Schuldscheindarlehen*) and de facto current financial liabilities totalled TEUR 137,511 as of 31 December 2020 (2019: TEUR 139,900) and are broadly covered by cash and cash equivalents. Of non-current financial liabilities totalling TEUR 621,804 (2019: TEUR 787,679), TEUR 294,604 (2019: TEUR 346,384) relate to bonded loans (*Schuldscheindarlehen*), more than half of which could be covered by cash and cash equivalents of TEUR 445,034.

As of 31 December 2020, there was TEUR 320,000 (2019: TEUR 351,500) available in bank lines for cash loans, which could be drawn on for the immediate refinancing of current financial liabilities.

As of 31 December 2020, there was TEUR 888,748 (2019: TEUR 920,724) in disposable liquidity, defined as the sum of funds available in bank accounts and confirmed, unused money market facilities.

(b) Interest rate risk management

The Group's interest rate risk is defined as the risk from rising interest cost or decreasing interest income in connection with financial items. For PORR this risk results primarily from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group treasury. At the end of the financial year 2020, the management of this risk was conducted with non-derivative instruments as well as three interest rate swaps totalling TEUR 75,000 and two interest rate swaps with start dates in the future totalling TEUR 40,000. All derivative hedges are designated as cash-flow hedges. The basic purpose of the interest rate swaps is to refinance bonded loans (*Schuldscheindarlehen*) at the variable EURIBOR rate. The hedging ratio of the swaps is 100%. All interest rate swaps relate to swapping variable interest flows for fixed interest flows. As of 31 December 2020, the market value of the interest rate swaps had a fair value of TEUR -1,288 (2019: TEUR -1,861).

(c) Risk from changes to raw material prices

The risk of changes to raw materials prices is defined as the risk of price rises that contrast with the point in time the prices for the construction project were calculated. This risk is generally mitigated with medium and long-term framework agreements with key suppliers. Moreover, in 2020 the Group hedged a total of around 11.8 million litres of diesel against rising diesel prices. The volume hedged for 2020 was around 6.6 million litres and around 5.2 million litres for 2021. The hedges are in the form of diesel swaps. In 2020, they led to gains of around TEUR 180. At the end of 2020, the contracts due in 2021 were valued as gains of TEUR 219.

(d) Foreign currency risks and hedging currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge any operational foreign currency risks in full. In accordance with the respective functional currency of the Group unit that processes the order, the aim is to conduct local orders in the corresponding national currency. This happens in every instance in which the services to be rendered are locally generated. If this is not possible, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the Group treasury exclusively uses forward contracts and first-generation currency options.

The PORR Group has concluded forward exchange contracts of TEUR 290,397 (2019: TEUR 158,829) as of 31 December 2020; of these, TEUR 211,439 were forward purchases and TEUR 78,958 were forward sales. Around TEUR 186,870 (2019: TEUR 87,326) are used as hedges for project cash flows and the remaining amount of around TEUR 103,527 (2019: TEUR 71,503) for hedging intragroup financing. As of the reporting date, there was also a EUR-Call/RON-Put Option for around TEUR 13,100 and a term to 22 December 2021. As of 31 December 2020, the option had a positive market value of around TEUR 99.

As of 31 December 2020, the market valuation of open forward exchange contracts resulted in a fair value of TEUR 686. In the business year 2020 total expense of TEUR 724 that resulted from changes in the fair value of forward contracts was recognised in profit or loss.

(e) Credit risks

The risk related to receivables from customers can be classified as low, owing to the broad dispersion and ongoing creditworthiness checks. Specific to the industry, construction contracts require an advance payment by the general contractor that will not be covered by payments until a later date. To reduce any potential default risk, an extensive creditworthiness check is carried out and adequate sureties are agreed as far as possible.

The risk of default in the case of other original financial instruments shown under assets in the statement of financial position is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The carrying amount of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing allowances for impairment. There are high levels of outstanding receivables which relate mostly to infrastructure projects for public clients or public companies. Except for these, there are no occurrences of concentration of operating risks arising from significant outstanding amounts from individual debtors.

As of 31 December 2020, the maximum credit risk amounted to TEUR 1,721,338 (2019: TEUR 1,648,089) and relates mainly to loans, other financial investments and securities, other financial assets, trade receivables and cash and cash equivalents.

8.13 Property, Plant, Equipment and Investment Property

The following table presents property, plant, equipment and investment property of the Group as of 31 December 2018, 2019 and 2020 as well as of 30 June 2020 and 2021.

(in TEUR, unless otherwise indicated)	As of				
	31 December 2020 (audited)	31 December 2019 (audited)	31 December 2018 (audited)	30 June 2021 (unreviewed/unaudited)	30 June 2020 (unreviewed/unaudited)
Land, land rights and buildings, including buildings on land owned by others and assets under construction	287,064	308,810	272,633	290,835	301,379
Technical equipment and machinery	183,058	177,854	164,862	220,425	184,734
Other plant, factory and business equipment	89,101	84,392	80,523	90,518	88,359
Payment on account and assets under construction.....................	27,641	15,587	15,048	8,540	9,640
Rights of use – land and buildings....................	173,940	177,988	10,336	184,297	176,367
Rights of use – technical equipment, machinery and other plant, factory and business equipment..................	166,010	176,267	123,356	158,513	170,607
Investment property ...	31,356	54,091	65,971	29,425	60,249
Total	**958,170**	**994,989**	**732,729**	**982,553**	**991,335**

(Source: Consolidated Financial Statements as well as internal calculations by the Company)

Property includes storage areas, office buildings, workshops, accommodations for workers, raw material deposits.

Land, land rights and buildings including buildings on land owned by others and assets under construction includes raw material reserves of EUR 47 million as of 31 December 2020 (2019: EUR 51 million; 2018: EUR 53 million), which are written off using the depletion method. Property, plant, equipment and investment property held under leases amounted to EUR 340 million as of 31 December 2020 (2019: EUR 354 million; 2018: EUR 136 million).

The carrying amount for property, plant and equipment pledged for security was EUR 35 million as of 31 December 2020 (2019: EUR 36 million; 2018: EUR 36 million). As of 31 December 2020, investment property with a carrying amount of EUR 0 million (2019: EUR 1 million; 2018: EUR 2 million) is pledged as collateral for liabilities, including investment property with a carrying amount of EUR 0 million (2019: EUR 0 million) recorded under assets held for sale. There were no selling restrictions on investment property as of 31 December 2020 (2019: none; 2018: none).

8.14 Investments

Investments covered by the annual investment budget comprise traditional replacement and enhancement investments (vehicle fleet, building equipment and machinery, etc.) and new investments made on a project basis. Investments in PPP projects, real estate, land, building rights and buildings requires the individual approval of the Management Board and the Supervisory Board and are not covered by the annual investment plan.

Investments into technical equipment include machinery for the treatment of asphalt, concrete and other raw materials, construction containers, elements for concrete formwork and all small equipment for construction services. Larger equipment such as hydraulic excavators, cranes, trucks, etc. are typical financed via finance leases and therefore included in investments.

Investments are financed out the Group's cash flows.

8.15 Recent Developments and Outlook

Following 2020, a year dominated by COVID-19, the International Monetary Fund (**"IMF"**) has forecast growth of 6.0% for the global economy in 2021. For the eurozone, the IMF has revised the forecasts upwards slightly to 4.6%. This development is largely tied to the current progress of vaccination campaigns and scenarios for reopening. Both the IMF and the European central banks suggest to continue the expansive monetary and fiscal policy in 2021 (Source: *International Monetary Fund*, World Economic Outlook Update, July 2021).

The investment and stimulus programmes by governments, which involve the expansion of infrastructure and efforts to boost the shift towards climate neutrality, remain encouraging. While the market displayed highly dynamic demand for construction services again in the second quarter of 2021, the sector saw shortages of most construction materials and severely spanning price increases (Source: *KPMG*, Market Study, August 2021).

Green and Lean is the motto that sums up the PORR Group's new strategy in three words. The Group focuses on sustainable construction with a holistic approach and strives for a circular economy. It will promote partnering models and strives to be agile – both in its management approach and in its operations with LEAN Design and Construction. This new alignment will enable the PORR Group to exploit a range of opportunities and proactively shape the path to climate neutrality.

In the view of the Management Board, the positive business performance in the first six months of 2021 has proven that the Group's strategic focus is correct. The Group's strong performance in the first half of 2021 and the Order backlog of EUR 7,848 million are a strong basis for the current fiscal year. The current order pipeline has been optimised in terms of both risks and margins. The Management Board considers the PORR Group's strategic position to be strong and anticipates demand for construction services to remain intact on its Home Markets. The Management Board expects that this trend is set to continue unabated in the medium to long term due to topics such as urbanisation, mobility, sustainability, digitalisation, and health. The future programme PORR 2025 is aimed at ensuring that the Group can successfully continue along its profitable path. The assessment of the future development of the business is based on the current targets in the individual areas as well as the opportunities and risks currently prevailing on the respective markets.

In addition to cash and cash equivalents of EUR 407.0 million as of 30 June 2021, the Group also has a diversified financing portfolio of hybrid bonds, bonded loans (*Schuldscheindarlehen*), leases and bank loans. The Management Board aims to minimise any refinancing risks as far as possible. The current liquidity level allows for short-term refinancing demand, especially the 2014 hybrid bond which was called and repaid as of 28 October 2021 and the 2017 hybrid bond with the first call date in February 2022 and with an outstanding nominal value totalling EUR 99.3 million.

On the basis of the earnings development in the first half of 2021, the Management Board expects the Production output for the full-year 2021 in a range between EUR 5.3 billion to EUR 5.5 billion and a positive EBT margin in the range between of +1.3% to +1.5%. The Management Board expects the implemented measures to improve the Group's earning power and sustainably return it to the level it was at before the COVID-19 pandemic. The expectations of the Management Board are based on the assumption that the negative impacts of the COVID-19 pandemic have been overcome in the first half of 2021.

On 30 September 2021, the Company settled the ongoing cartel proceedings with the AFCA with inclusion of the Federal Cartel Prosecutor in relation to cartel proceedings pending against Group companies. The settlement provides for an application by the AFCA to the Cartel Court for a fine to be imposed on PORR AG of EUR 62,354,443.00. The cartel proceedings relate to incidents prior to and including 2017. The decision of the Cartel Court is necessary for the final settlement of the cartel proceedings, whereby the fine cannot be set by the Cartel Court at a higher amount than as requested by the AFCA.

Taking into account the existing provision, the Management Board expects the settlement with the AFCA on the amount of the fine to have a negative impact on the EBT margin of around 0.5%-points for the financial year 2021. Based on the current positive business development, the Management Board confirmed the existing outlook with a Production output of EUR 5.3 billion to EUR 5.5 billion and an EBT margin of 1.3% to 1.5%.

According to a notice of termination dated September 2021, the 2014 hybrid bond was called and repaid by the Company as of 28 October 2021.

In November 2021, the Company conducted a successful subscription rights offering with gross proceeds of approximately EUR 122.2 million. The majority shareholders of the Company, the members of the IGO Industries-Strauss Syndicate, supported the subscription rights offering by agreeing to provide orders in the subscription offer in an amount of EUR 50 million. The Company's share capital was increased from (previously) EUR 29,095,000.00 by EUR 10,183,250.00 to EUR 39,278,250.00 by the issue of 10,183,250 new shares. The capital increase was registered with the Austrian companies register on 5 November 2021. As a result of the subscription rights offering and the subscription of shares, the members of the IGO Industries-Strauss Syndicate hold 50.39% of the share capital of the Company after the offering.

Except for the above, no significant change in the financial position of the Group since 30 June 2021 has occurred.

9. BUSINESS

9.1 Overview

The PORR Group is one of the leading European one-stop-shop construction groups with top market positions in all of its seven Home Markets. In Austria, the PORR Group is the leading construction group in the construction sector (based on construction services only, without development activities), and in the other Home Markets, it holds a top 5 (Germany, Poland, Slovakia) or top 10 (Switzerland, Czech Republic, Romania) market position (Source: *KPMG*, Market Study, August 2021).

The Group, as a one-stop-shop construction group, offers the full range of construction-related services, from design & engineering over construction (both building construction and civil engineering), refurbishment & renovation and operation & management to demolition.

In geographical terms, the Group focuses on its Home Markets Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania, in each of which it offers (or intends to offer in the near future) the full range of its construction products and services. In addition, the Group is active in other jurisdictions in which it offers only project-related services and niche products, primarily in tunnelling, railway construction and specialised civil engineering. Such project markets comprise in particular Qatar (where the project volume is currently reduced compared to some years ago, but which serves as hub for services and products in the region) and UAE in the Middle East as well as Norway.

The Group is and will remain a construction group.

The Group's core competencies comprise building construction and civil engineering, covering the entire lifecycle of a construction project, including small construction sites, mid-size constructions and large scale construction projects.

The Group mainly offers its services in the following product areas:

- ***Building construction***: Building construction comprises next to residential construction the construction of commercial and industrial buildings, office and administrative buildings, healthcare and educational facilities as well as hotel and leisure complexes (e. g. shopping centres and stadiums). All sizes of projects form the core of the business activities.

- ***Civil engineering***: In the field of civil engineering/infrastructure, the Group is involved in the construction of roads (asphalt and concrete roads), as well as all other construction work in the context of road construction (e. g. earthworks, wastewater and pipe construction). In this service area, the Group is also involved in the construction of complex traffic structures such as bridges, tunnels and railways. Furthermore, the areas of hydraulic engineering, pipeline construction and specialist civil engineering are included here. Several special skills also relate to this product area such as major projects in infrastructure, like airport construction, but also alpine construction, façade construction, sealing, coating, concrete slab construction and asphalt production. Besides that, the Slab Track system is part of the civil engineering product area: It is a high-performance, highly durable rail infrastructure system which was initially developed by the PORR Group. The highly modular and adaptable product requires zero maintenance. In contrast to conventional constructions, the precise, high-quality factory prefabrication of the slab track system minimises the potential for mistakes during construction and ensures high track quality. The track slabs are produced to a consistently high, documented quality standard and supplied to the construction site in just-in-time deliveries. The system is quick to install and keeps the work required on site to a minimum. In addition, the production of building materials, such as asphalt, concrete and gravel, for internal supply as well as for external sale is integrated here.

- ***Design & engineering:*** The product area Design & Engineering combines all of the planning and calculation tasks of the Group with a focus on the area of building construction. It includes Building information modelling (or short: BIM), LEAN management, general planning, specialist planning and building certifications. BIM and LEAN construction are the core tools used in Design & Engineering. BIM is an integrative, digital approach to project management in the construction sector. It enables the digital visualisation of all architectural, technical, physical and functional construction data to create an intelligent digital building data model – the BIM model. Everyone involved in the project can access this BIM model at any time and from anywhere. BIM is not only used in the cost estimation and construction planning phase, but it also offers benefits during construction, interior fitting, marketing the property and even in subsequent facility management. It provides a comprehensive overview of almost all phases of the project life cycle. In the case of BIM 5D, everyone involved in a project works on a single digital model of a building that also incorporates the dimensions of time and costs. BIM and LEAN management are incorporated in pde Integrale Planung GmbH.

- ***Refurbishment & renovation:*** Next to all kinds of renovation activities in building construction and civil engineering this product area includes parts of environmental engineering. This comprises the Group's activities in environmental clean-up, sewer rehabilitation and earthworks, geothermal engineering and environmental lab and assessment, decontamination and remediation of contaminated sites. In this product area, the Group builds and operates landfills as well as waste treatment and sorting plants in Austria, Germany and Serbia, including services for recycling rubble and construction waste.

- ***Operation & management:*** Facility and property management as well as Healthcare and PPP form part of this product area.

- ***Demolition:*** This product area comprises waste management, landfill and mining, demolition and dismantling.

Until 31 December 2020, the Group had the following four reportable segments: Business Unit 1 (Austria and Switzerland), Business Unit 2 (Germany), Business Unit 3 (International including Poland, the Czech Republic, Slovakia and Romania, as well as the project business in Norway, Qatar, the UAE and other project markets, as well as tunnelling, railway construction and specialist civil engineering) and Holding (Group services, pde Integrale Planung GmbH, hospitals, PORREAL, STRAUSS Property Management and activities in PPP).

As of 1 January 2021, the Group has implemented a new, streamlined segment structure. The focus is on reducing complexity and establishing clear areas of responsibility.

- **AT / CH**: The segment AT / CH has country-level responsibility for Austria and Switzerland. In addition to permanent business, the national competencies in railway and structural engineering, specialist civil engineering and environmental engineering are bundled here. The segment is also home to major building construction projects, German industrial engineering, and the equity interests in IAT GmbH, ÖBA-Österreichische Betondecken GmbH, Prajo & Co GmbH, TKDZ GmbH and ALU-SOMMER GmbH.

- **DE**: The segment DE comprises PORR's activities in German building construction and structural engineering as well as the German shareholdings like Stump-Franki Spezialtiefbau and PORR Oevermann.

- **PL**: The segment PL is responsible for the entirety of the business in Poland. Additional PORR equity interests in Poland are included here.

- **CEE**: The segment CEE concentrates on the Home Markets of the Czech Republic, Slovakia and Romania including the local equity interests.

- **Infrastructure International**: The segment Infrastructure International bundles the PORR Group's international expertise in tunnelling and the activities of the Slab Track International division. Major

Projects is also integrated here and holds overall responsibility for the project markets of Norway, Qatar and the United Arab Emirates.

9.2 Competitive Strengths

The Group believes its most significant competitive strengths comprise the following:

(a) Position and business opportunities

The Group concentrates on the seven stable European Home Markets: Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania. The focus remains on its core competency – the construction business. The company strives to realise as many construction services as possible itself and covers the entire lifecycle of a construction project on most of its markets – both in building construction and civil engineering.

Based on published financial information for 2020 and H1 2021 of the construction companies active on the Austrian market (considering construction services only, without development activities), management believes that the Group is the largest construction company on the Austrian market in terms of Production output. The Group has sizeable market positions in the rest of the Home Markets. 45.2% of the Group's Production output was generated in Austria in 2020 (44.2% in 2019 and 41.7% in 2018). The Group's management is optimistic that it will continue to benefit from substantial opportunities in its Home Markets due to well-filled order books as well as the Group's strong market positions.

The Group subdivides its business activities into permanent business and projects business. The markets for permanent business are Austria, parts of the Czech Republic, Germany and Switzerland as well as Romania. This is where the Group's entire service portfolio is deployed – from design, construction and operations. In addition, the Company is active very selectively in project markets such as Qatar, the UAE and Norway. The focus for project markets is on contracts in infrastructure construction and on cooperation with local partners. Here the Group operates selectively with its export products primarily in tunnelling, railway construction and civil engineering (special and large-scale projects). As long as there is clear value added, export products may also be offered on other international markets as individual projects.

For more than 150 years, the Group has been successfully realising complex construction projects in building construction and civil engineering. As one of the few infrastructure specialists on its seven Home Markets, the Company covers the entire value chain for infrastructure projects.

(b) Technological trailblazer

The technological shift in the construction industry is opening up new growth opportunities for the PORR Group. The Group believes its technical expertise in complex construction, in particular in the areas of tunnelling and railway construction as well as in other areas, such as structural and foundation engineering and building construction, provides it with a competitive advantage. The Company has increased its investments in developing software solutions along the entire value chain, which ultimately provides value added for every stakeholder. Technologies such as Building Information Modeling (BIM) and Advanced Analytics such as Virtual Reality or construction methods like LEAN Design and Construction are enabling new forms of cooperation between companies and everyone involved in the design and construction process.

As a technology trailblazer, PORR realises projects with maximum efficiency and quality. Further developing existing standards and inventing new models are the priority here. These innovations are bundled, evaluated and then pursued together with the right development partners. This not only applies to technologies, but also to processes and methods. This is where PORR sees the future of the industry. The goal is a Group-wide connection of information, data and especially of the people behind it. In order to remain a trailblazer in every area in the future, developments are taken and applied across the entire Group as quickly as possible.

As an example of PORR's technical unique expertise the "ÖBB-PORR slab track" railway system, in which the Group holds a patent, can be mentioned. This railway system was developed with ÖBB, the Austrian Federal Railways. The "ÖBB-PORR slab track" consists of an elastically supported track base plate. This proprietary technology enabled the Group to acquire a range of large-scale railway related orders in Austria, Germany and Poland with a volume of several hundred million euro in recent years, such as various lots of the rail connection Stuttgart-Ulm (Germany), a lot of the rail connection Coburg-Ilmenau (Germany) and further important rail connections in Poland. The Group therefore believes it is perceived in the markets in which it operates as having a strong technical expertise in railway construction, tunnelling and foundation engineering and more generally as a quality provider of construction services. Thanks to its proprietary technology and other related know-how, the Group is not reliant on licensing intellectual property rights from third parties to any material degree.

(c) In-house resource base in Austria

The Group operates a substantial number of asphalt mixing plants and concrete mixing plants (including facilities of joint ventures and associates), in particular in Austria and to a lower extent also in the Czech Republic. In addition, in Austria the Group performs significant recycling activities of concrete, clay bricks and other demolition waste and unprocessed gravel. Furthermore, the Group has its own raw material reserves of stone and gravel (including facilities of associates) in Austria. On such basis, the Group considers itself currently to be in a position to cover internally a substantial portion of its stone and gravel demand as well as need for asphalt and concrete mixing plants in Austria and a high portion of need for asphalt and concrete mixing plants in the Czech Republic, which makes the Group less exposed to fluctuations in availability and prices of such materials.

(d) Lean and focused management team

Management believes that the Group benefits from an experienced senior management team with long-standing work experience in the construction industry and financial management. The focus lays on lean management via reduced complexity and establishing clear areas of responsibilities. The local country teams play an important role in the Group’s decentralized organization, as they allow a close proximity to its regional customers and enables an unique competitive edge. The Group's dual leadership model, comprising a technical and a commercial director with joint responsibility for all units and construction projects, has been rolled out at all levels throughout the organization to support effective control and strengthen transparency.

(e) Leader in sustainable construction

The Management Board is convinced that responsible corporate management is the foundation of the Issuer’s economic success. The high amounts of energy and resources consumed mean that the impacts of the Issuer’s business activities on society and on the environment are both severe and multifaceted. The Company does justice to the demands of the industry and the markets through global, forward-looking thinking and by continuously adjusting construction processes to meet the new challenges faced. The principles of sustainable corporate management are anchored in the PORR sustainability strategy.

9.3 Business Strategy

(a) General

The Group's principal objective is to expand its strong market position in Europe by focusing on selective intelligent growth, sustainability and technology. Here the Issuer takes a sustainable approach to doing business and aligns this approach with its responsibility to the environment and society. The highest goal remains sustainably increasing the value of the Company on behalf of every stakeholder. The Group intends to achieve this by:

- focussing on its core competency: the construction business, whilst exploiting the ongoing megatrends in the economy;

- concentrating on the stable European Home Markets with secure margins – Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania – and operating selectively with its export products in tunnelling, railway construction and civil engineering on selected project markets in Norway, Qatar as well as the UAE. As long as there is clear value added, export products may also be offered on other international markets as individual projects;

- having introduced "Green and Lean" as future strategy in 2021, which is based on 150 years of experience in innovation and diversity and focussed on climate-neutrality, smart technologies and partnering models for holistic cooperation;

- executing the PORR 2025 transformation programme to bring a focus on the Issuer's strengths in addition to optimising the efficiency of the organisation; thereby maintaining the focus on operational excellence and realising projects as a technological trailblazer;

- orienting the finance strategy towards the business portfolio and the maturity structure of the operating business; and

- continued focus on intelligent growth – especially in markets where clients are increasingly looking for full-service construction solutions – and selective acquisition.

In more detail, the Group intends to achieve such targets by implementing the measures described below.

(b) ***Focus on the construction business***

The Group is committed to its core competency – the construction business. While the Group covers the entire value chain from design and engineering, over construction and/or renovation up to follow-up services such as facility management and demolition, technical construction is and will be the heart of its construction business and related service product portfolio.

Five megatrends have been identified that in the Issuer's opinion are set to play a decisive role on the construction business in the future: urbanisation, mobility, sustainability, digitalisation and health.

- **Urbanisation**: For the year 2050, it is expected that more than 80% of the European population will be living in urban areas (Source: *Ritchie/Roser*, Urbanization, Our World in Data, 2018). Therefore, the demand for affordable housing, workspaces, co-working and recreation facilities is growing rapidly. Due to the long-standing expertise in building construction (in particular in residential, commercial, industrial and hotel building), the Group regards itself to be in a position to offer a comprehensive portfolio covering every business area, combined with year-long experience in high rise buildings, individual and cost-efficient construction with premium quality and a focus on smart city development and resource recycling.

- **Mobility**: The EU strives for a 55% reduction in CO_2 emissions by 2030 according to Regulation (EU) 2021/1119 ("European Climate Law") (Source: *European Commission*, Climate Action: European Climate Law, 2021), resulting in a need for innovative, efficient and highly functional mobility infrastructure. Based on its technological leadership, the Group will take advantage of public mobility infrastructure programs. The Group offers the entire range of traffic and transport construction, in particular in bridge, road, railway and slab-track construction, as well as tunnelling and specialist civil engineering, and considers itself as a technological leader in complex fields such as tunnelling or innovative concepts such as Slab Track. In the field of Slab Track construction, the Group has a proven international track record, not only in Europe (Austria, UK, etc), but also in Asia (India, Qatar etc).

- **Sustainability**: The management is of the opinion that green building has become the market standard. Natural forces (thunderstorms, floodings, etc) increase the need for higher safety standards, and global efforts to combat climate change are imposing more stringent requirements on construction. The Group has developed its own eco-friendly building materials and increasingly uses renewable energy through the introduction of energy management systems. In 2020, the Group has increased its self-generated energy from renewable resources by 114% compared to 2019. The Group also uses increasingly circular construction methods. As a result of the Group's continuous sustainability efforts, the Group has obtained a gold ranking by EcoVadis, a prime ranking by ISS and an AA rating by MSCI.

- **Digitalisation**: The Group' management regards digitalisation as a driving factor for future competitiveness. The European BIM market is expected to reach a volume of EUR 2.1 billion in 2023 (Source: *European Commission*, European Construction Sector Observatory, March 2019, 6). The Group regards itself as a pioneer in digitalisation, using BIM, LEAN design, LEAN construction and 2D to 5D modelling. The Group currently works on 21 (partly long-term) BIM projects with an aggregate project volume of about EUR 1 billion. Management is of the opinion that digitalisation will increase transparency combined with a reduction of planning errors and improved cost reduction, will lead to faster decision-making through efficient cross-functional cooperation, as well as a customised BIM approach for every customer (2D to 5D), and will allow design to build based on BIM. Being a fully integrated construction and technology provider will allow the Group to gain additional market shares.

- **Health**: By the year 2050, the number of people older than 65 years will increase by 48% compared to 2018 (Source: *Eurostat*, Ageing Europe, 2019, 8). In 2020, the investment volume in Austria in public healthcare amounted EUR 1.5 billion, and in private healthcare EUR 1.3 billion (Source: *Statistik Austria*, [www.statistik.at]). The Group is active in the planning, the development, the construction and partly the operation of private hospitals, medical centers, rehab clinics, retirement homes, primary care centers and research facilities. The Group is an experienced partner with state-of-the-art know-how. It acts as full service-provider in this area with a comprehensive field of services, including project planning and development, facility construction as well as technical and medical operations. Due to its comprehensive experience in clinics, nursing homes and health centers, the Group currently offers approximately 1,300 beds for approximately 16,000 patients per annum.

(c) ***Concentration on Home Markets and Diversified Project Portfolio***

The Group generated 96% of its Production output in its Home Markets in 2020 (94% in 2019). In Europe, the Group intends to maintain its focus on its Home Markets, which in its view offer stable macro-economic fundamentals, a healthy outlook for demand for construction services and a sound financial environment.

The Group has a diversified project portfolio, with the largest thirty-two projects in the Order backlog contributing approximately 19 per cent to the overall annual Production output. The projects vary in terms of size and nature, further contributing to the diversity and balance of the portfolio.

(d) ***Capitalize on continued leading market position in Austria***

The Group's goal is to continue to expand its leading market position in Austria and grow in select niches. The Group intends to capitalize on its continued leading market position in Austria (based on construction services only, without development activities), which it believes will continue to offer a number of infrastructure, building construction and civil engineering projects. While the Austrian market is highly competitive, the Group intends to benefit from its competitive strengths, including its substantial self-supply of raw materials.

(e) ***Expand market positions in other Home Markets***

The Company strives to realise as many construction services as possible itself and covers the entire lifecycle of a construction project on most of its markets – both in building construction and civil engineering. The strategy is to focus on projects where the Group feels it has a clear competitive advantage. In Germany, the

Group has reached a decisive size, thereby establishing itself as a leading market player in complex infrastructure, industrial construction and civil engineering projects. Here the Issuer offers its full range of services. A selective expansion of activities is planned in the other countries, whereby PORR is striving for complete coverage in the Czech Republic and Romania in particular.

The project markets at present are Norway, Qatar and the UAE. The focus for project markets is on contracts in infrastructure construction and on cooperation with local partners. Here PORR operates selectively with its export products primarily in tunnelling, railway construction and civil engineering (special and large-scale projects). As long as there is clear value added, the Issuer may also offer its export products on other international markets as individual projects (a current example would be the Slab Track project in UK). Furthermore, projects are realised for longstanding industrial clients in line with the follow-your-customer principle.

(f) ***Strategic evolution with "Green and Lean"***

"Green and Lean" is the new strategy developed and adopted by PORR in 2021. It applies the experience and knowledge base in the Group to the challenges of this decade, meaning climate change and digitalisation. The Issuer puts a meaning to all of these three words to be anchored in this future strategy.

- In this context, "Green" is seen as directly connected with responsibility. The Group strives to be market leader for resource efficient construction that fits within a circular economy. Furthermore, the goal is to increase the percentage of sustainable projects and work towards climate-neutrality. This does also include – next to absorbing a significant part of the emissions already generated – using future technologies to reduce them. For the Issuer, sustainability has long been a top priority as intelligent building also means taking corporate responsibility. In the Group's opinion, all environmental, social and economic aspects should come together in alignment. Numerous awards and top ratings prove the ongoing engagement: In July 2021, PORR was awarded a C+ Rating and therefore Prime status by the rating agency ISS ESG. Since 2019, the Issuer holds an AA Rating at MSCI ESG. EcoVadis has issued a Gold rating, while the Group maintains the "Gütesiegel Betriebliche Gesundheitsförderung" from 2020 to 2022.

- "And" means engaging in partnering models in the construction industry. They facilitate the integration during the various stages of the construction value creation. Projects are assessed over its entire lifecycle and everything is offered by the Issuer as a one-stop-shop, which allows for maximum risk mitigation, quality, timeliness and cost efficiency. The Group sees new growth opportunities in the industry's technological shift. For example, such a new technology which enables a holistic and partnering approach to construction projects is Building Information Modeling (BIM). The goal is a connection of information, data and especially the people behind it.

- "Lean" describes the Issuers organisation on both the management level and the operational level. The Group has already implemented a streamlined organisation consisting of short decision-making chains and less layers of hierarchy. This includes digital efficiency and smart innovation. LEAN Design and Construction is a new and transitional way of the operational construction process. The focus is on optimising value and minimising waste during the planning and construction process, while increasing the operational efficiency. Projects like BMW Freimann clearly demonstrate this – the new BMW complex is genuinely a collaborative achievement. The client as well as PORR and its subcontractor partners worked closely together in the form of a partnering model from the design right through to the turnkey realisation.

(g) ***Future programme PORR 2025***

The transformation programme "PORR 2025" comprises of four main fields of action. The targets for 2025 are gross margin improvements coupled with a sustainable reduction in overhead costs leading to an increase in EBT margins.

- **Markets**: In order to be prepared to handle new challenges, PORR has conducted a comprehensive analysis of the markets in which it operates. The strategic focus on the seven Home Markets remains valid, whereby the Issuer is convinced of their long-term potential. The goal is to safeguard and further expand the Issuer's market with a concentration on selective, results-oriented and sustainable growth. Further targets are a streamlined portfolio, growth that adds value as a design-build total contractor and even more sustainable building approach. Measures already implemented include the heat map (leading to a realignment in structural engineering in Germany, reorganisation of Stump-Franki, sell of non-strategic equity interests and dissolution of non-profitable areas) and selective growth (meaning more projects as an all-in-one provider, selective acceptance of new projects and expansion of innovation).

- **Organisation**: Having already implemented a structural realignment, the Issuer has streamlined and focused the organisation. This enables further bundling of competencies and enhancing the focus on the core business and on monitoring risks and costs, while still remaining flexible and agile. In the Issuer's opinion uniform standards should be secured across the entire Group along with connected processes. This is achieved by standardising the risk management across the Group. Further measures include the reduction of material costs and indirect costs (by improving transparency, reducing hierarchies and interfaces, connecting knowhow and capacities and expanding digital processes) as well as the merger of technical and commercial controlling with risk and contract management.

- **Operational analysis**: As part of the PORR 2025 transformation programme, the Issuer intends to increase cost efficiency at every level. This should be achieved by improving the operating performance (including the optimisation of cost structures, digitalisation of purchasing and increasing efficiency), improving the capital employed and by maintaining a stable financial position (with and improved equity ratio, robust maturity structure, secured borrowings in the medium term and adequate liquidity maintenance). The measures here include optimising key processes such as procurement (by using interconnected purchasing platforms) and scrutinising non-core activities in order to streamline the focus on construction competencies.

- **Digital opportunities**: The need for transformation in the construction sector has undergone a massive rise in terms of technology. The result are new, data-based business models. Digital networking across the entire construction value chain, coupled with the development of new and advanced software solutions, are set to change the competitive landscape in medium term. The Issuer seeks to continue to expand its positions as technology leader, by harmonising the IT infrastructure across the entire Group and digitalising work flows. More measures are set regarding BIM and LEAN Project Management and machine-to-machine communication.

By 2025, the Issuer is striving for a target EBT margin of 3.0% for the Group as a whole. Broken down by segment, the EBT margin targets are as follows: AT / CH over 3.0%; DE 2.3% to 2.8%; PL 2.8% to 3.2%; CEE 3.0% to 3.2%; Infrastructure International 2.8% to 3.3%. While the segment AT / CH has a long-standing earnings track record with an EBT margin exceeding 3%, the segment DE shows an EBT margin with more than 3% for about 65% of the business.

- In the AT / CH segment, the Group aims to achieve a CAGR of 2.5% in Production output and an EBT margin in excess of 3.0% by 2025. As the impact of the COVID-19 pandemic subsides, the Group sees significant potential for growth, both in terms of Production output and EBT. This potential is already evident in the 18% increase in the segment's Order backlog and 19% increase in the segment's Production output in the first half of 2021. To achieve this potential, the Group aims to capitalize on its market-leading position in Austria and increased government spending on public infrastructure and railway programs.

- In the DE segment, the Group targets a CAGR of 4.0% in Production output and an EBT margin of between 2.3% and 2.8% by 2025. While the Group believes that more than 65% of the segment's business has performed well (with EBT margins in excess of 3%), historically the segment's margins have been negatively impacted by less profitable structural engineering projects. For this reason the segment is undergoing a re-alignment of its business to focus on more profitable growth, which the Group sees in local transportation infrastructure projects and residential building construction. In executing this strategic shift, the Group has already achieved a significant reduction of its loss-making businesses, as demonstrated by the 60% reduction in the Order backlog of structural engineering projects since 2019.

- In the PL segment, the Group targets a CAGR of 3.0% in Production output and an EBT margin of between 2.8% and 3.2% by 2025. Historically the Group has sought to expand its market share in Poland by taking on low-margin projects. Having achieved a stronger competitive position in Poland, the Group is now taking a more selective approach to the projects it undertakes to focus on more profitable growth. The Group's progress in this regard has already been demonstrated by the quality of its current Order backlog, with higher-margin projects accounting for approximately 90% of the segment's Order intake in 2020 (compared to approximately 19% for the 2016-2018 period). The Group expects the evolution of its Order backlog, together with strong market growth as a result of EU and government stimulus, to generate higher-margin EBT growth going forward. The Group's progress in executing its strategy is already evident in the segment's positive EBT margin in the first half of 2021.

- In the CEE segment, the Group aims to achieve a CAGR of 1.0% in Production output and an EBT margin of between 3.0% to 3.2% by 2025. Over the past years, the Group has sought to expand its market position in the CEE region by taking on large-scale projects and making significant investments in mixing plants. This resulted in a doubling of the segment's Production output between 2016 and 2020. From this strengthened position and expanded footprint, the Group is now focusing on more selective regional and portfolio expansion, with an emphasis on smaller-scale projects, as well as large governmental infrastructure programs. The Group's progress in executing this strategy is demonstrated by the segment's current, higher-margin Order backlog and its return to profitability in the first half of 2021.

- In the Infrastructure segment, the Group targets a CAGR in Production output of 7.5% and an EBT margin of 2.8% to 3.3% by 2025. In view of the volatility of the infrastructure projects business, the Group has refocused its strategy on its core competencies, in areas where it enjoys a technological advantage. For example, the Group sees potential for expansion based on international demand for its Slab Track solutions, with current tenders amounting to EUR 894 million. In project markets, the Group will focus on selective growth with a low tolerance for risk. The Group thereby aims to achieve stable growth and a return to profitability for the segment from 2022 onwards.

The Group strives to achieve the target EBT margin of 3.0% by improving the gross margin by 1.0-1.2%, resulting from a new tendering and risk approach, reduction of high risk and low-margin contracts, intelligent and selective growth (focus on smaller size and low-risk contracts and the expansion of well-performing units, like the Slab Track business), optimisation of construction site processes and digitalisation through BIM and LEAN. On the other hand, the Group aims to achieve a further 0.4-0.6% EBT margin growth from the reduction of overhead costs. It is expected that sustainable cost savings of EUR 43 million can be achieved by 2022, in particular by a reduction of headcount as well as numerous smaller projects.

(h) ***Optimised financing strategy***

The construction industry often demands complex business processes, which is why the financing strategy attempts to keep the risk of refinancing to a minimum. The financing strategy is thereby focused on the following goals:

- Long-term financing overweighted;

- Refinancing major mature liabilities in advance, wherever possible generally twelve months ahead;
- Maintaining sufficient free credit lines to meet any short-term liquidity needs, which can be for seasonal or project-specific purposes;
- Maintaining sufficient lines at finance institutes to cover liability for the operating business;
- Diversification of financing instruments and the investor base.

(i) ***Focus on intelligent growth***

The Issuer focusses on intelligent growth – especially in markets where its clients are increasingly looking for full-service construction solutions. The goal is to offer every service both as a general contractor and as a design-build total contractor, covering every aspect across the entire construction value chain. Targeted, value-generating acquisitions allow the Group to selectively expand its existing service range and thereby improve the depth of the value chain. This secures strategic advantages in a challenging environment. Intelligent growth is also part of its selective project acquisition in order to sustainably safeguard an Order backlog with enhanced profitability. Nascent market opportunities are only pursued after a comprehensive risk analysis.

(j) ***Economic stimulus packages***

The Issuer expects a strong growth in construction services until 2025 in its Home Markets in particular because of respective national governmental and European stimulus packages.

According to the European Commission's Green Deal Investment Plan, it is planned to mobilise EUR 1 trillion in sustainable investments through the EU budget and associated instruments, in particular InvestEU (the EU's investment programme) (Source: *European Commission*, Questions and answers: The European Green Deal Investment Plan and Just Transition Mechanism explained, 14 January 2020). Furthermore, InvestEU is intended to provide the EU crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. The InvestEU Fund will support four policy areas which represent important policy priorities for the EU and bring high EU added value: sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; and social investment and skills. The InvestEU guarantee amounts to EUR 26.2 billion, with provisioning from the Multiannual Financial Framework (MFF) and Next Generation EU resources. The overall investment to be mobilised on this basis is estimated at more than EUR 372 billion (Source: *European Commission*, Questions and answers: InvestEU Programme, 9 March 2021).

The Group expects with regard to the Production output on its Home Markets a CAGR of 6.1% until 2025 (Source: internal calculations of the Issuer, based on KPMG Market Study).

9.4 Products and Services

(a) *Overview*

The Group is organized into five segments. PORR AG as holding company offers administrative services, including IT, tax, accounting, legal and other services to all members of the Group via a shared services center.

The current organisation into five segments is relatively new (having started only with effect from 1 January 2021), where the previous organisation provided for three business units with different scopes. As a result of this organisational change, no comparable figures for the business units below are available for the full financial year 2020 and previous periods.

On a consolidated basis, the Group has achieved the following results as of 30 June 2021 and 2020 respectively as well as of 31 December 2020:

(in EUR million)	Financial year ended 31 December 2020	Period ended 30 June 2021	Period ended 30 June 2020
Production output	5,185	2,496	2,273
Order intake	5,905	3,271	3,016
Order backlog	7,067	7,848	7,080
Revenues	4,651.8	2,288	2,071
EBITDA	131.4	114.0	65.8
EBT	-51.0	11.5	-26.6
Result for the period	-42.4	8.6	-22.7

(Source: Unaudited and unreviewed internal information of the Issuer, except for Revenues and result for the period as of 31 December 2020; Consolidated Financial Statements as well as Half-Year Report 2021)

The figures mentioned below when describing the five segments will not add up to 100% of the Group's consolidated numbers (as shown in the table above) due to a small part of the business which is generated by the Issuer itself and not attributed to a segment.

(b) *Segment AT / CH*

(in EUR million, except average staffing levels)	Period ended 30 June 2021	Period ended 30 June 2020	Change
Production output	1,320	1,108	19.2%
EBT	14.6	-5.9	< -100.0%
Order backlog	3,169	2,691	17.8%
Order intake	1,837	1,627	12.9%
Staffing level (average)	9,960	9,859	1.0%

(Source: Unaudited and unreviewed internal information of the Issuer, except for EBT as 30 June 2021 which is reviewed; Half-Year Report 2021)

The segment AT / CH covers the Group's permanent business on the two Home Markets of Austria and Switzerland as well as Porr Industriebau. In these jurisdictions, the Group 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. This segment also includes the fields of environmental engineering and railway construction with Slab Track Austria for Europe. Equity interests such as IAT GmbH, ÖBA-Österreichische Betondecken GmbH, Prajo & Co GmbH, TKDZ GmbH and ALU-SOMMER GmbH are also integrated in this segment. Furthermore, this segment includes German industrial construction, large-scale building construction projects on all international markets and the raw materials business.

(c) *Segment DE*

(in EUR million, except average staffing levels)	Period ended 30 June 2021	Period ended 30 June 2020	Change
Production output	382	453	-15.7%
EBT	-9.9	0.5	< - 100.0%
Order backlog	1,195	1,115	7.1%
Order intake	456	363	25.6%
Staffing level (average)	2,246	2,384	-5,8%

(Source: Unaudited and unreviewed internal information of the Issuer, except for EBT as 30 June 2021 which is reviewed; Half-Year Report 2021)

The majority of the Group's activities in Germany are bundled in the segment DE. On its second largest market, the Group offers building construction, specialist civil engineering and infrastructure services provided by highly qualified experts employed by the company to facilitate high levels of in-depth value creation. By bundling resources and knowhow along regional lines, building construction activities are organised to facilitate customer proximity: South (via Munich), East (via Berlin), West (coverage by PORR Oevermann) and North (via Hamburg). The entire value chain in specialist civil engineering is provided by Stump-Franki Spezialtiefbau GmbH with complete coverage across the country. The segment DE has a strong position on the German infrastructure market with its discrete areas of structural engineering, tunnelling, and traffic route construction.

(d) Segment PL

(in EUR million, except average staffing levels)	Period ended 30 June 2021	Period ended 30 June 2020	Change
Production output	318	248	28.3%
EBT	4.1	-0.7	< -100.0%
Order backlog	1,699	1,684	0.9%
Order intake	373	661	-43.5%
Staffing level (average)	2,452	2,458	-0.2%

(Source: Unaudited and unreviewed internal information of the Issuer, except for EBT as 30 June 2021 which is reviewed; Half-Year Report 2021)

The segment PL focuses on the third largest Home Market of Poland. In this segment, the Group provides construction services in building construction and civil engineering. In civil engineering, the Group is one of the leading providers in the fields of road, infrastructure and rail construction as well as specialised civil engineering. In building construction, the focus is on office, industrial and hotel construction as well as on buildings and facilities for the public sector.

(e) Segment CEE

(in EUR million, except average staffing levels)	Period ended 30 June 2021	Period ended 30 June 2020	Change
Production output	194	210	-7.6%
EBT	0.0	-13.1	< -100.0%
Order backlog	699	676	3.4%
Order intake	254	174	45.4%
Staffing level (average)	2,172	2,025	7.3%

(Source: Unaudited and unreviewed internal information of the Issuer, except for EBT as 30 June 2021 which is reviewed; Half-Year Report 2021)

The segment CEE comprises the Home Markets of the Czech Republic, Slovakia and Romania. In this segment, the Group offers construction services in building construction and civil engineering, whereby the goal is to provide complete coverage of permanent business in the Czech Republic and Romania. Selected major projects in the infrastructure sector are also undertaken.

(f) Segment Infrastructure International

(in EUR million, except average staffing levels)	Period ended 30 June 2021	Period ended 30 June 2020	Change
Production output	240	217	10.3%
EBT	0.7	-5.2	< -100.0%
Order backlog	1,013	751	34.8%
Order intake	329	180	82.8%

Staffing level (average)	1,386	1,299	6.7%

(Source: Unaudited and unreviewed internal information of the Issuer, except for EBT as 30 June 2021 which is reviewed; Half-Year Report 2021)

The segment Infrastructure International is home to the Group's expertise in international tunnelling, railway construction and specialist civil engineering as well as the areas Major Projects and Slab Track International. It is also responsible for the project markets of Norway, Qatar and the UAE, where the Group focuses on contracts in infrastructure construction and on cooperation with local partners. In this respect, Doha, Qatar, serves as the Group's hub for selling Slab Track systems into jurisdictions in the Middle East and Asia where the Group is not operationally active.

(g) Segment Holding

(in EUR million, except average staffing levels)	**Period ended 30 June 2021**	**Period ended 30 June 2020**	**Change**
Production output	42	37	13.5%
EBT	2	-2	< -100.0%
Order backlog	73	163	-55.3%
Order intake	22	11	> 100.0%
Staffing level (average)	1,592	1,663	-2.5%

(Source: Unaudited and unreviewed internal information of the Issuer, except for EBT as 30 June 2021 which is reviewed; Half-Year Report 2021)

The segment Holding includes PORR Beteiligungen und Management and PORREAL. The shared service center comprises all services and staff units of the Group and is also integrated in the segment Holding.

9.5 New Products and Services

PORR AG and Doka GmbH are planning to establish a joint venture company (**"JV"**) before the end of 2021. The JV is to offer a construction logistics platform whose aim is to digitalise and optimise the ordering, delivery and invoicing process in the construction industry (the **"construction logistics platform"**). The construction logistics platform intends to improve the handling of ordering, delivery and invoicing processes between suppliers and customers operating in the construction industry. The JV will offer the construction logistics platform to third parties on the European market. PORR and Doka shall each hold 50% of the JV's shares. The merger control approval for the project was already granted by the European Commission. The participation of a third partner is under negotiation.

Apart from the above, there are currently no material new products or services offered by the Group.

The Group focuses on the continuous development and advancement of innovative building methods and constructions – both on construction sites and at its premises. Apart from building methods, the Group also develops the use of secondary raw materials from construction rubble in order to make concrete construction more sustainable.

9.6 Customers

The Group provides its services to public as well as private customers. The percentage share of public and private customers varies materially between the segments and also from period to period. As a general statement, customers for building construction typically originate from the private sector, while for other construction activities the majority of contracts originate from public authorities or state-owned companies, such as

ASFINAG or ÖBB in Austria and Deutsche Bahn in Germany. The most important private customers in road construction are airport operators, railway companies and industrial customers.

In selecting new projects, the Group will consider the expected margin, customer and its credit worthiness, technological requirements, terms of the contract and whether work will be performed on a sole contractor basis, in cooperation with subcontractors, or as part of a joint venture or a consortium.

The public sector typically awards contracts in tender procedures. In some instances, participation in the bidding process is only permitted following a prequalification phase, where the bidder's eligibility to carry out the project is examined on the basis of certain parameters such as financial capability, experience and expertise, personnel and equipment. The structure, terms and requirements of a tender process is often set by applicable domestic and, within the EU, by European public procurement laws and regulations. Bidders tendering for a contract in the public sector are subject to longer and more complex tendering procedures than in the private sector and face the risk that competitors will challenge the invitation to tender or the award. Client relationships are of minor relevance due to statutory procurement law requiring predefined and objective award criteria.

In the public sector (including non-profit residential building companies (*gemeinnützige Wohnbauträger*) and housing cooperatives (*Wohnbaugenossenschaften*)), procurement laws typically require that contracts are awarded to those who submit the most competitive bid, meaning the most economical but not necessarily the cheapest offer. In practice, however, the principal criterion for the award of a contract often turns out to be the (lowest) price. Qualitative criteria such as references, capacity and financial strength are also applied, in particular during the prequalification phase in which the bidder’s eligibility to carry out the project is examined.

In the private sector, contracts are typically awarded by means of restricted invitations to tender and subsequent contract negotiations. Brand recognition and existing client relationships are important. Particularly in building construction, there are ongoing business relationships with individual key customers which have developed over years. The opportunity to acquire follow-on projects exists when, for example, shopping centers are built in several locations based on the same planning concept. The Group's customers in this area include renowned retailers, automotive and other industrial/petrochemical companies as well as utilities.

Based on the requirements and feasibility of particular projects, the Group considers to apply for projects either individually or as part of a joint venture or consortium.

9.7 Suppliers

(a) Raw Materials

Risks connected with raw materials and commodities supply concern quality, delivery times and expenses, and can lead to supply difficulties in times of increased demand. Partner management in the form of cooperation agreements with the supply industry and trade takes a long-term approach and contributes to minimizing supply risks in subcontractor purchasing. Ongoing analysis of the markets for the required raw materials is carried out centrally and the findings are passed on to the operational units within the procurement organization. The Group hedges the price risk of key materials purchases through long-term price fixing in the form of framework agreements, owing to the lack of functioning derivative markets for many of these materials. The most important raw materials and commodities used by the Group are cement, bitumen, stone, steel, and energy (diesel and gas).

Cement and bitumen, the raw materials for concrete and asphalt, are bought mainly from third party suppliers. The Group aims to keep the impact of price fluctuations to a minimum by entering into long-term supply contracts. Through its centralized bitumen sourcing the Group generates high trade volumes and has developed long term relationships with various bitumen producers, which helps the Group to secure sufficient supply and provides cost advantages.

Ready-mix concrete and asphalt mixtures can be transported only over limited distances before they solidify and get too hard to work with. Stones and gravel may be transported over longer distances but this is done only where such transport is possible at reasonable cost considering also aspects of the reasonable use of resources and protection of the environment. The existence of local supply sources for these materials is, therefore, essential for competitive pricing. Over the years, the Group has established a network of concrete and asphalt mixing plants, gravel pits and quarries in Austria. The Group operates a substantial number of asphalt mixing plants and concrete mixing plants (including facilities from joint ventures and associates), in particular in Austria and the Czech Republic. In addition, the Group performs significant recycling activities. The Group also has certain proprietary access to raw material reserves of stone and gravel (including facilities from associates). On such basis, the Group is currently in a position to cover a substantial portion of its asphalt, stone and gravel supply in Austria and a high portion in the Czech Republic internally.

The Group believes that its vertical integration helps to secure the supply of raw materials, acts as a hedge against raw material price fluctuations and improves the Group's ability to capture a greater portion of the construction value chain. Excess raw materials are sold to third parties for profit. In countries where the Group cannot cover its own supply with its own production, it is dependent on local suppliers.

Energy, diesel and construction steel are purchased exclusively from third party suppliers. The Group maintains reasonable reserves of construction steel at its disposal and seeks to purchase its requirements based on long term framework contracts with fixed prices. Framework contracts are also concluded for individual large-scale projects to assure costs remain within the limits of the assumptions of the respective project calculation.

The Group is not dependent on any single supplier or group of affiliated suppliers in respect of raw materials. Materials obtained from third party suppliers are usually bought by central purchase units (assisted by project coordinators and experts from the segments for particular materials), except for diesel, which is bought locally.

(b) Subcontractors

The Group is in a position to perform all key construction works on its own and its objective is to perform work on its own to the extent reasonably possible. Cooperation among the various units and members of the Group aims to minimize the need to appoint third party subcontractors. Subcontractors are appointed where a service cannot be performed by the Group (at all or in the required quality/time/quantity) or the third party can carry out construction works materially more efficiently than the Group. The extent to which subcontractors are employed varies by region and prevailing market conditions. In general, the Group's use of subcontractors is lower in Austria and in civil engineering than outside of Austria and other areas of construction.

The Group's central procurement maintains a database of subcontractors and service providers, which assists in selecting outside subcontractors and service providers suitable for a particular project/work. Subcontractors and service providers are added to such database in a defined process, which involves key players of the relevant technical/commercial area, the relevant region as well as the relevant segment. The project leader evaluates subcontractors and outside service providers after completion of a project.

9.8 Competitors

In its Home Markets, the Group primarily competes with several internationally active construction companies as well as a number of medium-sized firms with strong regional presence or product specialization.

In Austria, Strabag SE, Swietelsky AG and Habau Hoch- und Tiefbaugesellschaft m.b.H. are the Group's main competitors. In its Home Markets outside Austria, the Group's competitors include Strabag SE, Implenia AG, Hochtief AG, Skanska AB and Budimex SA.

9.9 Research & Development

The Group has a strong focus on research and development, particularly in the areas of sustainability, environmental engineering, construction materials and construction processes, both on construction sites and at its own premises. The Group has taken on a central role in the Austrian Construction Technology Platform, an organization whose aim is to establish a network between the construction industry and construction research. The Group is committed to close, long-term cooperation with universities and other research institutes in order to realize its research activities. The Group has also launched an IT-based platform to share technological knowledge and to discuss innovative solutions among the staff of the Group.

In tunnelling, work is being done on developing a brand-new method for producing defect-free, single-shell, leak-free tunnel tubes that permit drainage. This research should lead to significant cost savings as well as delivering environmental benefits such as lower resource consumption and a decrease in the excavated material from tunnelling that requires disposal.

Another innovation in mechanised tunnelling is a method for securing the lining segments in the area of cross-cut openings between two tunnel tubes. This method saves steel and avoids the interruption to boring that was previously required while the steel reinforcement was installed. This has the additional benefit of reducing construction times.

Nine innovation projects were prioritised in specialist civil engineering in 2020, the majority of the research outcomes have already been put into practice. This includes the development of watertight excavation pit sheeting by combining two different methods on top of one another for which the lower section plays a pure sealant function, while the upper layer serves the additional purpose of bearing weight. This concept was also used for power plant construction, combining a total of three different methods, allowing complex soil and groundwater conditions to be addressed successfully.

In civil engineering, the Group continued the continuous process optimisation as part of the "Deep Soil" pilot project in Romania. PORR is pursuing a unique 360° approach to digitalisation as part of this pilot project, which includes optimising the design process with BIM 5D, automated 3D machinery control, heavy goods vehicle fleet management, real-time output recording including automated reports, fast identification of any deviations through use of augmented reality, as well as verifying the data through drone deployment. The insights gained on this pilot project should enhance transparency in project execution.

In addition, digitalisation and process optimisation are also being promoted in road construction with asphalt and concrete. Starting with digital construction preparation, the construction process can be managed and documented in real time, providing potential for optimisation throughout the entire value chain. Following successes in Austria and Germany, the Group has started to equip the other Home Markets this way.

PORR Umwelttechnik GmbH drives forward key innovations in the fields of sustainability and environmental protection. For example, a geothermal technique has been developed in which loops of geothermal probes are simultaneously used for heating as well as passive and active cooling. This leads to significant increases in energy efficiency thanks to the maximum possible conservation of resources (minimising the volume of the geothermal probes).

Another important field of development is the use of secondary raw materials from construction rubble. In line with an international trend to make concrete construction more sustainable, fine fractions from recycled construction rubble go through strict quality controls and are then added to the binding agent in precise ratios. This can significantly reduce the quantity of cement while achieving high-quality concrete and results in a far more favourable carbon footprint. Furthermore, the fine particles from various recycling processes that would be hard to use in another application are transformed into a valuable construction material by PORR Umwelttechnik GmbH.

The Group is a premium member of the industrial consortium Center Construction Robotics of RWTH Aachen University. In a close partnership with the construction industry, innovative visions are shared, new digital solutions are developed in partner projects, and the related risks are thereby mitigated through collaboration. The initial concepts have been determined with the consortium members and the development targets defined. As a premium partner, PORR pursues the selection of consortium projects offering the greatest business value for everyone involved.

The opening of a reference construction site in February 2020 was an important additional step in testing new methods in a practical environment. The site at Campus West in Aachen serves as a research laboratory for developing, improving and studying new ways of working, processes, machinery and methods. Its focus for 2021 is the concept of prefabrication and automated installation which will be readied for real-world applications at the reference construction site.

In addition, PORR supports the Lean Construction Management course at the Graz University of Technology and plays an active part in designing the curriculum for the multidisciplinary MSc course in Construction Robotics at RWTH Aachen. PORR also cooperates with numerous universities of applied sciences on educating the experts of the future.

9.10 Intellectual Property

The Group is not reliant on licensing intellectual property rights from third parties to any significant degree. The Group's most important proprietary patents include the "ÖBB-PORR slab track" railway system, which consists of an elastically supported track base plate and was jointly developed by the Austrian Federal Railways (ÖBB) and the Group. Such patent is a main reason for many substantial railway construction orders the Group has been able to obtain, including in Germany. In the future, the slab track system will continue to be the basis for numerous further developments in the slab track sector and will form an essential basis for obtaining orders in this area. Although the current patent protection is no longer comprehensive, the Group is of the opinion that it still has a leading position on this market due to its knowledge and experience gained with "slab track".

The Group's most important registered trademark and logo is "PORR". The Group's principal internet website domain is https://porr-group.com/en/.

9.11 Staff / Employees

The following table provides a breakdown of the Group's employees (averages of headcount) for the financial years ended 31 December 2020, 2019 and 2018 as well as for the periods 1-6/2021 and 1-6/2020:

	1-6/2021	1-6/2020	2020	2019	2018
Staffing level (average)	19,808	19,658	20,193	19,828	19,014

(Source: Unaudited internal information of the Issuer)

9.12 Regulatory and Environmental Matters

(a) Regulatory Matters

The Group is subject to comprehensive regulatory provisions under Austrian and EU law, as well as in all local jurisdictions where it operates, including zoning laws, procurement laws, health and safety laws, data protection laws, anti-money laundering laws, anti-corruption laws and competition laws. The Group believes that it is substantially in compliance with all of these laws and regulations, as they are currently interpreted. To the best of the Issuer's knowledge, there are no current or potential material claims against the Group in the area of regulatory compliance. With regard to the current investigation by the Austrian competition authority, see below under "*Legal Proceedings*".

(b) Procurement Law

Substantive matters of Austrian procurement law are governed by the Federal Public Procurement Act (*Bundesvergabegesetz*). Remedies available to bidders are regulated by the Federal Public Procurement Act as well as statutes of the Austrian provinces. Because Austrian procurement law is based on EU law, the principles of Austrian procurement law are similar to those in other EU member states. However, for tender procedures below the relevant EU thresholds, Austrian procurement law deviates from EU public procurement law.

Under applicable EU directives, public buyers have to define the relevant award criteria for an application or bid in the EU contract notice. Such criteria can be divided into criteria that refer to the price or quality of a bid and those that refer to the pre-qualification of a company to fulfil a contract competently and reliably. Tenders must generally be open to the public except for complex building projects, which may follow other procedures in accordance with the Federal Public Procurement Act.

In all procedures, the capacity of applicants is required to be evaluated using certain documentation. Participants may be eliminated from the tender process if they fail to provide sufficient evidence proving their capacity and capability (e.g., technical and economic capacity). Participants may also be excluded from the tender process if their professional reliability is questioned due to grave professional misconduct or criminal convictions. However, according to Section 73 of the Federal Public Procurement Act, an unreliable bidder has an opportunity to participate in the tender by proving that all technical, organizational or personal measures needed to prevent such criminal offences have been taken. The greater the number or severity of the offences, the more comprehensive self-cleansing measures must be taken by the bidder and the stricter the judgment of whether professional reliability had been regained. If a bidder fails to provide the required evidence, other bidders may appeal the company's bid, if it is successful.

(c) Environmental Matters

The Group is subject to the environmental laws and regulations of the EU as well as of those of the countries and local jurisdictions in which it operates. The Group employs systems to ensure compliance with applicable environmental laws and regulations. The Group regards its responsibility to operate its business in an environmentally friendly way as one of its core values. The Group is committed to using energy and natural resources economically and reducing noxious emissions and waste. Preventive measures for environmental protection are part of the Group's tendering, contracting and planning.

(d) Insurance

The Group maintains insurance in such amounts, coverage and deductibles as management believes is reasonable and prudent. The Group is insured against claims resulting from general liability, including product liability, environmental liability and property damage. The Group also maintains directors and officers (D&O) insurance.

(e) Legal Proceedings

Competition law

On 30 September 2021, PORR AG settled the ongoing cartel proceedings with the AFCA with inclusion of the Federal Cartel Prosecutor in relation to cartel proceedings pending against Group companies. The settlement provides for an application by the AFCA to the Cartel Court for a fine to be imposed on PORR AG of EUR 62,354,443. The cartel proceedings relate to incidents prior to and including 2017. The decision of the Cartel Court is necessary for the final settlement of the cartel proceedings, whereby the fine cannot be set by the Cartel Court at a higher amount than as requested by the AFCA. Taking into account the existing provision, the Management Board expects the settlement with the AFCA on the amount of the fine to have a negative impact on the EBT margin of around 0.5%-points for the financial year 2021. Based on the current positive business development, the Management Board confirms the existing outlook with a Production output of

EUR 5.3 billion to EUR 5.5 billion and an EBT margin of 1.3% to 1.5%. The Group may also face damage claims in connection with the anti-competitive practices.

In June 2021, the Austrian prosecutor's office conducted searches at multiple construction companies including the Group's offices in connection with a project close to Vienna (modernization of a bridge – Heiligenstädter Hangbrücke) in connection with alleged anti-competitive agreements.

Disputes resulting from or in connection with construction activities

In the course of its normal business activities, the Group is frequently involved in legal disputes as claimant as well as opponent. In the construction industry, such legal disputes often relate to claims for payment or to warranties and damages due to allegedly inadequate or faulty performance of work or incomplete construction. Concerning joint ventures and consortia in which members of the Group participate, the Group may be involved in disputes with respect to obligations of one or more of the joint venture or consortia partners. The result of such proceedings depends on legal questions, evidence taken and technical opinions by authorized experts. The Group is currently involved in a number of legal disputes which are common in the ordinary course of the construction industry, and are partly covered by insurance.

The most important recent disputes of the Group are:

- At the end of 2017 the Group was awarded the contract for the construction of the 8-lane Rhine bridge for the A1 federal motorway over the Rhine near Leverkusen (**"Leverkusen Rhine Bridge"**) by the state road construction company Straßenbau Nordrhein-West (**"Straßen.NRW"**). The contract sum amounted to approximately EUR 362 million. This Leverkusen Rhine Bridge consists of a foreshore section made of pre-stressed concrete (Spannbeton) and a river section, which is partly constructed as a steel composite and partly as a steel cross-section. The K35 ramp structure shall be constructed as a steel composite cross-section. The tender provided for the steel construction elements for the Leverkusen Rhine Bridge to be manufactured by the Chinese subcontractor China Railway Shanghaiguan Group (CRSBG), a subsidiary of the Chinese state railway responsible for bridge construction with numerous references for the construction of very large bridges not only in China but worldwide. On 11 March 2020, Straßen.NRW requested a declaration that the Group would completely remanufacture all steel components manufactured in China for the new construction of the Leverkusen Rhine Bridge because the relevant parts were not safe for construction due to systemic deficiencies (systemische Mängel). The Group agreed to remanufacture the only components examined by a private institute at that time (relating to the components named "T 34A" and "D") while maintaining its own legal position that the defects identified in the components represent isolated common faults in large steel components which can be eliminated according to standardised procedures, and to rework all other steel components if defects were found. Straßen.NRW then terminated the contract by letter dated 24 April 2020 'for good cause'. As a consequence, arbitration proceedings are currently being conducted on the alleged defects of the steel components at the request of the Issuer. The Group is of the opinion that it has complied with all contractual, legal and technical standards and therefore, regards its chances of winning any arbitration and court cases as high. The Group was also sued by the Federal Republic of Germany (represented by Die Autobahn GmbH des Bundes) with a declaratory action (*Feststellungsklage*) aimed at having the termination of the contract by Straßen.NRW declared valid.

- There is a legal dispute concerning the construction of the Brenner Base Tunnel (**"BBT"**) by the project company BBT SE. BBT SE invited tenders for construction of a section of the BBT on the Austrian side, between Pfons and the Austrian/Italian border (**"H51 Construction Lot"**) in 2016 and formally awarded the consortium H51 Pfons - Brenner, consisting of the companies PORR Bau GmbH, G. Hinteregger & Söhne Baugesellschaft mbH, Società Italiana Per Condotte D'Acqua S.p.A. and Itinera S.p.A., in August 2018. The start of construction subsequently followed in November 2019. In addition to the necessary site equipment, the works for the H51 Construction Lot include in particular tunnel driving with a tunnel boring machine (**"TBM"**), starting from the "Wolf" access tunnel, two times approximately 11 kilometres to the north and two times approximately 5 kilometres to the south, as well as conventional driving with blasting in the exploratory tunnels (approximately 3 kilometres to the north and approximately 6 kilometres to the south) and in the emergency stop with track change of two times approximately 3 kilometres. In total, about 50 kilometres of tunnelling is to be constructed. Furthermore, the management of the landfill Padastertal with the use of tunnel excavation material from the H51 Construction Lot as well as the construction lot H41 is part of the scope of project. The tunnel construction is carried out in the area of the TBM tunnelling with tubbings, in the area of the conventional tunnelling with inner shells in in-situ concrete (Ortbeton). The project volume amounted to EUR 966 million. On 27 October 2020, BBT SE unilaterally declared the termination of the contract for H51 Construction Lot. The contract was terminated due to apparently irreconcilable technical differences regarding the design of the tubbings for the TBM tunnelling. At the time of the termination of the contract, approximately 10 kilometers of conventional tunnelling had been completed, including the exploratory tunnel to the north and the main tunnel tubes in the area of the emergency stop including the central tunnel. The track change was started and was secured in the construction stage, as well as the exploratory tunnel towards the south. In addition, around 900,000 m3 of tunnel excavation material was used in the landfill. In relation to the early termination of the BBT project, discussions are currently ongoing to clarify open issues, such as mutual claims for damages due to the premature termination of the contract. The Group is of the opinion that it has complied with all contractual, legal and technical standards and therefore, regards its chances of winning any arbitration and court cases as high.

- The Group is involved in the D4R7 Bratislava Bypass project, a public private partnership (PPP) for the 30-year concession of design, construction, financing, operation and maintenance of D4 highway sections Jarovce – Rača and R7 expressway sections Bratislava Prievoz – Holice tendered by the Slovak Republic, represented by the Ministry of Transport (**"Public Authority"**). The D4R7 project consists of design and construction of 59 km of greenfield roads, 14 interchanges, a major bridge over the Danube river and 122 other bridge structures, divided into 5 separate sections and numerous carriageway (sub-)sections. On 20 May 2016, the Public Authority has awarded the concession contract to a concessionaire constituted by PORR AG (10%), Cintra Slovakia Ltd. of the Spanish-headquartered Ferrovial Group (45%) and Parachute Investments Limited of the Australian-headquartered Macquarie Group (45%). The entire design and construction part of the D4R7 project was undertaken by the EPC (engineering, procurement and construction) contractor, an incorporated consortium constituted by PORR Bau GmbH (35%) and Ferrovial Agroman S.A. (65%) on 17 June 2016. The concessionaire has obtained the necessary financing and reached financial close of the D4R7 project on 20 June 2016. The Public Authority was in delay with providing the building permits for certain sections of that project. The completion of the D4R7 has been factually delayed by a time period corresponding to the initial delay to the building permits. At present, most carriageway (sub-)sections are completed, opened for traffic and under concessionaire's operation, the remaining few carriageway (sub-)sections are close to completion and/or already in the process of obtaining their operation permits so concessionaire can open them to traffic as well. Due to the delay, the EPC contractor requested payment of its additional costs. The Public Authority has refused such payment of the EPC contractor's additional costs first on procedural grounds and then claiming that the Public Authority's own delay was not the cause of the delay to the construction progress but the EPC contractor could not have met the completion dates for other matters, such as delays to the design, value engineering etc. The Public Authority currently claims that the EPC contractor's delayed application for changes to the building permits was the actual cause of the delay to the construction works. The EPC contractor – by way of concessionaire – has submitted its request for arbitration on 18 February 2019. It is currently expected that the final arbitration award is to be issued in the course of November or December 2021.

Apart from the proceedings described above under the captions "Competition law" and "Disputes resulting from or in connection with construction activities", there are no other governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past significant effects on the Company's and/or the Group's financial position or profitability.

9.13 Material agreements

The Group has not been party to material contracts outside of the ordinary course of its business in the past two financial years. The Group has entered into material financing arrangements, especially in the area of trade financing where it has signed four guarantee facilities in the total amount of EUR 870 million all having three year maturities. In addition, the Group has signed four cash lines with facility tenors of three years in the total amount of EUR 135 million. Thereof one line amounts to EUR 50 million.

No member of the Group is party to a contract outside the ordinary course of its business, which includes provisions according to which the Group would be entitled to rights or owes obligations, which would be material to the Group.

10. MANAGEMENT

10.1 General

In accordance with mandatory Austrian law, the Company has a two-tiered board structure comprising of the Management Board (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*). The Management Board is responsible for the management of the business and represents the Company in dealings with third parties. The Supervisory Board is responsible for appointing and removing the members of the Management Board and for supervising the business conducted by the Management Board. Although the Supervisory Board does not actively manage the Company, the Stock Corporation Act, the Articles of Association and the Management Board's internal rules of procedure require that the consent of the Supervisory Board be granted before the Management Board takes certain actions. For a more detailed discussion of procedures, duties and liabilities of the Management Board and the Supervisory Board, and of relevant provisions of the Articles of Association and the Stock Corporation Act, see "Share Capital and Articles of Association – Management Board and Supervisory Board".

The members of the Management Board and the Supervisory Board can be reached at the registered office of the Company at Absberggasse 47, 1100 Vienna, Austria.

10.2 Management Board

Pursuant to the Articles of Association, the Management Board consists of two to six members appointed by the Supervisory Board for a term of up to five years. Currently, the Management Board consists of three members.

Name	Function	Age	Year First Appointed	Current Term Expires
Karl-Heinz Strauss	Chairman, Chief Executive Officer and Chief Financial Officer	60	2010	31 December 2024
Josef Pein	Chief Operating Officer	62	2020	31 December 2024
Jürgen Raschendorfer	Chief Operating Officer	49	2021	7 Mach 2025

(Source: Unaudited internal information of the Company)

Karl-Heinz Strauss was born in Klagenfurt, Austria, in 1960. He obtained a degree in technical engineering and completed international study programs in Harvard, United States, St. Gallen, Switzerland, and Fontainebleau, France. He holds a Master of Business Administration degree from IMADEC. Between 1980 and 1984, he was an independent civil engineering contractor. In 1987, he joined Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB), Vienna, in the corporate customer sector. He was a member of the managing and supervisory boards of several RZB real estate companies and head of Concorde Projektentwicklungsgesellschaft m.b.H., which he played a material role in founding and building up. In 1994, he became a member of the management board of Raiffeisen Wohnbaubank AG. In 2000, he took over the management of Strauss & Partner Immobilien GmbH and became co-owner. Since 13 September 2010, Karl-Heinz Strauss is the chairman of the Management Board and Chief Executive Officer (CEO) of the Company. Since September 2021, he has also taken over the responsibility as Chief Financial Officer (CFO) on an interim basis, until Klemens Eiter will take up this role in May 2022. According to the Management Board's rules of procedure, Karl-Heinz Strauss in his function as CEO is responsible for the segment DE comprising PORR's activities in Germany as well as for Group management, Group human resources, Group communication, investor relations and sustainability, real estate, legal & insurance and corporate development & PMO. In his interim function as CFO, Karl-Heinz Strauss is responsible for Group accounting, Group tax, Group treasury, Group procurement, the digital unit and commercial management. As every Management Board member, he is also responsible for compliance and internal audit.

Josef Pein was born in Altneudörfl, Austria, in 1958. He obtained a degree in technical engineering and holds a qualification as master builder. After having started his professional career in construction in 1979, he joined PORR Group in 1987, and has held various management positions within the Group ever since. In 2011, he became member of the management board of PORR Bau GmbH, where he was responsible for the business unit BU 1 for building construction (*Hochbau*). Since 1 January 2020, Mr Pein is a member of the Management Board and Chief Operating Officer (COO) of the Issuer. Josef Pein is the Management Board member responsible for the segment AT / CH with country-level responsibility for Austria and Switzerland and the segment CEE concentrating on the Home Markets of the Czech Republic, Slovakia and Romania as well as for PORR Design & Engineering (PDE). As every Management Board member, Josef Pein is also responsible for compliance and internal audit.

Jürgen Raschendorfer was born in Ingolstadt, Germany, in 1972. He obtained a degree in civil engineering from the University "Bergische Universität" Wuppertal, Germany, in 1999. After having started his professional career with Ed. Züblin AG in 1999, he was appointed as group leader in 2003. Between 2003 and 2005 he was group leader and planning manager at several projects of "Köln Arcaden". After various positions within Ed. Züblin group, he was managing director of Züblin OOO Moskau, Russian Federation. Within STRABAG group, he held various management functions, from 2017 until 2021 he headed the Division Strabag International and Russia within STRABAG International GmbH. Since 8 March 2021, Jürgen Raschendorfer is member of the Management Board and Chief Operating Officer (COO) of the Issuer. Jürgen Raschendorfer is the member of the Management Board responsible for the segment PL with responsibility for the entirety of the business in Poland and for Norway, as well as tunnelling, Slab Track International, Major Projects and GCC, each in the context of the segment Infrastructure International, as well as for operational management/PES. As every Management Board member, Jürgen Raschendorfer is also responsible for compliance and internal audit.

On 13 July 2021, the nomination committee of the Company's Supervisory Board has nominated Klemens Eiter as the new Chief Financial Officer and member of the Management Board of the Company. Until the annual financial statements 2019, Klemens Eiter was the auditor of PORR AG on behalf of BDO Austria GmbH which is a 100% subsidiary of BDO Austria Holding Wirtschaftsprüfung GmbH. Until his retirement, he held shares in the BDO Austria Holding Wirtschaftsprüfung GmbH and was managing director of BDO Austria GmbH. The corresponding resolutions of the supervisory board are therefore to be passed only after the cooling-off period expires in April 2022. Klemens Eiter has left BDO Austria GmbH as a partner and shareholder and currently works as an independent consultant, also for PORR.

10.3 Supervisory Board

Pursuant to the Articles of Association, the Supervisory Board consists of between three and twelve members appointed by the shareholders' meeting. In addition, the works council (*Betriebsrat*) is entitled according to the Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*) to delegate representatives to the Supervisory Board. Currently, four members of the Supervisory Board are delegated by the works council. The current members of the Supervisory Board are:

Name	Position	Year First Appointed / Delegated	Year Current Term expires
Karl Pistotnik	Chairman	2012	2023(1)
Klaus Ortner	Vice Chairman	1998	2023(1)
Robert Grüneis	Member	2014	2023(1)
Walter Knirsch	Member	2012	2023(1)
Iris Ortner	Member	2010	2023(1)
Bernhard Vanas	Member	2012	2023(1)
Susanne Weiss	Member	2012	2023(1)
Thomas Winischhofer	Member	2008	2023(1)
Gottfried Hatzenbichler	Member	2017	n/a(2)

Name	Position	Year First Appointed / Delegated	Year Current Term expires
Michael Kaincz..	Member	2011	n/a(2)
Wolfgang Ringhofer	Member	2017	n/a(2)
Michael Tomitz..	Member	2011	n/a(2)

(Source: Unaudited internal information of the Issuer)

(1) The term of office of the members elected by the shareholders' meeting expires as of the end of the shareholders' meeting resolving on the exoneration for the financial year 2022, which will take place in the year 2023.

(2) Members delegated by the works council.

Karl Pistotnik was born in Vienna, Austria, in 1944. He obtained a doctoral degree in law in 1966 and a doctoral degree in political sciences in 1971 from the University of Vienna. Since 1973, Karl Pistotnik is an attorney with a particular focus on corporate, banking, construction and real estate law. Karl Pistotnik has decades of experience in advising and representing material market participants of the construction and construction related industries. In addition, he holds numerous positions as a member of management boards of private trusts, as a member of supervisory boards and as a managing director of corporations. Since 6 December 2012, he has been the chairman of the Supervisory Board.

Klaus Ortner was born in Austria, in 1944. He studied at ETH Zurich, Switzerland, and graduated in 1966 with the academic degree Diplomingenieur in mechanical engineering. After briefly studying in the United States, Klaus Ortner began working at the family business of Ortner GesmbH, which was then managed by his father. Klaus Ortner became a shareholder and managing director of Ortner GesmbH in 1977. In 1972, he became a certified surveyor for mechanical engineering. Since 1989, he heads IGO Industries Group. In 2003, Klaus Ortner was appointed chairman of the Supervisory Board of the Issuer. Since 21 June 2012, he has been the deputy chairman of the Supervisory Board.

Robert Grüneis was born in Wels, Austria, in 1968. He obtained a master's degree in law in 1993 and started his professional career in 1995 with Wiener Stadtwerke / Verkehrsbetriebe. Within the Wiener Stadtwerke group, he held numerous various management positions, including his position as member of the management board of Wiener Stadtwerke Holding AG until 2017. Since 2017, he is a managing director of Aspern Smart City Research GmbH & Co. KG.

Walter Knirsch was born in Klosterneuburg, Austria, in 1945. He graduated with a doctoral degree from the law school of the University of Vienna in 1970. After his admission as certified tax advisor and certified auditor, he worked for 33 years for the KPMG Austria group, where he was a member of management until his retirement in 2008. Currently, he is a member of the supervisory board of the FMA, a member of the management board of the private trust ARS BOHEMIAE – Privatstiftung Rotter and liquidator of FIMBAG Finanzmarktbeteiligung Aktiengesellschaft des Bundes in Liqu. Since 2012, he has been a member of the Supervisory Board.

Iris Ortner was born in Innsbruck, Austria, in 1974. She studied at ETH Zurich, Switzerland, and graduated in 1997 with the academic degree Diplomingenieur in mechanical engineering. She also holds a Master of Business Administration degree from INSEAD, Fontainebleau, France, where she graduated in 2001. Iris Ortner began her career at the IGO Industries Group and was responsible for the establishment of the HTG Polska, Poland branch, and for several major projects in Austria and Poland. In addition, she worked for Siemens Management Consulting in Germany and the United States for more than a year. Since 2004, Iris Ortner has been a member of the management board of the IGO Industries Group in Austria and Poland. Since 2010, she has been a member of the Supervisory Board.

Bernhard Vanas was born in Austria, in 1954. He studied business administration at the Vienna University of Economics and Business and law at the University of Vienna. Bernhard Vanas began his professional career at Auditor Treuhand GmbH and was admitted as a certified tax advisor and a certified auditor. In 1991, he became head of the tax department of Auditor Treuhand GmbH, which was then the Austrian Arthur Andersen franchise, and in 2000, he became managing partner of Arthur Andersen in Austria. From 2002 until 2010, Bernhard Vanas was managing partner of the Deloitte Austria group. Since 2010, he is the head of Vanas & Partner Steuerberatungsgesellschaft mbH and a member of the management boards of several private trusts. Since 2012, he has been a member of the Supervisory Board.

Susanne Weiss was born in Germany, in 1961. She is a graduate of the law school of the University of Regensburg, Germany. Since 1989, she has been working as an attorney-at-law with a particular focus on mergers & acquisitions as well as banking and finance. Since 2000, she has been a managing director and shareholder of several companies which, in particular, are active in the mechanical engineering and construction business. Susanne Weiss is also a member of supervisory boards of several companies, including publicly listed companies. Since 2012, she is a member of the Supervisory Board of PORR AG.

Thomas Winischhofer was born in Austria in 1970. He graduated with a master's degree in 1996 (University of Vienna, faculty of law) and a doctoral degree in 2000 (University of Linz, faculty of law). From 2001 until 2007, he was an Attorney at law and partner of Schuppich Sporn & Winischhofer Attorneys at Law. In 2007, Thomas Winischhofer received Master of Business Administration degrees from the Vienna University of Economics and Business and the University of Minnesota, Carlsson School of Economics. Since 2007, he has been a member of the management of IGO Industries Group. Since 2008, he has been a member of the Supervisory Board.

Gottfried Hatzenbichler was born in Kappel am Krappfeld, Austria, in December 1971. After his apprenticeship as motor mechanic including final apprenticeship examination (*Lehrabschlussprüfung*) and several years of professional experience as motor mechanic and construction worker (special civil engineering), he joined TEERAG-ASDAG Aktiengesellschaft as construction worker and engineer in 2000. From 2016 to 2018 he has worked as engineer at PORR Bau GmbH in Klagenfurt. Since 2002, Gottfried Hatzenbichler was full member of the works council of TEERAG-ASDAG Aktiengesellschaft and in 2007 he became deputy chairman of the works council and finally chairman of the works council of TEERAG-ASDAG Aktiengesellschaft in 2011. Since 2014, he has been the regional chairman of the trade union Bau-Holz in Carinthia. Since 2016, he was first chairman of the works council of PORR Bau GmbH and since 1 January 2019 he has been chairman of the group works council of PORR AG. Since 2017, Gottfried Hatzenbichler has been a member of the Supervisory Board delegated by the works council.

Michael Kaincz was born in Pamhagen, Austria, in January 1960. After his training as a retail sales clerk, he joined TEERAG-ASDAG Aktiengesellschaft as a truck driver in 1988. Since 2011, Michael Kaincz has been a member of the Supervisory Board delegated by the works council.

Wolfgang Ringhofer was born in Amstetten, Austria, in 1971. In 1986 he joined TEERAG-ASDAG Aktiengesellschaft as an industrial sales trainee. After his traineeship in the years 1989-1994, Wolfgang Ringhofer completed several business internships and held a number of commercial positions within TEERAG-ASDAG Aktiengesellschaft, and at the same time he passed the accountant examination. From 1994 to 1997 Wolfgang Ringhofer was then responsible for the preparation of the annual financial statements for several subsidiaries of TEERAG-ASDAG Aktiengesellschaft. In 1997, he joined the IT department of TEERAG-ASDAG Aktiengesellschaft, becoming project manager for the introduction of the ERP software. Following the takeover of the majority stake in TEERAG-ASDAG Aktiengesellschaft by PORR AG in 2000, Wolfgang Ringhofer joined the IT department of PORR AG, taking responsibility as project manager for merging the business software of both companies. Afterwards Wolfgang Ringhofer was involved up to and including 2019 in the introduction and ongoing further development of the SAP software at PORR AG as team leader. Wolfgang Ringhofer has also been a works council member of PORR AG since 2007 and a member of the Supervisory Board of PORR AG since 2017.

Michael Tomitz was born in St Pölten, Austria, in 1961. After graduation from the Vienna University of Technology in 1987, he joined the Group as a construction supervisor in civil engineering. Until 2003, he was a group leader at Porr Technobau und Umwelt AG (now PORR Bau GmbH). Since 2004, he has been a full time employee representative (*freigestellter Betriebsrat*) and a member of the Group's group works council. Since 2011, Michael Tomitz has been a member of the Supervisory Board delegated by the works council. Since 2014, he has been the Chairman of the European works council of PORR AG.

10.4 Supervisory Board Committees

The Supervisory Board has established an audit committee (*Prüfungsausschuss*), a nomination committee (*Nominierungsausschuss*), a remuneration committee (*Vergütungsausschuss*) and a sustainability committee (*Nachhaltigkeitsausschuss*). The current members of the audit committee are Karl Pistotnik (chairman), Klaus Ortner (deputy chairman), Bernhard Vanas (financial expert), Thomas Winischhofer, Gottfried Hatzenbichler and Michael Tomitz. The current members of the nomination committee are Karl Pistotnik (chairman), Klaus Ortner (deputy chairman) and Susanne Weiss. The current members of the remuneration committee are Karl Pistotnik (chairman), Klaus Ortner (deputy chairman, remuneration expert) and Susanne Weiss (remuneration expert). The current members of the sustainability committee are Iris Ortner (chairwoman), Robert Grüneis (deputy chairman) and Susanne Weiss.

The audit committee (*Prüfungsausschuss*) is responsible for (i) monitoring the accounting process as well as providing recommendations and proposals with respect to maintaining its reliability, (ii) monitoring the efficiency of the internal control system, the internal revision system, if applicable, and the risk management system of the Company, (iii) monitoring the audit of the (consolidated) financial statements under consideration of the findings and conclusions in reports which were published by the auditors supervision authority (*Abschlussprüferaufsichtsbehörde*) pursuant to Section 4 para 2 No 12 of the Auditors Supervision Authority Act (*Abschlussprüfer-Aufsichtsgesetz*), (iv) reviewing and monitoring the auditor's independence, particularly in respect of additional services rendered by the auditor to the Group; Article 5 of Regulation (EU) No 537/2014 and Section 271a para 6 Austrian Commercial Code (*Unternehmensgesetzbuch*, the **"Commercial Code"**) shall apply; (v) reporting on the result of the audit to the Supervisory Board and the presentation how the audit contributed to the reliability of financial reporting, as well as the role of the audit committee thereby; (vi) the review of the annual financial statements and the preparation of their approval, the review of the proposal for the appropriation of profits, the management report and the corporate governance report as well as reporting on the results of the review to the Supervisory Board; (vii) the review of the consolidated financial statements and the group management report, of the consolidated corporate governance report as well as reporting on the results of the review to the Supervisory Board of the parent company; (viii) recommendation on the execution of a procedure for the selection of an auditor (group auditor) under consideration of the appropriateness of the fees as well as the recommendation for its appointment to the Supervisory Board; Article 16 of Regulation (EU) No 537/2014 shall apply.

The nomination committee (*Nominierungsausschuss*) is responsible for submitting proposals to the supervisory board for filling mandates which become free on the management board and deals with issues relating to successor planning.

The remuneration committee (*Vergütungsausschuss*) is responsible for matters in relation to the Management Board, including compensation of the members of the Management Board. Furthermore, the remuneration committee is responsible for the evaluation of the remuneration policy for members of the management board and for preparing approvals (or denials) of additional functions / board positions by members of the management board.

The sustainability committee (*Nachhaltigkeitsausschuss*) is responsible for (i) dealing with and analysing sustainability criteria and corporate responsibility concepts in the corporate process, in particular determining relevant environmental, social and governance factors (sustainability), which are determined in detail by the sector and business model of the Company and are subject to regional influences. Sustainability aims at taking into account factors resulting from the impact on or by the environment (ecological), from social and societal influences as well as from corporate governance; (ii) supervision and advice on a catalogue of sustainability measures with clear allocation of responsibilities at board and supervisory board level; and (iii) monitoring and reviewing the sustainability measures implemented, in particular the impact of procurement and development processes on ecosystems.

10.5 Additional Information Relating to Board Members

The following table sets out the names of companies and business partnerships, excluding the Company and its subsidiaries, of which each of the members of the Supervisory Board and Management Board has been a member of the administrative, management or supervisory boards or partner, as the case may be, at any time in the five years prior to the date of this Prospectus:

Name	Name of company	Position	Position still held?
Management Board			
Karl-Heinz Strauss	ALUK-Privatstiftung	Chairman of the management board	Yes
	CARL-Privatstiftung	Vice chairman of the management board	Yes
	PLACHUTTA Privatstiftung	Member of the management board	Yes
	UKAL-Privatstiftung	Chairman of the management board	Yes
	DATAX HandelsgmbH	Member of the supervisory board	No
	KAPSCH-Group Beteiligungs GmbH	Member of the supervisory board	No
	Kapsch Aktiengesellschaft	Member of the supervisory board	No
	UBM Development AG	Chairman of the supervisory board	Yes
	SuP Vermietung GmbH	Shareholder	Yes
	Ortner Privatstiftung	Vice chairman of the management board	No
Josef Pein	CCG Nord Projektentwicklung GmbH	Member of the supervisory board	No
Jürgen Raschendorfer	STRABAG International GmbH, Zweigniederlassung Wien	Managing director	No
	DYWIDAG International GmbH	Managing director	No
	DYWIDAG Saudi Arabia Company Ltd.	Managing director	No
	STRABAG International GmbH	Managing director	No
	ZÜBLIN International GmbH	Managing director	No
Supervisory Board			
Karl Pistotnik	ARS BOHEMIAE - Privatstiftung Rotter	Member of the management board	No
	Agavi Privatstiftung	Member of the management board	Yes
	CARL-Privatstiftung	Member of the management board	Yes
	CHILDREN OF ELISABETH-Privatstiftung	Member of the management board	Yes
	CHT - Privatstiftung	Vice chairman of the management board	Yes
	CM Privatstiftung	Member of the management board	Yes

Name	Name of company	Position	Position still held?
	Cosmos Privatstiftung	Member of the management board	No
	EUSTACHIUS Privatstiftung	Member of the management board	Yes
	FERENC-PRIVATSTIFTUNG	Chairman of the management board	Yes
	HOUSKA Privatstiftung	Vice chairman of the management board	Yes
	JE Familien Privatstiftung	Chairman of the management board	Yes
	LIUBISA - Familien-Privatstiftung	Chairman of the management board	Yes
	LK - Privatstiftung	Chairman of the management board	No
	Landesmann Privatstiftung	Vice chairman of the management board	Yes
	Lugner Familien-Privatstiftung	Chairman of the management board	Yes
	Lugner-Söhne-Privatstiftung	Chairman of the management board	Yes
	MILLENNIUM PRIVATSTIF-TUNG	Chairman of the management board	Yes
	PANKRATIUS Privatstiftung	Chairman of the management board	Yes
	PRO FILIIS-Privatstiftung	Member of the management board	Yes
	PROSPERO Privatstiftung	Member of the management board	Yes
	Paula Frauneder Familien-Privatstif-tung	Chairman of the management board	Yes
	Skolnik - Familien-Privatstiftung	Chairman of the management board	Yes
	VICTUS Privatstiftung	Member of the management board	Yes
	WOJNAR Privatstiftung	Chairman of the management board	Yes
	XENIA Privatstiftung	Vice chairman of the management board	No
	BOHEMIA Privatstiftung	Member of the management board	No
	LANGLOIS Privatstiftung	Member of the management board	No
	BSSA Immobilienentwicklungs GmbH	Managing director	Yes
	CAMPAGNA Liegenschafts- und Beteiligungsverwaltungs GmbH	Managing director	Yes
	CERVUS Betriebs- und Handelsge-sellschaft m.b.H.	Managing director	Yes
	IBC Liegenschaftsverwaltungs- und -verwertungsgesellschaft m.b.H.	Managing director	Yes
	KAMINCO & KO Immobilien-verwaltung GmbH	Managing director	Yes
	PISTOTNIK & KRILYSZYN Rechtsanwälte GmbH	Managing director	Yes
	PISTOTNIK GmbH	Managing director	Yes
	PROBAU Projekt- und Bauausfüh-rungs-Gesellschaft m.b.H.	Managing director	Yes
	PROINVEST Realiätenerwerbs- und -verwaltungs GmbH	Managing director	Yes
	Palais Fanto Verwaltungs Gesell-schaft m.b.H.	Managing director	Yes
	TERRESTRIS Liegenschafts- und Beteiligungsverwaltungs GmbH	Managing director	Yes
	TH MTG Liegenschaftsbesitz GmbH	Managing director	No
	Treuhand- und Kontroll-GmbH	Managing director	Yes
	VERMREAL Liegenschaftserwerbs- und -betriebs GmbH	Managing director	Yes
	WALLNER Forstbetriebe GmbH	Managing director	Yes
	SALOR AG	Managing director	Yes

Name	Name of company	Position	Position still held?
	SATURN KOMMERZ AKTIENGESELLSCHAFT	Managing director	No
	EVOR AKTIENGESELLSCHAFT	Managing director	No
	WOJNAR Beteiligungs GmbH	Chairman of the supervisory board	No
	KRX GmbH	Managing director	No
	Malinek GmbH	Managing director	No
	REALIUM Liegenschaftserwerbs- und Verwaltungs-GmbH	Managing director	No
	Zell & Co. Gesellschaft m.b.H.	Managing director	No
	"WOJNAR'S WIENER LECKERBISSEN" Delikatessenerzeugung GmbH	Chairman of the supervisory board	No
	Stumpf AG	Member of the supervisory board	No
	KBC Beteiligungs GmbH	Member of the supervisory board	Yes
	FIDUZIA Privatstiftung	Founder and chairman of the management board	No
	FROS Liegenschaftsbesitz- und Verwaltungs GmbH in Liqu.	Liquidator	No
Klaus Ortner	Berninger & Co. KG	Partner with unlimited liability	Yes
	IGO Construction GmbH	Managing director	Yes
	IGO Development GmbH	Managing director	Yes
	IGO Immo GmbH	Managing director	Yes
	IGO Industries GmbH	Shareholder and Managing director	Yes
	IGO Innovation GmbH	Managing director	Yes
	IGO Real Estate GmbH	Shareholder and Managing director	Yes
	IGO Technologies GmbH	Managing director	Yes
	IGO Verwaltungs GmbH	Shareholder and Managing director	Yes
	Ortner Beteiligungsverwaltung GmbH	Managing director	No
	Ortner Managementgesellschaft mit beschränkter Haftung	Shareholder and Managing director	No
	ELIN GmbH	Member of the supervisory board	Yes
	UBM Development AG	Member of the supervisory board	Yes
Walter Knirsch	ARS BOHEMIAE - Privatstiftung Rotter	Member of the management board	Yes
	FIMBAG Finanzmarktbeteiligung Aktiengesellschaft des Bundes in Liqu.	Liquidator	Yes
	Finanzmarktaufsichtsbehörde (FMA)	Member of the supervisory board (co-opted)	Yes
Robert Grüneis	Energie Burgenland AG	Member of the supervisory board	No
	Philips Austria GmbH	Member of the supervisory board	Yes
	Aspern Smart City Research GmbH	Managing director	Yes
	FACILITYCOMFORT Energie- und Gebäudemanagement GmbH	Chairman of the supervisory board	No

Name	Name of company	Position	Position still held?
	WIEN ENERGIE GmbH	Chairman of the supervisory board	No
	Aspern Smart City Research GmbH	Managing director	Yes
	Aspern Smart City Research GmbH & Co KG	Partner with unlimited liability	Yes
	WIENER STADTWERKE GmbH	Member of the management board	No
Iris Ortner	IGO Construction GmbH	Managing director	Yes
	IGO Industries GmbH	Shareholder and Managing director	Yes
	IGO Technologies GmbH	Managing director	Yes
	Ortner AG	Member of the management board	Yes
	IGO Real Estate GmbH	Shareholder and Managing director	Yes
	IGO Verwaltungs GmbH	Shareholder and Managing director	Yes
	Ortner Managementgesellschaft mit beschränkter Haftung	Shareholder	No
	ELIN GmbH	Chairman of the supervisory board	Yes
	UBM Development AG	Vice chairman of the supervisory board	Yes
	Österreichische Beteiligungs AG	Member of the supervisory board	Yes
	TKT Engineering Sp. z o.o.	Vice chairman of the supervisory board	Yes
	IGO Development GmbH	Managing director	Yes
	IGO Innovation GmbH	Managing director	Yes
	IGO Immo GmbH	Shareholder and Managing director	Yes
	Bacon Beteiligungs GmbH	Managing director	No
	Bacon Gebäudetechnik GmbH	Managing director	No
	Haustechnische Gesellschaft für Sanitär-, Wärme- und lufttechnische Anlagen Gesllschaft m.b.H.	Managing director	No
	Ortner Beteiligungsverwaltung GmbH	Managing director	No
	Ortner Ges.m.b.H.	Managing director	No
	Ultraplan Planungsgesellschaft für haustechnische Analagen GmbH in Liqu.	Managing director and Liquidator	No
	MWB Umwelttechnik Gesellschaft m.b.H. in Liqu.	Managing director and Liquidator	No
	BC Capital AG	Member of the administrative board	Yes
Bernhard Vanas	GOB Liegenschaftsverwaltung KG	Partner with unlimited liability	Yes
	Kornfeld & Vanas Land- und Forstwirtschaft OG	Partner with unlimited liability	Yes
	MAB Liegenschaftsverwaltung OG	Partner with unlimited liability	Yes
	MAB Mohsgasse 33 Vermietungs OG	Partner with unlimited liability	Yes
	VBH Beteiligungs OG	Partner with unlimited liability	Yes
	ALUK-Privatstiftung	Member of the management board	Yes
	Albona Privatstiftung	Member of the management board	Yes
	C. von Meinertzhagen Privatstiftung	Chairman of the management board	Yes
	Fidelis Privatstiftung	Member of the management board	Yes
	Medienbeteiligungen Privatstiftung	Member of the management board	Yes

Name	Name of company	Position	Position still held?
	Orion Privatstiftung	Member of the management board	Yes
	PROSPERO Privatstiftung	Chairman of the management board	Yes
	Prajo Privatstiftung	Member of the management board	Yes
	STYX Privatstiftung	Chairman of the management board	Yes
	Schröder Privatstiftung	Member of the management board	Yes
	CROWE Consulting Austria GmbH	Managing director	Yes
	AUDIREAL Liegenschaftsverwaltungs GmbH	Managing director	Yes
	IRZ Holding GmbH	Managing director	Yes
	IRZ Liegenschaftsverwertung GmbH	Managing director	Yes
	MRB Radiobeteiligungen GmbH	Managing director	Yes
	MVB Beteiligungs GmbH	Managing director	Yes
	Vanas & Partner Steuerberatungsgesellschaft mbH	Managing director	Yes
	SDN Beteiligungs GmbH	Member of the supervisory board	Yes
	UBM Development AG	Member of the supervisory board	Yes
	Projekt AN 71-73 Immobilien GmbH & Co KG	Managing director	Yes
	Hohendanner & Partner Consulting GmbH	Managing director	No
	PALFINGER Privatstiftung	Member of the management board	No
	"WOJNAR'S WIENER LECKERBISSEN" Delikatessenerzeugung GmbH	Member of the supervisory board	No
	Bankhaus Denzel Aktiengesellschaft	Vice chairman of the supervisory board	Yes
	Wolfgang Denzel Auto AG	Vice chairman of the supervisory board	Yes
	Wolfgang Denzel Aktiengesellschaft	Vice chairman of the supervisory board	Yes
	Wolfgang Denzel Holding Aktiengesellschaft	Member of the supervisory board	Yes
	Familienstiftung Wolfgang Denzel	Member of the management board	Yes
Susanne Weiss	Freeride Kitz Clothing OG	Partner with unlimited liability	No
	SW Beteiligungsgesellschaft mbH	Managing director	Yes
	UBM Development AG	Member of the supervisory board	Yes
	Wacker Chemie AG	Member of the supervisory board	Yes
	ROFA AG	Chairman of the supervisory board	Yes
	Spielvereinigung Unterhaching Fußball GmbH & Co. KGaA	Member of the supervisory board	Yes
	Blue Elephant Holding GmbH	Managing shareholder	Yes
	KHW Beteiligungsgesellschaft mbH	Managing shareholder	Yes
	Dr. Alexander Wacker Familiengesellschaft mbH	Managing director	Yes
	JS Projektentwicklung GmbH	Managing director	Yes
Thomas Winischhofer	Haustechnische Gesellschaft für Sanitär-, Wärme- und lufttechnische Anlagen Gesellschaft m.b.H.	Managing director	Yes

Name	Name of company	Position	Position still held?
	Immobilienmanagement "Kreuzstraße" GmbH & Co KG	Partner with unlimited liability	Yes
	Ortner Ges.m.b.H.	Managing director	Yes
	OBE Projektentwicklung GmbH	Managing director	Yes
	TKT Engineering Sp. z o.o.	Member of the supervisory board	Yes

(Source: Unaudited internal information of the Issuer)

10.6 Conduct and Conflicts of Interest

(a) Conduct

None of the current members of the Management Board or the Supervisory Board has, at any time in the five years prior to the date of this Prospectus:

- been convicted of any fraudulent offences relating to fraud;
- been associated with any bankruptcy, receivership or liquidation as a member of the administrative, management or supervisory bodies or as senior manager;
- been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer.

(b) Conflicts of interest

The syndicate agreement between the members of the IGO Industries-Strauss Syndicate provides that both the Strauss Group and the IGO-Industries Group each have the right to nominate three members of the Supervisory Board respectively, and each member of the IGO Industries-Strauss Syndicate has agreed to vote for the candidates for the Supervisory Board nominated by the respective other syndicate member (assuming that the Supervisory consists of ten members elected by the shareholders' meeting). Should the Supervisory Board consist of more or less than ten members elected by the shareholders' meeting, the members of the IGO Industries-Strauss Syndicate will have a respective nomination right for the same number of members of the Supervisory Board. The remaining members of the Supervisory Board shall be nominated by consensus among the members of the IGO Industries-Strauss Syndicate. Furthermore, the members of the IGO Industries-Strauss Syndicate will interact with the members of the Supervisory Board nominated by them to the effect that Karl-Heinz Strauss is appointed as chairman and member of the Management Board (provided the lack of a material reason to not appoint him). The Strauss Group will interact with the members of the Supervisory Board nominated by it to the effect that an individual nominated by Klaus Ortner on behalf of the IGO Industries Group is appointed as member of the Management Board. The appointment of more than four members of the Management Board requires the prior consent by the members of the IGO Industries-Strauss Syndicate. Apart from the above, there are no arrangements or understandings with major shareholders, customers or suppliers of the Company, or with other persons, pursuant to which any member of the Company's Supervisory Board or Management Board was appointed a member of such corporate body.

A conflict of interest may arise due to business relationships between the Group and companies controlled by members of the Management Board or Supervisory Board. Management believes that business between the

Group and businesses which are influenced by members of the Management Board or Supervisory Board are conducted at arm's length. Moreover, any member of the Management Board or Supervisory Board that may be conflicted (e.g., business dealings with members of the IGO Industries Group) is not permitted to participate in the adoption of any resolution in relation to a matter that could create a conflict of interest.

Actual or perceived conflicts of interest may occur if companies of the IGO Industries Group provide engineering, installation or other construction services to the Group. Klaus Ortner, Thomas Winischhofer and Iris Ortner are members of the Supervisory Board as well as members of the management of the IGO Industries Group. Companies of the IGO Industries Group provide from time to time services at construction sites where also the PORR Group operates.

In addition, actual or perceived conflicts of interest may arise involving PROSPERO Privatstiftung, an Austrian private trust that is an indirect shareholder in the Company via SuP Beteiligungs GmbH. Karl-Heinz Strauss is the benefactor of PROSPERO Privatstiftung. Karl Pistotnik and Bernhard Vanas are members of the management board of PROSPERO Privatstiftung at the same time as being members of the Supervisory Board of the Company and rendering professional legal and tax advice to the Company.

Actual or perceived conflicts of interest may arise involving the law firm Weiss Walter Fischer-Zernin, which provides advisory services to the Company. Susanne Weiss is a partner at the law firm as well as a member of the Supervisory Board of the Company. In each case, the applicable service contracts, including the agreed upon fees, have been approved, in line with Austrian law, by the Supervisory Board with the applicable member abstaining from voting on the applicable resolution.

Except as described above, there are, to the best knowledge of the Company, no potential conflicts of interest of any members of the Managing Board or the Supervisory Board.

The Company is not aware of any interest of any member of the Supervisory Board or the Management Board relating to unusual business transactions with the Group. The Company has no outstanding loans to and no guarantees on behalf of any members of the Supervisory Board or Management Board.

There are no family relationships between any members of the Management Board and any members of the Supervisory Board, except for two members of the Supervisory Board: Iris Ortner is the daughter of Klaus Ortner.

10.7 Remuneration policy and principles

(a) Background

With the transposition of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement ("Shareholders' Rights Directive") into the Stock Corporation Act, listed companies are obliged to establish principles for the remuneration of the members of the Management Board and Supervisory Board.

These principles for the remuneration of the members of the Management Board and Supervisory Board are referred to as remuneration policy. For this reason, the Supervisory Board of the Company, after appropriate preparation by the remuneration committee of the Supervisory Board, has determined the Company's remuneration policy which was approved by the Company's shareholders' meeting in 2020.

(b) Remuneration of the members of the Management Board

The remuneration of the Management Board should be an incentive for the members of the Management Board to continuously strengthen and increase the performance of the Company and its earnings. At the same time, the Supervisory Board of PORR would also like to see continuity with regard to the composition of the Management Board and the members of the Management Board. Without appropriate remuneration for the

Management Board, there would be a danger that members of the Management Board would no longer regard PORR as attractive and would pursue other professional activities. There is also the risk that without appropriate remuneration, no sufficient motivation for the sustainable development and strengthening of PORR can be achieved. The remuneration of the members of the PORR Management Board should contain fixed and variable components.

Each member of the Management Board receives a fixed annual remuneration. The Supervisory Board is entitled to determine the respective amount in the respective Management Board contract at its own discretion, taking into account in particular seniority, experience, and the length of both the period of service with the Company and membership of the Management Board. In addition, the specific compensation granted should be competitive and appropriate to the market. The fixed remuneration can be paid twelve times or fourteen times a year.

In addition to a fixed remuneration, the Supervisory Board may also grant additional benefits that are usually agreed in a Management Board contract, such as the entitlement to vacation days or continued remuneration in the event of illness, etc.

Each member of the Management Board receives a variable remuneration each year, depending on the achievement of the parameters to be determined by the Supervisory Board. The Supervisory Board is entitled to determine financial or nonfinancial criteria, such as the determination of key compliance aspects, or a combination of both. In particular, each member of the Management Board shall endeavour to take sustainable steps towards achieving an EBT margin of 3%. This goal supports the current business policy and strategic orientation of PORR and is intended to promote the sustainable positive development of the Company.

In addition, the members of the Management Board receive further benefits, i.e. inclusion in a D&O insurance policy, inclusion in a pension fund scheme or similar, inclusion in an accident and survivors' insurance policy, and the provision of a company car, etc. The variable remuneration is limited to 100% of the annual fixed remuneration of the Management Board.

Currently, members of the Management Board do not receive any share-based remuneration.

(c) Remuneration of the members of the Supervisory Board

Each member of the Supervisory Board receives a fixed annual remuneration. The amount to be paid in each case to the members of the Supervisory Board is proposed by the Supervisory Board and the Management Board to the shareholders' meeting. The members of the Supervisory Board do not receive variable remuneration.

10.8 Remunerations granted

(a) Management Board

In the financial year 2020, the following persons were continuously active members of the Management Board of PORR from 1 January 2020 to 31 December 2020:

- Karl-Heinz Strauss (Chairman of the Management Board)
- Josef Pein
- Andreas Sauer
- Thomas Stiegler

J. Johannes Wenkenbach resigned as a member of the Management Board of PORR on 31 January 2020 due to the expiry of his functional period.

In accordance with the Remuneration Policy, a gross annual remuneration of EUR 789,285.78 was paid out in fourteen instalments for the Chairman of the Management Board, Karl-Heinz Strauss. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Karl-Heinz Strauss waived payment of 50% of his remuneration for the months of March and April 2020. In addition, Karl-Heinz Strauss was granted the following remuneration in kind and incidental benefits (additional components of Management Board remuneration):

(i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;

(ii) Employee social security fund in the amount of EUR 12,272.41;

(iii) Pension fund contribution in the amount of EUR 39,183.97;

(iv) Employer's contribution group insurance PORR Care+ EUR 60.00;

(v) Company car: Audi SQ8 with authorisation for private use and driver for Company-related journeys. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 50,610.57. The non-cash parking benefit amounted to EUR 145.30.

(vi) Litigation costs EUR 17,040.00 including VAT.

A gross annual remuneration of EUR 464,285.78 was paid to Josef Pein in fourteen instalments. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Josef Pein waived payment of 50% of his remuneration for the months of March and April 2020. In addition, the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration) were granted to Josef Pein:

(i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;

(ii) Premium for supplementary health insurance in the amount of EUR 3,980.50 (from March 2020);

(iii) Employer's contribution group insurance PORR Care+ EUR 60.00;

(iv) Employee social security fund in the amount of EUR 6,791.27;

(v) Pension fund contribution in the amount of EUR 40,000.00;

(vi) Company car: BMW X 5-30D with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 10,632.82. The non-cash parking benefit amounted to EUR 145.30.

(vii) Litigation costs EUR 23,661.20 including VAT.

A gross annual remuneration of EUR 464,285.78 was paid out in fourteen instalments for Andreas Sauer. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Andreas Sauer waived the payment of 50% of his remuneration for the months of March and April 2020. In addition, Andreas Sauer was granted the following remuneration in kind and incidental benefits:

(i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;

(ii) Premium for supplementary health insurance in the amount of EUR 8,176.44;

(iii) Employer's contribution group insurance PORR Care+ EUR 60.00;

(iv) Employee social security fund in the amount of EUR 7,407.12;

(v) Pension fund contribution in the amount of EUR 40,000.00;

(vi) Company car: BMW 540 i Sportline with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 19,361.45. The non-cash parking benefit amounted to EUR 145.30.

For Thomas Stiegler was paid a gross annual remuneration of EUR 464,285.78 in fourteen instalments. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Thomas Stiegler waived payment of 50% of his remuneration for the months of March and April 2020. In addition. Thomas Stiegler was granted the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration):

(i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;

(ii) Premium for supplementary health insurance in the amount of EUR 6,466.56;

(iii) Employer's contribution group insurance PORR Care+ EUR 60.00;

(iv) Employee social security fund in the amount of EUR 7,380.96;

(v) Pension fund contribution in the amount of EUR 40,000.00;

(vi) Company car: BMW 525D with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 6,323.54. The non-cash parking benefit amounted to EUR 145.30.

On 10 December 2020, Thomas Stiegler announced his intention to resign from the Management Board with effect from 31 January 2021.

Johannes Wenkenbach was paid a gross remuneration including aliquot extra payments for the month of January 2020 in the amount of EUR 41,666.67, as Johannes Wenkenbach retired on 31 January 2020. In addition, Johannes Wenkenbach was granted the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration) for January 2020:

(i) Premium for collective accident and survivors' pension insurance in the amount of EUR 136.10;

(ii) Premium for supplementary health insurance in the amount of EUR 509.29;

(iii) Employer's contribution group insurance PORR Care+ EUR 5.00;

(iv) Employee social security fund in the amount of EUR 5,503.24;

(v) Pension fund contribution in the amount of EUR 2,857.14;

(vi) Company car: Toyota GT 86 with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 784.80 for 2020. The non-cash parking benefit amounted to EUR 14.53.

The variable remuneration for the members of the Management Board for 2020 was determined with the amount of EUR 0.00.

Based on the fixed and variable remuneration for the financial year 2020, the following relative proportions result:

Name	**Fixed remuneration in EUR**	**Additional components of the remuneration in EUR**	**Variable remuneration for the reporting year in EUR**	**Ratio of fixed remuneration (including additional remuneration components) to variable remuneration**
Karl-Heinz Strauss (CEO)	789,285.78	81,854.82	0.00	100 : 0
Josef Pein (COO)	464,285.78	87,791.41	0.00	100 : 0
Andreas Sauer (CFO)	464,285.78	68,942.00	0.00	100 : 0
Thomas Stiegler (COO)	464,285.78	67,205.96	0.00	100 : 0
Johannes J. Wenkenbach (COO)	41,666.67	9,810.10	0.00	100 : 0

(Source: remuneration report 2020 of the Issuer)

(b) Supervisory Board

The members of the Supervisory Board received the following remuneration for 2020:

Name	**Fixed remuneration granted**[(1)] (in EUR)	**Attendance fee**[(2)] (in EUR)	**Total** (in EUR)
Karl Pistotnik	50,000	12,000	62,000
Klaus Ortner	40,000	12,000	52,000
Robert Grüneis	30,000	10,500	40,500
Walter Knirsch	30,000	10,500	40,500
Iris Ortner	30,000	10,500	40,500
Bernhard Vanas	30,000	12,000	42,000
Susanne Weiss[(3)]	30,000	9,000	39,000
Thomas Winischhofer	30,000	12,000	42,000
Total	**270,000**	**88,500**	**358,500**

(Source: remuneration report 2020 of the Issuer)

[(1)] The figures represent the entitlement for the financial year 2020. Payment will be made four weeks after the annual shareholders' meeting. The fixed remuneration for the financial year 2020 will be paid in 2021.

[(2)] The attendance fee is EUR 1,500.00 per meeting.

[(3)] In accordance with the resolution of the annual shareholders' meeting on 29 May 2019, members of the Supervisory Board who are not resident in Austria additionally receive a legally applicable Austrian withholding tax refund from the Company. An amount of EUR 8,625 was paid for Susanne Weiss in 2020.

11. PRINCIPAL SHAREHOLDERS

11.1 General

As of the date of this Prospectus, the Company's issued and fully paid-in share capital amounts to EUR 39,278,250, divided into 39,278,250 no-par value ordinary voting bearer shares, each with a calculated notional amount of EUR 1.00 (see "Share Capital and Articles of Association – Management Board and Supervisory Board"). The following table sets forth the respective shareholders of the Company (taking into account the successful subscription rights offering completed 8 November 2021):

Shareholder	Existing Shares held	Percentage
IGO Industries-Strauss Syndicate	**19,791,077**	**50.39%**
thereof IGO Industries Group[(1)]	*14,123,769*	*35.96%*
thereof Strauss Group[(2)]	*5,667,308*	*14.43%*
Heitkamp Construction GmbH	1,703,142	4.34%
Wellington Management Group LLP	1,137,186	2.90%
Group management [(3)]	931,195	2.37%
Freefloat	15,715,650	40.01%
Total	**39,278,250**	**100.00%**

(Source: Unaudited internal information of the Issuer as of the date of this Prospectus)

(1) Shares attributable to IGO Industries Group are held by IGO Construction GmbH.

(2) Shares attributable to Strauss Group are held by SuP Beteiligungs GmbH.

(3) Includes shares which are held by members of the Management Board (including shares attributable to Klaus Ortner / the IGO Industries Group and the Strauss Group which are not syndicated) and by members of the Supervisory Board of the Issuer as well as by other executives of the Group.

On 1 October 2021, the Issuer has received a major holdings notification pursuant to which UBS Switzerland AG and UBS AG have acquired financial instruments for the acquisition of Existing Shares corresponding to voting rights in aggregate of 6.04%. In addition, UBS Fund Management (Luxembourg) S.A. and UBS Fund Management (Switzerland) AG hold directly 21,440 Existing Shares (which corresponds to 0.07% of the voting rights).

Except as set out above, to the Company's knowledge, no other shareholder beneficially owns more than 4% of the Shares as of the date of this Prospectus. All of the Shares have the same voting rights.

The Company has not adopted measures against the potential abuse of controlling shareholders of their control in addition to those required by Austrian law. However, the Company believes that Austrian law, including the takeover regulations and principles of equal treatment of shareholders, provides comprehensive and sufficient safeguards against the potential abuse of controlling shareholders of their control.

11.2 IGO Industries-Strauss Syndicate

The Issuer is directly controlled by the IGO Industries Group and the Strauss Group which, on the basis of a syndicate agreement, form the IGO Industries-Strauss Syndicate controlling 50.39% of the shares and votes. IGO Industries Group means Klaus Ortner, deputy chairman of the Supervisory Board, together with entities controlled by or attributable to him which hold shares in the Company, namely IGO Construction GmbH. Strauss Group means Karl-Heinz Strauss, member of the Management Board and CEO of the Company, together with entities controlled by or attributable to him which hold shares in the Company, namely SuP Beteiligungs GmbH.

Based on information disclosed by the Strauss Group in the Austrian ultimate beneficial owners register (*Wirtschaftliche Eigentümer-Register*) from January 2021, resolutions of the IGO Industries-Strauss Syndicate require a unanimous vote and resolutions passed by the syndicate oblige the syndicate members to exercise their voting rights in accordance with the resolutions of the syndicate in shareholders' meetings of the Company.

In addition, reciprocal acquisition rights exist. The shareholders' agreement may not be terminated before 31 December 2022.

12. RELATED PARTY TRANSACTIONS

The Company regularly discloses related party transactions in its audited consolidated financial statements. "Related parties" include all subsidiaries and companies accounted for under the equity method (associates, joint ventures, consortiums) of (i) the Company, (ii) members of the Management Board and the Supervisory Board as well as their close relatives, (iii) the IGO Industries-Strauss Syndicate as the Company's main shareholders, as well as all companies that are controlled by the IGO Industries Group and/or the Strauss Group and (iv) the Kapsch Group (companies directly or indirectly controlled by KAPSCH-Group Beteiligungs GmbH) as Karl-Heinz Strauss, the Company's CEO, is a member of the supervisory board of KAPSCH-Group Beteiligungs GmbH and a member of the management board of one of three private foundations ultimately controlling the Kapsch Group.

Transactions between PORR Group companies and companies accounted for under the equity method are captured in the below table and typically relate to ordinary construction services as well as the provision of goods and services. Receivables and liabilities only include direct services charged.

	Income			**Expenses**		
(in TEUR)	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Associates	13,523	25,237	42,130	27,499	29,416	24,345
Joint ventures	57,094	57,349	78,059	65,625	92,020	67,996
Consortia	372,233	243,844	194,673	45,840	55,960	54,634

(Source: Consolidated Financial Statements)

	Receivables			**Liabilities**		
(in TEUR)	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Associates	6,584	10,188	11,117	11,287	2,938	3,493
Joint ventures	14,217	12,486	25,995	13,638	6,587	4,488
Consortia	69,853	75,092	64,188	23,371	12,236	14,539

(Source: Consolidated Financial Statements)

Transactions with members of the management in key positions and companies over which they have control were as follows:

	Income			**Expenses**		
(in TEUR)	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
From trade payables and receivables						
UBM Group	44,095	28,408	100,458	3,762	4,975	5,441
IGO Industries Group	1,349	1,835	4,658	19,844	57,656	50,915
Strauss Group	1,084	424	4,119	373	404	541
Kapsch Group	196	342	1,265	1,295	1,782	3,212
Other	951	-	2	321	61	2,632
From financing						
UBM Group 1	1,520	1,520	2,339	-	-	-

(Source: Consolidated Financial Statements)

(in TEUR)	Receivables 2020	2019	2018	Liabilities 2020	2019	2018
From trade payables and receivables						
UBM Group 2	9,228	5,620	5,434	1,991	368	2,061
IGO Industries Group	1,010	1,117	953	3,988	12,227	6,345
Strauss Group	65	112	101	11	13	1
Kapsch Group	13	93	86	55	129	341
Other	343	-	-	55	23	68
From financing						
UBM Group	29,972	30,515	39,652	180	126	60

(Source: Consolidated Financial Statements)

Companies controlled by the IGO Industries Group and thus Klaus Ortner, the deputy chairman of the Supervisory Board, are active in the area of building services and appliances in Austria, Poland and other countries and in such context are an important supplier of goods and services to the Group. Sales of goods and services to companies controlled by the IGO Industries Group amounted to EUR 1.4 million and purchases of goods and services from companies controlled by the IGO Industries Group amounted to EUR 19.9 million in the financial year 2020 (2019: EUR 1.8 million of sales and EUR 57.7 million of purchases; 2018: EUR 4.7 million of sales and EUR 51.0 million of purchases).

Companies controlled by the Strauss Group and thus by Karl-Heinz Strauss, the CEO of the Company, are active in the field of real estate development and transactions and in such context conduct business with the PORR Group. Sales of goods and services to companies controlled by the Strauss Group amounted to EUR 1.1 million and purchases of goods and services from companies controlled by the Strauss Group amounted to EUR 0.4 million in the financial year 2020 (2019: EUR 0.4 million of sales and EUR 0.4 million of purchases; 2018: EUR 4.1 million of sales and EUR 0.6 million of purchases).

Sales of goods and services to companies of the Kapsch Group amounted to EUR 0.2 million in the financial year 2020. Purchases of goods and services from companies of the Kapsch Group amounted to EUR 1.3 million in the financial year 2020 (2019: EUR 0.4 million of sales and EUR 1.8 million of purchases; 2018: EUR 1.3 million of sales and EUR 3.2 million of purchases).

Sales of goods and services to other related parties amounted to EUR 1.0 million in the financial year 2020 (2019: nil; 2018: nil) and purchases of goods and services from other related parties amounted to EUR 0.3 million in the financial year 2020 (2019: EUR 0.1 million; 2018: EUR 2.7 million).

Due to its scale, a relevant related party transaction in 2020 was the sale of the Bergerbräuhofstraße plot from G. Hinteregger & Söhne Baugesellschaft m.b.H.; the purchase price of TEUR 11,000 was settled in cash. In 2019, the sale of the shares in Sabimo Monte Laa Bauplatz 2 GmbH (the purchase price of TEUR 34 was settled in cash) as well as the payment of TEUR 872 of the control premium of TEUR 1,294 paid in the course of gaining control of "hospitals" Projektentwicklungsges.m.b.H. were party transactions. The sale of 50% in H+E Haustechnik und Elektro GmbH was a related party transaction.

There have been no significant changes in relationships between related companies, or any resultant obligations or guarantees, since the date of this Prospectus.

13. THE COMPANY AND ITS SUBSIDIARIES

13.1 The Issuer and its Group

The Company is an Austrian stock corporation, incorporated under and governed by Austrian law, with its registered seat in Vienna, Austria, and its business address at Absberggasse 47, A-1100 Vienna, Austria. Its telephone number is +43-50 626-0. It operates under the commercial name "PORR". The website of the Company and its Group is https://porr-group.com/en/, however, the information on the website does not form part of this Prospectus and has not been reviewed by the FMA unless that information is incorporated by reference into this Prospectus (as mentioned elsewhere in this Prospectus).

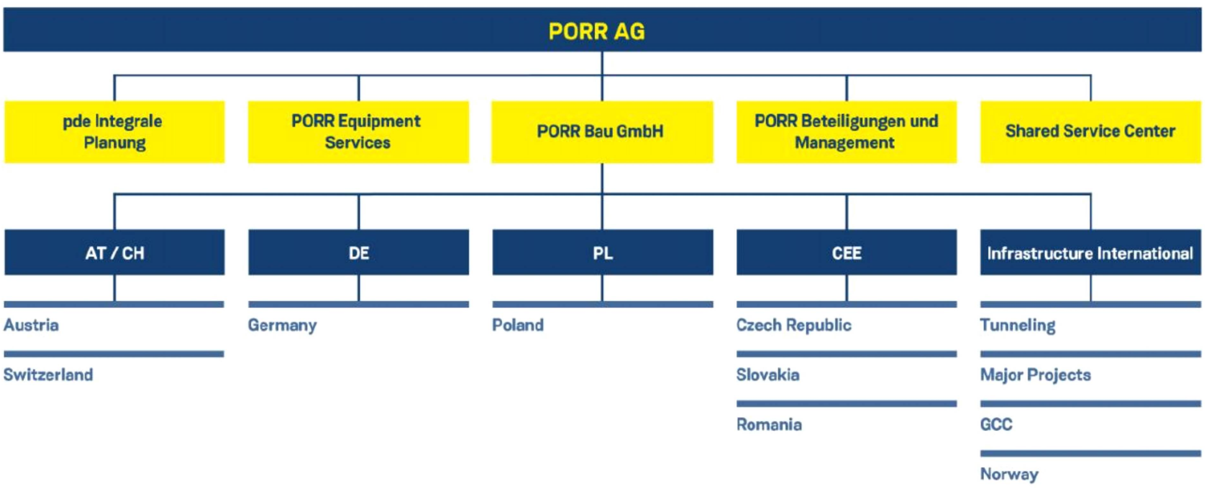
The Company was registered with the Austrian commercial register (*Handelsregister*) on 27 March 1869. It is a stock corporation (*Aktiengesellschaft*) registered with the Austrian companies' register (*Firmenbuch*) under registration number FN 34853 f, registration court: commercial court Vienna (*Handelsgericht Wien*), Austria. In 2013, the Company changed its name from "Allgemeine Baugesellschaft A. Porr Aktiengesellschaft" to "PORR AG".

The Company's financial year ends on 31 December. Pursuant to the Articles of Association, notices of the Company shall be made by publication in the Official Gazette (*Amtsblatt zur Wiener Zeitung*). The Issuer's LEI Code is: 529900ARBU9SBJFNX419.

With regard to the Issuer's activities in Austria, it operates mostly under Austrian law; with regard to the Issuer's activities outside of Austria, it operates mostly under the respective law of the respective jurisdiction.

The Company is the parent company of the Group. The operations of the Group are not organized into companies or business units, but rather in segments and lines of business which were re-grouped from three business units into five segments, representing the reportable segments, in the beginning of 2021. Companies of the Group may therefore be part of more than one segment. The Company is a holding company with several direct administrative divisions: Compliance, Internal Audit, Group Management, Group Communications, Investor Relations & Sustainability, Group Accounting, Group Treasury, Commercial Management, Group Real Estate, Group Legal & Insurance, Group Human Resources, Group Tax, Operational Management/PES, Corporate Development & PMO, Group Procurement and Digital Unit, which act as central service providers for the entire Group.

A high level overview of the structure of the Group is as follows:



(Source: Issuer)

The following table provides for an overview of the Company's significant subsidiaries:

Subsidiary	Jurisdiction of incorporation	Percentage of shareholding (and voting power)
PORR a.s.	Czech Republic	100.00%
PORR Spólka Akcyjna	Poland	100.00%
Porr Construct S.R.L.	Romania	100.00%
PORR GmbH & Co. KGaA	Germany	94.66%
PORR s.r.o.	Slovakia	100.00%
PORR Bau GmbH	Austria	100.00%
PORR SUISSE AG	Switzerland	100.00%
PORR Umwelttechnik GmbH	Austria	100.00%
pde Integrale Planung GmbH	Austria	100.00%
PORR Equipment Services GmbH	Austria	100.00%
PORR Beteiligungen und Management GmbH	Austria	100.00%

(Source: Unaudited internal information of the Issuer)

13.2 History and Development of the Company's Business

PORR was founded on 20 March 1869 under the name "Allgemeine österreichische Baugesellschaft" in Austria, was registered with the Austrian commercial register (*Handelsregister*) on 27 March 1869 and has existed since then in the legal form of a stock corporation. PORR was established for an unlimited period of time. The first shares were issued on 8 April 1869 and on such date the shares were admitted to trading on the Vienna Stock Exchange.

In 1908, Allgemeine österreichische Baugesellschaft founded its subsidiary A. Porr Betonbau-Unternehmung Gesellschaft m.b.H., which was using a new concrete construction method developed by engineer Arthur Porr. In 1912, Allgemeine österreichische Baugesellschaft acquired a majority interest in Union-Baumaterialien-Gesellschaft (today known as UBM Development AG), a company focused on real estate, which had also been admitted to trading on the Vienna Stock Exchange. In 1927, Allgemeine österreichische Baugesellschaft was merged with A. Porr Betonbau-Unternehmung Gesellschaft m.b.H. In the course of this restructuring, the Company's name was changed to "Allgemeine Baugesellschaft-A. Porr Aktiengesellschaft". In addition, the subsidiary "Allgemeine Straßenbau-AG" (today "Allgemeine Straßenbau GmbH") was founded in 1927.

The expansion of business activities from 1984 onwards resulted in a step-by-step restructuring of the Group and important business activities were transferred to subsidiaries of PORR. In addition to the existing subsidiaries, PORR founded Porr International Aktiengesellschaft to facilitate projects outside Austria in 1984. In 1989, the Company founded Porr Technobau Aktiengesellschaft (today part of PORR Bau GmbH) specialized in underground engineering and special purpose construction as well as PORR Umwelttechnik Aktiengesellschaft (today Porr Umwelttechnik GmbH) to cover the increasingly important area of environmental construction. In 1994, Porr Hochbau Aktiengesellschaft (today part of PORR Bau GmbH) was founded. In 2000, the Group acquired a majority of the voting rights in TEERAG-ASDAG Aktiengesellschaft (today "TEERAG-ASDAG GmbH"), an Austrian road construction company, the operational business of which is now carried out by PORR Bau GmbH.

Between 1999 and January 2002, the Group implemented a new organizational structure. Since then PORR is a holding company responsible for the strategic leadership, while the subsidiaries Porr Technobau und Umwelt Aktiengesellschaft, Porr Projekt und Hochbau Aktiengesellschaft and TEERAG-ASDAG Aktiengesellschaft (today part of PORR Bau GmbH) took the lead for operative activities.

In 2011, a material restructuring of the Group was undertaken, following which the business activities of the Group have been divided into six business units (in the beginning of 2016, the business units were first re-grouped into four business units, and in the beginning of 2019 these business units were finally restructured into three business units; as of 1 January 2021, the business units were again re-grouped). In the first half year of 2011, PORR acquired the operative business areas of STRAUSS & PARTNER IMMOBILIEN GmbH in the course of a share capital increase against contributions in kind. The Strauss Group, which is in the sphere of influence of PORR's CEO, Karl-Heinz Strauss, acquired shares in PORR representing approximately 6% of the voting rights in such context.

Also in 2011, PORR acquired an additional 47.19% interest in TEERAG-ASDAG Aktiengesellschaft and subsequently performed a squeeze-out of the remaining 0.26% shareholders, which was finalized in 2012. As a result, the Group had a 100% interest in TEERAG-ASDAG Aktiengesellschaft, the operational business of which is now carried out by PORR Bau GmbH.

In 2012, the Ortner-Strauss-Syndicate (now IGO Industries-Strauss Syndicate) acquired the shares of the formerly controlling shareholder B&C Group and have since been the controlling shareholders of the Company.

In 2013, the name of PORR was changed to "PORR AG", shortening the name "Allgemeine Baugesellschaft-A. Porr Aktiengesellschaft" which it had been using since 1927.

In May 2014, PORR successfully increased its equity by way of a rights offering, the net gross proceeds of which totalled nearly EUR 119 million.

In October 2014, PORR launched a mandatory takeover bid for UBM Development AG (in 2014 still UBM Realitätenentwicklung Aktiengesellschaft) with the aim to completely restructure the business activities of the Group and UBM Development AG. PORR has not only acquired the vast majority of the shares in UBM Development AG, but has simultaneously transferred the majority of its real estate development activities, including its shareholding in UBM Development AG, into a subsidiary, PIAG Immobilien AG. Subsequently, PORR spun-off PIAG Immobilien AG with the effect that all shareholders of PORR received the same of shares in PIAG Immobilien AG as they held in PORR. In the last step, PIAG Immobilien AG merged with UBM Development AG. As a result, the shareholders of PIAG Immobilien AG received 3.701098 shares in UBM Development AG for every 10 shares in PIAG Immobilien AG. This restructuring project allowed PORR to focus on its core business and to become a "pure construction player" as well as to end PORR's shareholding in UBM Development AG.

In 2015, the Group acquired from the construction group Bilfinger the respective infrastructure operations in Poland and Norway, by which it expanded its market presence in these markets.

In the beginning of 2016, the business units of the Group were re-grouped into four business units (Business Unit 1 – Austria, Switzerland, Czech Republic; Business Unit 2 – Germany; Business Unit 3 – International; Business Unit 4 – Environmental Engineering, Healthcare & Services).

In 2017, the Group expanded by way of two major acquisitions, i.e. of Hinteregger group, an Austrian construction group with its registered seat in Salzburg, Austria, and of Heijmans Oevermann group, a German construction group with its registered seat in Münster, Germany.

In the beginning of 2019, the business units of the Group were restructured into three business units. As of 1 January 2021, the three business units of the Group were again re-grouped and transformed into five segments.

Apart from the above, there have been no recent events in the business activities of the Issuer that are to a material extent relevant to the valuation of the Issuer's solvency.

14. SHARE CAPITAL AND ARTICLES OF ASSOCIATION

The following is a summary of the material terms of the Company's share capital and Shares, as set out in the Articles of Association and certain relevant provisions of the Stock Corporation Act. This description is only a summary and does not contain everything that the Articles of Association contain. The Company encourages a review of the full Articles of Association, which are available for inspection at the Company's principal offices or on the Company's website https://porr-group.com/en/investor-relations/corporate-governance/.

The information on the Company's website is not incorporated by reference into this Prospectus. The Company's current Articles of Association were last modified at the shareholders' meeting held on 27 May 2021.

14.1 Share Capital

(a) Registered Share Capital

As of the date of this Prospectus, the Company's issued and fully paid-in share capital amounts to EUR 39,278,250.00, divided into 39,278,250 no-par value ordinary voting bearer shares, each with a calculated notional amount of EUR 1.00.

All Shares are issued under Austrian law. All Shares are freely transferable. The Company is not aware of any limitation to the rights of non-Austrians to own the Shares or to exercise voting rights in accordance with the procedures described below.

(b) Form and Certification of the Shares

The Management Board determines form and contents of the share certificates. Shareholders have no right to request the issuance of individual share certificates. The Shares are represented by one or more global certificates deposited with the clearing system of OeKB CSD GmbH, Am Hof 4, A-1011 Vienna, Austria.

(c) Changes in the Share Capital in the Past Three Financial Years

In November 2021, the Company's share capital was increased from (previously) EUR 29,095,000.00 by EUR 10,183,250.00 to EUR 39,278,250.00 by the issue of 10,183,250 new shares. The capital increase was registered with the Austrian companies register on 5 November 2021.

The new shares were issued on the basis of the below-mentioned resolution by the shareholders' meeting held on 27 May 2021. On 14 October 2021, the Management Board passed, with the approval of the Supervisory Board on 14 October 2021, a resolution to increase the Company's share capital from EUR 29,095,000.00 to up to EUR 39,278,250.00 by issuing up to 10,183,250 new no-par value ordinary bearer shares and determined the subscription price and other details of that respective offering.

(d) Authorized Capital 2021

By resolution of the Company's shareholders' meeting on 27 May 2021, the Management Board has been authorized, subject to approval by the Supervisory Board, to increase the Company's share capital by up to EUR 10,183,250.00 in one or more tranches by the issuance of up to 10,183,250 new no-par value ordinary bearer shares in return for contributions in cash or in kind (authorized capital). The Management Board is authorized to determine the volume of the capital increase, the offering price and the terms of the issue until 14 July 2026. The Management Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders’ subscription rights in whole or in part, (i) in case of a share capital increase against contributions in kind, or (ii) in case of a share capital increase against contributions in cash, if (A) the calculated pro rata amount of the Company’s share capital attributable to the shares newly issued against contributions in cash under exclusion of subscription rights does not exceed, in the aggregate, the limit of 10% (ten percent) of the Company’s total share capital at the time the authorisation is exercised, or (B) the subscription right is excluded for the purpose of facilitating an over-allotment option (Greenshoe) in the event of a share capital increase, or (C) the subscription right is excluded for the purpose of compensating fractional amounts.

In the course of the recent capital increase in early November 2021, the Management Board, with the consent of the Supervisory Board, has made use of such authorisation.

At the date of this Prospectus, the Company has no authorized capital.

14.2 Conversion and Option Rights

As of the date of this Prospectus, there are no conversion or option rights in respect of the Shares issued by the Company or any other member of the PORR Group.

14.3 Applicable Provisions of Austrian Law

(a) General Information on Capital Measures

Austrian law permits a stock corporation to increase its share capital in any of the following five ways:

- by a shareholders' resolution authorizing the issuance of new shares against contributions in cash or in kind (ordinary capital increase (*ordentliche Kapitalerhöhung*));

- by a shareholders' resolution authorizing the management board under the Articles of Association, subject to the approval of the supervisory board, to issue new shares up to a specified amount (not exceeding 50% of the issued share capital) within a specified period, which may not exceed five years (authorized capital (*genehmigtes Kapital*));

- by a shareholders' resolution authorizing the issuance of new shares up to a specified amount for specific purposes, such as for employee stock options (not exceeding 10% of the issued share capital), for conversion rights granted to holders of convertible bonds or for use as consideration in a merger (not exceeding 50% of the issued share capital) (conditional capital (*bedingtes Kapital*));

- by a shareholders' resolution authorizing the management board to effect a conditional capital increase with the approval of the supervisory board in order to grant stock options to employees, executives and members of the management board up to a certain nominal amount (not exceeding 10% of the issued share capital) (authorized conditional capital (*genehmigtes bedingtes Kapital*)); or

- by a shareholders' resolution authorizing the conversion of free reserves or retained earnings into share capital, with or without the issuance of new shares (*Kapitalberichtigung*).

Provided the statutory subscription rights of shareholders are not excluded, an ordinary share capital increase requires a resolution of the shareholders' meeting with a simple majority of the votes cast. All other share capital increases and ordinary share capital increases together with an exclusion of subscription rights require a resolution of the shareholders' meeting with a majority of 75% of the share capital present at the relevant shareholders' meeting.

In general, except for certain reductions of share capital through redemption of the Company's own Shares, a resolution relating to the reduction of the Company's share capital requires a majority of 75% of the share capital present at the relevant shareholders' meeting.

(b) Authorization to Acquire and Sell Treasury Shares

Pursuant to the Stock Corporation Act, an Austrian stock corporation may acquire its own shares only in the following limited circumstances:

- upon approval of the shareholders' meeting, for a period not exceeding 30 months and limited to a total of 10% of the share capital, provided that the Company keeps sufficient reserves and the shares are listed on a regulated market (such as the Official Market of the Vienna Stock Exchange) or if the shares are intended to be offered to the stock corporation's employees or employees of certain affiliated companies; the resolution must determine a minimum and a maximum consideration;

- where the shares are acquired for no consideration or where the stock corporation is acting as agent on a commission basis;

- to prevent substantial, immediately threatening damage to the stock corporation (subject to the limitation of 10% of the share capital);

- by way of universal legal succession (*Gesamtrechtsnachfolge*) (i.e., succession by merger, spin-off or transformation);

- for the purpose of indemnifying minority shareholders, provided that the stock corporation keeps sufficient reserves; or

- as part of a redemption of shares in accordance with the rules for capital decreases approved by the shareholders' meeting.

A stock corporation cannot exercise shareholders' rights based on own shares held by it, and is not entitled to dividends from such shares.

By resolution of the Company's shareholders' meeting on 28 May 2020, the Management Board is authorised, for a period of 30 months from the date of the resolution pursuant to Section 65 para 1 No 4 and No 8 as well as para 1a and para 1b Stock Corporation Act, to acquire shares in the Company up to the statutory limit of 10%, also repeatedly, considering shares in the Company previously acquired. The consideration per share must not be lower than EUR 1.00 and must not exceed the average of the unweighted closing price on the ten stock exchange trading days preceding an acquisition by more than 10%. Any acquisition may be carried out via the stock exchange or a public offer or other beneficial means permitted by law, including over the counter or by means of a negotiated purchase from individual shareholders intending to sell their shares and with exclusion of the proportional right of offer by shareholders. Furthermore, the Management Board is authorised to determine the respective repurchase conditions of any acquisition, whereby the Management Board shall publish its relevant resolution and the respective repurchase programme based thereon, including its duration, in accordance with the statutory provisions (in each case). This authorisation may be performed in full or in part in one or several tranches and for one or several purposes by the Company, a subsidiary pursuant to Section 189a Commercial Code or by third parties for the account of the Company. Trading in own shares as the purpose of the acquisition is excluded. Finally, the Management Board is authorised, without further approval by the shareholders' meeting, to cancel shares in the Company (own shares) with the approval of the Supervisory Board. The Supervisory Board is authorised to resolve on amendments to the Articles of Association resulting from a cancellation of own shares.

By resolution of the Company's shareholders' meeting on 27 May 2021, the Management Board is authorised for a period of 5 years from the date of the resolution, with the consent of the Supervisory Board, to dispose or use treasury shares of the Company by means other than via the stock exchange or a public offer. The authorisation may be exercised in whole or in part and in pursuit of one or more purposes. The shareholders' quota-based purchase rights in the event of the disposal or use of treasury shares other than via stock exchange or by means of a public offer is excluded (exclusion of subscription rights).

The Company holds 216,495 Existing Shares as treasury shares as of the date of this Prospectus with a book value of EUR 2,226,895.08 and with an aggregate calculated notional amount of EUR 216,495.00.

(c) Redemption/Conversion of Shares

Redemption of Shares is possible in the course of a decrease of the stated share capital resolved by the shareholders' meeting, or by the Company's purchase of its own Shares. A capital decrease requires a shareholders' resolution with a majority of at least 75% of the share capital present or represented at the shareholders' meeting. The Shares can be converted into a different class of shares (e.g., non-voting preferred shares), but only with the consent of the respective holder or, in case of a conversion negatively affecting other shareholders whose Shares are not converted, the consent of such shareholders.

14.4 Summary of the Articles of Association of the Company

(a) The Company's Business Objectives

Pursuant to Section 2 of the Articles of Association, the Company's business objectives include:

- operating an industrial construction business and carrying out all kinds of construction work, including building construction, civil and functional engineering, as well as projecting, developing, planning, erecting, realizing and exploiting construction and real estate projects of all kinds up to turnkey production, including as a general or total contractor and in the form of joint ventures or as a developer, for its own or other than own account; in particular projecting, developing, planning, realizing, operating and exploiting of office, administration and retail buildings, shopping centers and department stores, production space, logistics and storage space, private and public residential buildings, commercial, industrial and production plants, research, educational and cultural institutions, recreational institutions, sports facilities and stadiums, airports, hospitals and clinics, healthcare and nursing facilities, hotel and tourist infrastructures, thermal spas, swimming pools, cable cars, ski lifts, sanatoriums and rehabilitation facilities, petrol stations, garages and indoor and outdoor car parks, steel structures and steel buildings, special structures, roads, special civil engineering, railway and rail construction, tunnels, bridges, power plants, energy and water structures, sewage, water and other pipeline structures, environmental protection engineering, open line structures, overhead lines and other buildings and infrastructure facilities; and projecting, developing, planning and realizing of earth structures and foundation engineering, sealing works, painting, road marking, revitalization and redevelopment, demolitions and recycling;

- acquiring, renting, developing, managing, selling, letting and any other exploitation of plots of land and similar rights and buildings and establishing condominium ownership and commercial, technical and infrastructural development of real property;

- technology development and technology management and projecting, developing, producing, operating and exploiting plants and systems in the fields of construction and the building materials industry, environmental and process engineering, environmental protection and plant construction and mechanical engineering;

- project development, project management, planning, financing, erecting, operating and brokerage and realization of buildings and infrastructure facilities, including for municipal supply and disposal, for telecommunications, for energy generation, in the field of environmental technology and environmental protection, for the means of transport railway, road, water and air, for hospitals and healthcare, for other public institutions, administration buildings, educational and research facilities and operating and production plants or parts thereof and services related to such infrastructure;

- implementing privately funded operator models for buildings, infrastructure and plants of all kinds, including planning, erecting, financing and managing the same and rendering related services;

- processing, recycling and recovery of raw materials;

- identification and remediation of contaminated sites and the projecting and development work necessary therefor;

- obtaining, exercising and other exploitation of relevant permits, patents, utility patents, licenses, trade mark rights and registered design rights and other proprietary rights;

- carrying on all trades and exercising any other licenses that are necessary or useful for achieving the objects of the Company's business;

- letting of movable and immovable fixed assets, including but not limited to machinery, equipment and plants;

- provision of services of all kinds in the field of logistics, transportation and forwarding, and operation of plants that are necessary and useful for operation of such businesses;

- construction and operation of facilities and plants of all kinds, in particular of concrete and asphalt mixing plants, quarries, crushed stone, sand, gravel and clay pits, engineering works, repair shops, concrete and prefabricated component factories and plants in the field of environmental engineering, e.g., landfills, water supply, sewage and wastewater treatment plants, landfill gas plants, soil treatment plants, building materials recycling plants, waste treatment and waste disposal plants;

- carrying on and providing all services, auxiliary and secondary business related to the objects of the Company's business;

- rendering commercial, legal and technical services and taking on management tasks; technical and financial management of subsidiaries and associated companies, in particular research and development, planning and consulting, statics and design, calculation, central purchasing and procurement, construction supervision and organization, financial management, accounting and taxes, contract and risk management, controlling, building logistics, physics and process management, preparation of work, project handling, human resources and quality management, information technology, distribution and marketing unless such activities are reserved for other occupations; and

- all transactions that may be necessary or useful for achieving the objects of the Company's business, including in all areas of activities that are similar or related to objects of the Company's business. Banking business for which a license is required shall be excluded.

(b) Voting Rights

Each of the Company's shares entitles its holder to one vote at the shareholders' meeting. Neither the Stock Corporation Act nor the Articles of Association provides for a minimum quorum for the shareholders' meeting. As a general rule, shareholders may pass resolutions at a shareholders' meeting by a simple majority of the votes cast.

A majority of 50% of the share capital present at a shareholders' meeting is required for:

- an amendment to the Articles of Association (except for changing the business objectives);

- an increase of share capital (without exclusion of subscription rights); and

- the issuance of convertible bonds, participation bonds (*Gewinnschuldverschreibungen*) and participation rights (*Genussrechte*) (without exclusion of subscription rights).

The following measures require by law and the Articles of Association (which reduce the majority requirements under applicable law to 50% of the votes cast where possible) a majority of at least 75% of the share capital present at a shareholders' meeting:

- change of the business objectives;
- increase of share capital (with a simultaneous exclusion of subscription rights);
- approval of authorized capital or conditional capital;
- decrease of share capital;
- the issuance of convertible bonds, participation bonds and participation rights (with a simultaneous exclusion of subscription rights);
- transformation of the Company into a limited liability company;
- approval of a merger or a spin-off (proportionate to shareholdings);
- transfer of all assets of the Company; and
- approval of profit pools or agreements on the operation of the business.

A majority of 90% of the entire share capital is required for a squeeze-out of minority shareholders pursuant to the Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*) or for a demerger disproportionate to shareholdings pursuant to the Spin-Off Act (*Spaltungsgesetz*).

A shareholder or a group of shareholders with an aggregate holding of at least 20% of the share capital may object to settlements or waivers of liability claims of the Company against members of the management board, the supervisory board or certain third parties.

A shareholder or a group of shareholders with an aggregate holding of at least 10% of the share capital may in particular:

- request the court to appoint a special auditor with respect to the establishment of the Company or management activities, that took place within the last two years if the shareholders' meeting objected to pass a corresponding resolution and if reasonable grounds are provided that indicate improprieties or a material breach of law or the Company's articles of association;
- demand that the court shall revoke the appointment of members of the supervisory board for cause;
- if the shareholders' meeting has appointed a special auditor, veto the appointment of a special auditor if this appears necessary for reasons relating to the individual special auditor appointed, namely if concerns as to his expertise, impartiality or reliability exist and request a court to appoint another special auditor;
- request an adjournment of the shareholders' meeting if specific items in the annual financial statements are found to be incorrect by the shareholders requesting such adjournment; and
- request the assertion of claims for damages on behalf of the Company against members of the management board, the supervisory board, shareholders or certain third parties, if the claim is not obviously unfounded.

A shareholder or a group of shareholders holding in the aggregate at least 5% of the share capital may in particular:

- request the calling of a shareholders' meeting or call a shareholders' meeting upon judicial authorization, if neither the management board nor the supervisory board complies with a request for a shareholders' meeting;
- request the inclusion of items on the agenda of the next shareholders' meeting, in which case also proposed resolutions for a specific item on the agenda (including a reasoning therefore) need to be provided;
- request assertion of damage claims by or on behalf of the Company against members of the management board, the supervisory board or certain third parties, if a special report reveals facts that may lead to damage claims against any such person;
- request court appointment of another auditor of the financial statements for cause;
- apply to the court for the appointment or removal of liquidators for cause;
- apply to the court to order an audit of the annual financial statements during liquidation for good cause; and
- contest the validity of a shareholders' resolution, if such resolution provides for amortization, accumulated depreciation, reserves and accruals exceeding the limits set forth by law or the Articles of Association.

A shareholder or a group of shareholders with an aggregate shareholding of at least 1% of the share capital is entitled to submit proposals on the resolutions to be adopted pursuant to each item of the agenda of an already announced shareholders' meeting and request that the proposals, including the reasoning therefore, be made available on the Company's website.

Each individual shareholder may, in limited circumstances and periods set forth by law, file an action for the rescission or the annulment of resolutions passed by the shareholders' meeting.

14.5 Shareholders' Meetings

Shareholders' meetings of the Company take place at the registered seat of the Company in Vienna, Austria, or the capital of an Austrian province or the registered seat of a subsidiary or branch office. The Management Board or the Supervisory Board is entitled to call a shareholders' meeting. In addition, a shareholder or a group of shareholders with an aggregate shareholding of at least 5% of the share capital during the last three months may request the calling of a shareholders' meeting.

The Company must publish an invitation notice of the shareholders' meeting; the minimum period between the publication of the invitation notice and the day of the ordinary shareholders' meeting must be 28 days or 21 days in case of an extraordinary shareholders' meeting. Shareholders may appoint proxies to represent them at shareholders' meetings. The right to attend a shareholders' meeting, the right to exercise voting rights and all other shareholder rights in the shareholders' meeting are dependent upon the Company having received evidence that the Shares are held on the applicable record date (which is the end of the 10th day prior to the day of the shareholders' meeting), at the address as specified in the notice announcing the shareholders' meeting, at least three business days before the shareholders' meeting. The depository may be any credit institution having its registered seat in a member state of the EEA or a country that is a full member of the Organization for Economic Co-operation and Development (**"OECD"**).

The chairman of the Supervisory Board presides at shareholders' meetings of the Company. If the chairman is not present, then the deputy chairman presides. If the deputy chairman is not present, the shareholders' meeting, under the direction of the notary public, will elect a chairman. All resolutions of the shareholders' meeting may be passed by a simple majority of the votes cast or, in the event that a majority of the share capital present is required, by simple majority of the share capital present, unless Austrian law or the Articles of Association require a qualified majority vote. A shareholders' meeting has no minimum quorum requirements.

The Company's annual shareholders' meeting, which must take place within the first eight months of a financial year and is called by the Management Board upon the receipt of the Supervisory Board's report on the annual financial statements, has to pass resolutions on the following matters:

- approval of the annual financial statements, unless approved by the Supervisory Board;
- distribution of profits;
- approval of actions of the members of the Management Board and the Supervisory Board in the preceding financial year (discharge from liability); and
- appointment of the auditors.

Under certain circumstances, such as when a resolution violates the Articles of Association or the Stock Corporation Act, shareholders may petition the competent court to challenge or petition for a decree of nullity of resolutions adopted at the shareholders' meeting.

Under Austrian law, the rights of holders of the shares as a group can be changed by amendment of the Articles of Association. This generally requires a majority of 75% of the share capital present in the relevant shareholders' meeting or additional requirements where provided by law.

Neither Austrian law nor the Articles of Association restrict the right of non-resident or foreign holders of the Shares to hold or vote the Shares. Shareholders may appoint proxies to represent them at shareholders' meetings. As of the date of this Prospectus, different voting rights do not exist.

14.6 Other Shareholder Rights

(a) Dividend rights

The Company's shares, including the newly issued shares as part of the subscription rights offering completed on 8 November 2021, carry full dividend rights.

The Company's financial year commences on January 1 and ends on December 31. During the first five months of each financial year, the Management Board has to prepare the annual financial statements, including notes and the report of the Management Board, for the previous financial year and present them, after they have been audited by the auditor, together with a proposal for distribution of the net profit, to the Supervisory Board. The Supervisory Board has to provide a statement on the annual financial statements to the Management Board within two months after the presentation thereof. The Supervisory Board also has to render a report to the shareholders' meeting. In accordance with the Commercial Code and the Stock Corporation Act, the Company may pay dividends only out of net profits (*Bilanzgewinn*) (see "Dividend Policy").

At the annual shareholders' meeting, the shareholders decide, by resolution, based on the recommendation of the Management Board, and the report of the Supervisory Board, whether dividends will be paid for any financial year and on the amount and timing of any such dividend payments. Unless the shareholders' meeting resolves otherwise, dividends that are approved by the shareholders' meeting are due and payable within twenty-one days of such meeting (unless the shareholders' meeting resolves otherwise) and will be distributed to the shareholders on a pro rata basis, based on the contributed capital. Upon the issuance of new shares other rules for dividends rights may be determined.

(b) Liquidation proceeds

A resolution to dissolve the Company must be approved by shareholders representing 80% of the share capital present at the relevant shareholders' meeting. If the Company is dissolved, any assets remaining after the discharge of liabilities and supplementary capital will be distributed among the shareholders based on their respective shareholdings.

(c) Subscription rights

In principle, holders of the shares have subscription rights (*Bezugsrechte*) allowing them to subscribe for any newly issued shares (including securities convertible into shares, securities with warrants to purchase shares, securities participation bonds or participation rights) or other securities convertible into Shares or having warrants to acquire Shares attaching to them in order to maintain their existing share in the share capital. Such subscription rights are in proportion to the number of shares held by the shareholder. Shareholders may waive their subscription rights.

Subscription rights in connection with a capital increase may be excluded by a resolution of 75% of the share capital present at the shareholders' meeting resolving upon the capital increase. Furthermore, in the case of a shareholders' resolution resolving upon authorized capital, the shareholders may, with a majority of 75% of the share capital present at the relevant shareholders' meeting, exclude the subscription rights or authorize the management board to exclude the shareholders' subscription rights upon the issuance of authorized capital. In the latter case, the decision of the management board to issue the shares out of authorized capital and to exclude the shareholders' subscription rights requires the consent of the supervisory board and the management board has to render and publish a report on the reasons for the exclusion of subscription rights. There are no subscription rights in the event of a share capital increase from conditional capital. Treasury shares held by or on behalf of the Company are not entitled to subscription rights.

It is not considered an exclusion of subscription rights if new shares are acquired by a credit institution, which undertakes to offer the new shares to those persons who would otherwise have subscription rights. The rights of the shareholders against such credit institution are fully substituted for and are treated as being the subscription rights.

Pursuant to the Stock Corporation Act, the period for the exercise of subscription rights may not be less than two weeks. The management board must publish a notice of the issue price and the commencement and duration of the exercise period in the Official Gazette. Shareholders are generally permitted to transfer their subscription rights.

(d) Change or impairment of shareholder rights

The Stock Corporation Act contains provisions to protect individual shareholders. In particular, the Company must, under equal circumstances, treat shareholders equally, unless the shareholders concerned agree otherwise. Furthermore, measures that would result in changes to, or restrictions on, shareholders' rights usually require a shareholders' meeting resolution to be passed, for example in the case of an increase in share capital or any exclusion of subscription rights. The Articles of Association do not provide for more stringent conditions for the exercise of shareholders' rights than those provided by law. In addition, the Articles of Association do not allow changes to, or restrictions on, shareholders' rights under less stringent conditions than those provided by law.

14.7 Squeeze-out

A shareholder with an aggregate shareholding of at least 90% of the entire share capital (such limit may be altered by the articles of association, but has not been altered in the Articles of Association) can squeeze-out the remaining shareholders pursuant to the Austrian Act on the Exclusion of Shareholders against adequate cash compensation. The squeeze-out right is general and is not limited to a preceding offer pursuant to the Takeover Act. The minority shareholders are, in principle, not entitled to block the squeeze-out, but have the right of separate judicial review of the fairness of the cash compensation paid. Where a squeeze-out follows an offer pursuant to the Takeover Act, the consideration offered in the takeover bid is presumed to be fair where, through the acceptance of the offer, the bidder has acquired shares representing no less than 90% of the share capital conferring voting rights in the target company.

14.8 Management Board and Supervisory Board

(a) Overview

The Company has a two-tier management and oversight structure, consisting of the Management Board and the Supervisory Board. The Management Board is responsible for managing the business and represents the Company in dealings with third parties. It is bound by applicable Austrian law, the Articles of Association and its internal rules of procedure for the management board as adopted by the Supervisory Board. The Supervisory Board generally monitors the management of the Company but is not permitted to make (operational) management decisions. It is also responsible for appointing and removing the members of the Management Board, representing the Company in connection with transactions between a member of the Management Board and the Company, and approving matters for which its approval is required by law or by the Articles of Association or the rules of procedure of the Management Board.

(b) Management Board

The Management Board is appointed by the Supervisory Board for a maximum period of five years. Members of the Management Board may be re-elected. The Articles of Association do not contain any personal qualification requirements. The Supervisory Board may remove a member of the Management Board prior to the expiration of his term only for cause, such as a material breach of duty, the inability to manage the business properly or a vote of non-confidence by the shareholders' meeting. The shareholders themselves are not entitled to appoint or dismiss the members of the Management Board.

The Management Board is required to report to the Supervisory Board at least annually regarding fundamental questions of future business policy. The Management Board is also required to report to the Supervisory Board regularly, at least quarterly, on the progress of business operations and on the results of the Company's and the Group's business against forecast. The Management Board is obliged to inform the Supervisory Board of any incidents that may be of significance to the Company's or the Group's business operations.

Pursuant to the Articles of Association, the Management Board must consist of between two and six members. Currently, it consists of three members. According to the Stock Corporation Act and the Articles of Association, the Supervisory Board may appoint one Management Board member as chairman, whose vote is decisive in the case of a parity of votes, and may also appoint one deputy chairman. Karl-Heinz Strauss has been appointed chairman of the Management Board. The Company is represented by two members of the Management Board or by one member of the Management Board together with a holder of a special statutory power of attorney (*Prokurist*).

The Management Board has, in principle, no obligation to obey orders or directives originating from the shareholders' meeting or from the Supervisory Board. However, both the Stock Corporation Act and the Articles of Association, together with the Management Board's rules of procedure, require the consent of the Supervisory Board or one of its committees before the Management Board may take certain actions. A failure by the Management Board to obtain such consent does not affect the validity of transactions with respect to third parties, but may render the Management Board liable for any damages resulting therefrom. The consent of the Supervisory Board is required for material decisions such as:

- the acquisition and disposal of participations (section 189a No 2 of the Commercial Code) as well as the acquisition, the disposal and the closure of undertakings and businesses exceeding an amount of EUR 3 million;
- the acquisition, disposal and encumbrance of real estate exceeding an amount of EUR 5 million;
- the establishment and close-down of branch offices;
- investments outside the approved investment budget exceeding an amount of EUR 3 million in each individual case as well as investments exceeding an amount of EUR 15 million in aggregate in one financial year, in which case the Management Board has to present an annual budget and keep it updated on a continuous basis;
- outside of the approved framework, the issuance of bonds and the raising of loans and credits exceeding an amount of EUR 10 million in each individual case as well as exceeding an amount of EUR 50 million in aggregate in a financial year, except for loans and credit from affiliated companies in the meaning of section 189a No 2 of the Commercial Code; the Management Board is required present an annual financial plan and keep it updated on a continuous basis;
- the granting of loans and credits outside the ordinary course of business exceeding an amount of EUR 1 million in each individual case as well as exceeding an amount of EUR 10 million in aggregate in a financial year, except for loans and credits to affiliated companies in the meaning of section 189a No 2 of the Commercial Code; parent company guarantees in favour of Group companies which are typical for projects form part of the ordinary course of business and are exempt from the consent required, even in case they contain funding obligations, including abstract payment guarantees;
- the establishment and the close-down of lines of business and types of production;
- the determination of general principles for the business policy and strategic goals of the business;
- the determination of principles on the granting of profit and turnover participations and pension commitments to executives within the meaning of section 80 para 1 Stock Corporation Act;
- the granting of stock options to employees and key personnel of the Company or an affiliated company as well as to members of the management board and the supervisory board of affiliated companies;
- the granting of special power of attorney (Prokura) as well as the appointment of managing directors (*Geschäftsführer*) and business managers (*Geschäftsbereichsleiter*) of significant operational Group companies;
- the entering in to agreements with members of the Supervisory Board by which they, outside of their activity in the Supervisory Board, commit to a service vis-à-vis the Company or a subsidiary (section 189a No 8 of the Commercial Code) for a benefit of not only minor nature; this applies also to agreements with undertakings in which a member of the Supervisory Board has a significant commercial interest;
- the assumption of a leading position (section 80 Stock Corporation Act) in the Company within a period of two years following the signing of the audit report by the auditor, the Group auditor, by the auditor of a significant affiliated company, or by the respective auditor signing the audit report or any

person acting for him/her who has held a leading function in the course of the audit, to the extent not prohibited by section 271c of the Commercial Code;

- measures by which the Management Board exercises an authorisation granted pursuant to section 102 para 3 or 4 of the Stock Corporation Act;
- the application for admission of the Shares of the Company to trading on a recognised stock exchange in the meaning of section 3 of the Stock Exchange Act 2018 as well as the withdrawal of such admission;
- the approval of businesses between the Company or Group companies with related undertakings or individuals (related parties) pursuant to section § 95a of the Stock Corporation Act;
- the approval of the annual budget, including the investment budget and mid-term planning.

No consent of the Supervisory Board is required for the following actions:

- the formation, the acquisition and the disposal of participations (section 189a No 2 of the Commercial Code) with an amount not exceeding EUR 3 million;
- the acquisition, disposal and encumbrance of real estate not exceeding an amount of EUR 5 million;

(c) Supervisory Board

The Supervisory Board supervises the Management Board and can request a report on matters concerning the Company or the Group as a whole, but does not actively engage in the management of the Company. Supervision is exercised by the examination of regular reports, which must be provided by the Management Board. The Supervisory Board must also approve certain transactions prior to their implementation. The Supervisory Board may inspect and review all books, documents and assets. The Supervisory Board also reviews the financial statements, the Management Board's report regarding all significant incidents, which must be regularly provided by the Management Board to the Supervisory Board, reports in connection with the annual financial statements and proposals to the shareholders' meeting concerning the distribution of profits and reports thereon. The Supervisory Board must convene a shareholders' meeting if it is in the best interests of the Company.

Pursuant to the Articles of Association, the Supervisory Board consists of minimum three and a maximum of twelve members elected by the shareholders' meeting, plus the members delegated by the works council. The Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*) entitles the works council to designate one of its members for every two members of the Supervisory Board elected by the shareholders' meeting, and in case of an uneven number of elected members, an additional works council member. The works council members have substantially the same rights and obligations as the other members of the Supervisory Board. Should the works council fail to fill some or all of their allotted seats on the Supervisory Board, those seats remain vacant. Members of the Supervisory Board delegated by the works council can be removed only by the works council itself. Any works council member of the Supervisory Board who ceases for any reason to be a member of the works council will also lose its position on the Supervisory Board. Unlike the members of the Supervisory Board elected by the shareholders' meeting, the members designated by the works council are employees of the Group. The works council may replace any employee representative at any time. Currently, the Supervisory Board consists of eight members elected by the shareholders' meeting and four members delegated by the works council.

No members of the Supervisory Board elected by the shareholders may, (if not appointed for a shorter period), serve for a period beyond the annual shareholders' meeting deciding on the discharge of the Supervisory Board members for the fourth financial year following the financial year of their election (whereby the year of election is not taken into account). Members of the Supervisory Board may be re-elected. The shareholders' meeting may remove any Supervisory Board member it has elected by a simple majority of the votes cast at the relevant shareholders' meeting.

The Supervisory Board elects a chairman and a deputy chairman. Members of the Supervisory Board may resign by written notice. The resignation takes effect at the earliest 21 days following receipt of the notice by the Company. In the event an elected member resigns from the Supervisory Board before the expiry of its term, the next shareholders' meeting may elect a replacement. The term of office of the replacement member runs until the expiry of the original term of the member resigning (unless the shareholders' meeting resolves otherwise). An extraordinary shareholders' meeting must elect a replacement within six weeks if the number of Supervisory Board members has fallen below three. The Supervisory Board adopts its own rules of procedure.

The Supervisory Board has to meet at least quarterly. At least three members of the Supervisory Board (one of the being the chairman or deputy chairman) must be present at a meeting to constitute a quorum. The Supervisory Board may resolve on a matter that has not been placed on the agenda only if this matter has been placed on the agenda unanimously by all members of the Supervisory Board. Except where a different majority is required by law or the Articles of Association, the Supervisory Board acts by a simple majority of the votes cast. In the case of a split vote, the chairman casts the deciding vote.

(d) Supervisory Board committees

The Stock Corporation Act and the Articles of Association allow for the creation of committees that may be granted the power to finally resolve specified issues. The decision-making powers of such committees are regulated in the rules of procedure adopted by the Supervisory Board.

According to the Articles of Association, each committee is comprised of two or more members. Members of the supervisory board who have been delegated by the works council may be represented in committees in proportion to their representation on the Supervisory Board (except for the committee on management board matters, including compensation of management board members). The committees each appoint a chairman and a deputy chairman. For committee meetings, a quorum is present if all members have been duly invited and at least three members of the Supervisory Board committee (one of the being the chairman of the committee or its deputy) are in attendance. Currently, the Supervisory Board has formed an audit committee, a nomination committee, a remuneration committee and a sustainability committee.

Audit committee

The audit committee (*Prüfungsausschuss*) is responsible for (i) monitoring the accounting process as well as providing recommendations and proposals with respect to maintaining its reliability, (ii) monitoring the efficiency of the internal control system, the internal revision system, if applicable, and the risk management system of the Company, (iii) monitoring the audit of the (consolidated) financial statements under consideration of the findings and conclusions in reports which were published by the auditors supervision authority (*Abschlussprüferaufsichtsbehörde*) pursuant to Section 4 para 2 No 12 of the Auditors Supervision Authority Act (*Abschlussprüfer-Aufsichtsgesetz*), (iv) reviewing and monitoring the auditor's independence, particularly in respect of additional services rendered by the auditor to the Group; Article 5 of Regulation (EU) No 537/2014 and Section 271a para 6 Commercial Code shall apply; (v) reporting on the result of the audit to the Supervisory Board and the presentation how the audit contributed to the reliability of financial reporting, as well as the role of the audit committee thereby; (vi) the review of the annual financial statements and the preparation of their approval, the review of the proposal for the appropriation of profits, the management report und the corporate governance report as well as reporting on the results of the review to the Supervisory Board; (vii) the review of the consolidated financial statements and the group management report, of the consolidated corporate governance report as well as reporting on the results of the review to the Supervisory Board of the parent company; (viii) recommendation on the execution of a procedure for the selection of an auditor (group auditor) under consideration of the appropriateness of the fees as well as the recommendation for its appointment to the Supervisory Board; Article 16 of Regulation (EU) No 537/2014 shall apply.

The current members of the audit committee are Karl Pistotnik (chairman), Klaus Ortner (deputy chairman), Bernhard Vanas (financial expert), Thomas Winischhofer, Gottfried Hatzenbichler and Michael Tomitz.

Nomination committee

The nomination committee has the following responsibilities: (i) preparing Management Board appointments including successor planning: before appointing Management Board members, the nomination committee shall define the profile for the Management Board member taking into account the corporate strategy and state of the company and prepare the decision by the full Supervisory Board on the basis of a specific appointment process and taking into account successor planning; (ii) proposing possible candidates to the Supervisory Board: the nomination committee is involved with planning the allocation of Supervisory Board mandates. The nomination committee shall submit appointment proposals to the entire Supervisory Board, which shall be proposed on the basis of a resolution of the entire Supervisory Board to the annual shareholders' meeting for their approval. When proposing appointments, attention must be paid to the qualifications and personal skills of the Supervisory Board members, as well as the balanced composition of the Supervisory Board in light of the structure and business area of the Company. Furthermore, the aspects of diversity in the Supervisory Board with regard to representation of gender, age and internationality shall be considered appropriately. Attention shall be paid to the fact that no-one shall be put forward as a member of the Supervisory Board who has been convicted of a crime that calls their professional reliability into question.

Since 1 January 2018 the quotas for appointing men and women under the Equality Act shall be considered for new appointments to the Supervisory Board.

The current members of the nomination committee are Karl Pistotnik (chairman), Klaus Ortner (deputy chairman) and Susanne Weiss.

Remuneration committee

The remuneration committee has the following responsibilities: (i) handling matters related to remuneration of the Management Board members and the content of the employment agreements with Management Board members, particularly specifying the underlying principles of Management Board member remuneration and determining the criteria for variable remuneration components in line with Rules 27, 27a and 28 of the Austrian Code of Corporate Governance; (ii) evaluating the remuneration policy for Management Board members at regular intervals; (iii) approving additional duties of Management Board members.

The current members of the renumeration committee are Karl Pistotnik (chairman), Klaus Ortner (deputy chairman, remuneration expert) and Susanne Weiss (remuneration expert).

Sustainability committee

The sustainability committee (*Nachhaltigkeitsausschuss*) is responsible for (i) dealing with and analysing sustainability criteria and corporate social responsibility concepts in the corporate process, in particular determining relevant environmental, social and governance factors (sustainability), which are determined in detail by the sector and business model of the Company and are subject to regional influences. Sustainability aims at taking into account factors resulting from the impact on or by the environment (ecological), from social and societal influences as well as from corporate governance; (ii) supervision and advice on a catalogue of sustainability measures with clear allocation of responsibilities at board and supervisory board level; and (iii) monitoring and reviewing the sustainability measures implemented, in particular the impact of procurement and development processes on ecosystems.

The current members of the sustainability committee are Iris Ortner (chairwoman), Robert Grüneis (deputy chairman) and Susanne Weiss.

(e) Duty of loyalty and duty of care

Members of the Management and Supervisory Boards owe a duty of loyalty and care to the Company. In carrying out their duties, members of the Management and Supervisory boards must exercise the standard of care of a prudent and diligent business person. Both boards are required to take into account a broad range of considerations in making their decisions, including the Company's interests and those of the shareholders, employees, creditors, and the public. The management board is required to respect such constituents' rights to equal treatment and equal information.

Under Austrian law, shareholders and other parties are prohibited from giving instructions to the Management Board or the Supervisory Board and from using their influence to cause a member of the Management Board or the Supervisory Board to act in a way that is harmful to the Company or its shareholders. A controlling shareholder may not cause the Company to take measures disadvantageous to the Company or the other shareholders. An individual shareholder or any other person exerting influence to cause a member of the Management Board or the Supervisory Board to act in a way that is unfavorable to the Company or its shareholders may be liable for damages to the Company and the shareholders. Board members who have neglected their duties by taking such actions may likewise be jointly and severally liable for damages to the Company.

As a general rule, the Stock Corporation Act does not provide a shareholder with any direct recourse against the members of the Management Board or the Supervisory Board in the event that they are deemed to have breached their duties. Apart from insolvency or tort claims, only the Company itself has the right to claim damages from the members of either the Management Board or the Supervisory Board. The Company may waive its right or settle these claims only if five or more years have passed since the alleged breach and if the shareholders approve the waiver or settlement at a shareholders' meeting by a simple majority of the votes cast, and provided that opposing shareholders do not hold, in the aggregate, 20% or more of the share capital (if such claims are not obviously unfounded, this threshold is reduced to 10% or, if special reports reveal facts that may entitle to such claims, to 5%) and do not oppose and have their opposition formally recorded in the minutes maintained by an Austrian notary public.

14.9 Other Provisions

Pursuant to the Articles of Association, to the extent mandatorily required by law, publications of corporate announcements by the Company are to be made in the Official Gazette.

(a) Compliance with the Austrian Corporate Governance Code

Good corporate governance enables effective management control and safeguards shareholder interests. The Austrian Code of Corporate Governance (the **"Code"**) was published by the Austrian Working Group on Corporate Governance, a group of private organizations and individuals, for the first time in 2002, and amended many times ever since. This voluntary self-regulatory initiative is designed to reinforce the confidence of investors by improving reporting transparency, and the quality of cooperation between supervisory board, management board and shareholders, to provide for accountability and promote sustainable, long-term value.

The Code primarily applies to Austrian stock market-listed companies that undertake to adhere to its principles. Commitment to apply the Code is only required for companies traded in the Prime Market segment of the Vienna Stock Exchange. The Code is based on statutory provisions of Austrian corporate law, securities law and capital markets law (legal requirements – "L-Rules"). In addition, the Code contains rules considered to be a part of ordinary international practice, such as the principles set out in the OECD Principles of Corporate Governance. Non-compliance with some of these rules must be explained to the shareholders' meeting (comply or explain – "C-Rules"). However, the Code also contains rules that are voluntary and do not require explanation if not followed (recommendations – "R-Rules"). The Code was last amended in January 2021. The principal rules and recommendations of the Code include, inter alia:

- equal treatment of shareholders under equal circumstances;
- the management board's information and reporting duties should be determined by the supervisory board;
- stock option plans should be approved by the shareholders' meeting and be based on objective parameters to be defined in advance; subsequent changes of the parameters should not be possible; number and distribution of the options granted, the exercise prices and the respective estimated values at the time they are issued and upon exercise shall be reported in the annual report;
- conflicts of interests of members of the management board and the supervisory board should be disclosed in the annual financial statements;
- supervisory board members may not assume any functions on the boards of other enterprises that are competitors of the company;
- communication structures should be established to meet information needs of shareholders in a timely and adequate manner, in particular by using the internet; dates essential for shareholders should be communicated sufficiently in advance; consolidated financial statements and interim reports should be published on the company's website in German and English;
- the independent auditors should make regular assessments of the company's risk management; and
- an annual report regarding compliance with the Code should be included in the annual financial statements posted on the company's website.

The Company has formally committed to adhere to the rules of the Code.

(b) Comply-or-Explain catalogue

Rules 27 and 27a: A core issue for PORR is to ensure that Management Board remuneration is objectively as measurable and transparent as possible. The Management Board remuneration contains fixed and variable components which conform to the directives of Rule 27 to the greatest possible extent. The variable component is based on parameters including personal performance, personal dedication, PORR's economic situation and the respective sphere of responsibility, as well as non-financial parameters. The non-financial parameters primarily relate to implementing steps for the further development of PORR's sustainable profitability as well as the compliance focal points to be determined annually by the Supervisory Board. These are, however, difficult to subject to objective measurement. The option of demanding back variable remuneration components has not been exercised as, on the one hand, it is not mandatory by law and, on the other hand, a right to recovery is already granted under civil law in the event that the payout was based on demonstrably false data. Furthermore, the Management Board members' contracts do not contain any regulations specifying that, in the event of a Management Board member's premature departure from the Management Board, the circumstances of the departure and the economic state of the company should be taken into account. On the basis of the legal provisions of the (EU) 2017/828 directive (Second Shareholder Rights Directive) and the Stock Corporation Act, PORR complies with the specifications related to disclosure of a remuneration policy and a report on remuneration for the Supervisory Board and the Management Board. In the annual shareholders' meeting 2020, the remuneration policy produced by the Supervisory Board was approved in accordance with the Second Shareholder Rights Directive. For the first time ever, the remuneration report for the financial year 2020 was presented to and approved by the shareholders' meeting 2021.

Rule 49: The conclusion of contracts with members of the Supervisory Board in which such members are committed to the performance of a service outside of their activities on the Supervisory Board for the company or a subsidiary for remuneration not of minor value is subject to approval by the Supervisory Board in line with the law. The Issuer will, however, refrain from publishing these details due to related operational and business confidentiality issues.

15. TAXATION IN AUSTRIA

Warning: the tax legislation of an investor's member state and of the Issuer's country of incorporation (Austria) may have an impact on the income received from the securities.

15.1 General

The following is a general overview of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes nor does it take into account the Holders' individual circumstances or any special tax treatment applicable to the Holder. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their own professional advisors as to the particular tax consequences of the acquisition, ownership, disposition or redemption of the Notes.

This overview is based on Austrian law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities and tax courts may change and such changes may also have retroactive effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below.

15.2 Austrian Taxation

(a) *Individuals resident in Austria*

Income from the Notes derived by individuals, whose domicile or habitual abode is in Austria, is subject to Austrian income tax pursuant to the provisions of the Austrian Income Tax Act (*Einkommensteuergesetz*). Interest income from the Notes is subject to a special income tax rate of 27.5%. The income will be subject to withholding tax if the Notes are kept or administrated in a custodial institution (*auszahlende Stelle*) in Austria. The income tax for interest income then generally constitutes a final taxation (*Endbesteuerung*) for individuals, irrespectively whether the Notes are held as private assets or as business assets. Individuals may opt for taxation at the general income tax rate. If the income is not subject to withholding tax deduction, the taxpayer will have to include the interest income derived from the Notes in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

Furthermore, any realized capital gain (*Einkünfte aus realisierten Wertsteigerungen*) from the Notes by individuals is subject to Austrian income tax at a rate of 27.5%. Realised capital gain means inter alia any income derived from the sale or redemption of the Notes. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses which are directly connected with income subject to the special tax rate are not deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. The income will again be subject to withholding tax if the Notes are kept or administrated in a custodial institution (*depotführende Stelle*) or paying agent (*auszahlende Stelle*) in Austria. If the income from the capital gain is not subject to withholding tax deduction, the taxpayer will have to include the interest income derived from the Notes in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

The Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

(b) ***Austrian corporations***

Corporations seated in Austria or whose place of management is in Austria are subject to corporate income tax at a tax rate of 25%. This includes income from Notes and realized capital gains from Notes.

If applicable, Austrian corporations holding Notes may declare exemption from withholding tax deduction by submitting a corresponding statement (*Befreiungserklärung*) to the Austrian custody bank and competent financial authority. With this statement the Austrian corporation has to declare its identity and has to confirm that the Notes are held as business assets. If such declaration is not submitted all income from the Notes will in general be subject to withholding tax deduction. Such withheld tax may be set off with the corporate income tax.

Again, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

(c) Non-resident individuals

Income derived from the Notes by individuals who do not have a domicile of their habitual abode within the European Union are in principle subject to Austrian limited tax liability provided that capital income tax had to be withheld, but the individual may be eligible to apply for a refund to Austrian withholding tax on the basis of applicable double taxation treaties.

(d) Foreign corporations

Income including capital gains derived from the Notes by corporations who do not have their corporate seat or their place of management in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to an Austrian permanent establishment.

(e) Automatic exchange of information

In Austria, the Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz - "GMSG"*) regulates the automatic exchange of information on financial accounts regarding taxable periods from 1 January 2017. With the GMSG the common reporting standard concerning automatic exchange of information on financial accounts, which has been developed by the OECD and adopted by the EU through amendments to the EU Administrative Directive, has been implemented. The GMSG obliges Austrian financial institutions to report to the tax authority account information of persons subject to reporting, which will subsequently be reported to the competent authority of the participating countries by the Federal Ministry of Finance. Subject to reporting are basically account data of individuals or entities, which are tax residents of states participating in the common reporting standards – which are all EU member states as well as all countries, which will conclude multilateral or bilateral agreements concerning the common reporting standard.

The Issuer does not assume any liability for withholding taxes.

16. OFFER, SALE AND SUBSCRIPTION OF THE NOTES

16.1 Offer of the Notes

The Notes have been offered exclusively to institutional investors in the EEA. There was no maximum amount of Notes to be purchased. However, the minimum amount of Notes to be purchased was EUR 100,000 and the Notes will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.

The aggregate principal amount of the Notes of up to EUR 100,000,000 as set out in the Terms and Conditions represents the maximum issue volume of the Notes. In addition to the Notes to be issued on 18 November 2021 in the aggregate principal amount of EUR 50,000,000, the Issuer has reserved the right to issue further Notes by way of private placements, however, without the obligation to issue any further Notes at all.

16.2 Subscription Agreement

Pursuant to the Subscription Agreement entered into on 12 November 2021 among the Issuer and the Bookrunner, the Bookrunner has agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Notes. The Issuer has agreed to pay the Bookrunner a combined arrangement, underwriting and placement commission as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse the Bookrunner for certain of its expenses in connection with the issue of the Notes.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters. The Subscription Agreement entitles the Bookrunner to terminate its obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer has agreed to indemnify the Bookrunner against certain liabilities in connection with the offer and sale of the Notes.

The Bookrunner and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Bookrunner and its affiliates have received or will receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Bookrunner and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Bookrunner or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Bookrunner and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Bookrunner and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

16.3 Interests of Natural and Legal Persons involved in the Issue/Offer

The Bookrunner and its affiliates have engaged, and may in the future engage, in investment banking or commercial banking transactions with, and may perform services for the Group and their members in the ordinary course of business. The Bookrunner and its affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

16.4 Delivery of the Notes to investors

Delivery and payment of the Notes will be made on the Interest Commencement Date (18 November 2021). The Notes so purchased will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the Issue Price therefore.

16.5 Selling Restrictions

(a) *General*

There are no transfer and trading restrictions in relation to the listing and the trading of the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, however, Notes can only be transferred in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof. The Notes will be transferred in accordance with their terms and conditions (see "*Terms and Conditions*"). Neither the Issuer nor the Bookrunner has made any representation that any action will be taken in any jurisdiction by the Bookrunner or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Bookrunner has represented and agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it sells Notes. It will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. The Issuer and the Bookrunner will have no responsibility for, and the Bookrunner will obtain any consent, approval or permission required by it for, the sale of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any sale. The Bookrunner is not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, this Prospectus or any amendment or supplement to it.

(b) *European Economic Area*

In relation to each Member State of the EEA the Notes will only be offered to any person or legal entity which is a qualified investor as defined in the Prospectus Regulation. There will be no offer of Notes to the public.

(c) *Prohibition of Sales to European Economic Area Retail Investors*

The Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the Prospectus Regulation; and

(ii) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

(d) ***United States of America and its Territories***

The Bookrunner has acknowledged that the Notes have not been and will not be registered under the U.S. Securities Act of 1933 (as amended) (the **"Securities Act"**) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bookrunner has represented that it has not offered or sold, and has agreed that it will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

Terms used in the following paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury Regulations thereunder, including the D Rules (as defined below).

In addition, the Bookrunner has represented, warranted and agreed that, except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (the **"D Rules"**): (a) it has not offered or sold Notes, and during the restricted period shall not offer or sell Notes, directly or indirectly to a United States person or to a person who is within the United States or its possessions, and it has not delivered and shall not deliver within the United States or its possessions Notes that are sold during the restricted period; (b) it has and throughout the restricted period it shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a United States person or to a person who is within the United States or its possessions, except as permitted by the D Rules; (c) if it is a United States person, it is acquiring the Notes for purposes of resale in connection with their original issuance and not for the purpose of resale directly or indirectly to a United States person or a person within the United States or its possessions and it shall acquire or retain Notes for its own account only in accordance with the requirements of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6); (d) with respect to each affiliate that acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, it either (i) repeats and confirms the representations contained in clauses (a), (b) and (c) of this paragraph on behalf of such affiliate or (ii) agrees that it shall obtain from such affiliate for the benefit of the Issuer the representations contained in Clauses (a), (b) and (c) of this paragraph; and (e) it shall obtain for the benefit of the Issuer the representations and agreements contained in clauses (a), (b), (c) and (d) of this paragraph from any person other than its affiliate with whom it enters into a written contract, as defined in U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D)(4), for the offer or sale of Notes during the restricted period.

(e) ***United Kingdom of Great Britain and Northern Ireland***

The Bookrunner has represented and agreed that,

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (**"FSMA"**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21 (1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

As used herein, **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

17. GENERAL INFORMATION CONCERNING THE NOTES

17.1 Subject of this Prospectus

This Prospectus relates to the up to EUR 100,000,000 Undated Resettable Fixed Rate Subordinated Notes to be issued by PORR AG.

17.2 Clearing and Settlement

The Notes have been accepted for clearing through Euroclear and Clearstream, Luxembourg. The Notes have been assigned the following securities codes:

ISIN: XS2408013709 and Common Code: 240801370.

17.3 Listing and Admission to Trading

Application has been made to the Vienna Stock Exchange for the Notes to be admitted to the Official Market (*Amtlicher Handel*), a regulated market pursuant to MiFID II.

17.4 Expenses related to Admission to Trading

The Issuer estimates that the amount of expenses related to admission to trading of the Notes will be approximately EUR 10,000.

17.5 Yield

The yield in respect of the Notes from the Issue Date to the First Reset Date is 7.50% per annum, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method.

The yield of the Notes after the First Reset Date cannot be determined as of the date of this Prospectus.

Taxation of the interest payments is subject to the individual tax situation of any investor and is therefore not considered in the above calculation.

17.6 Ratings

Neither the Issuer nor the Notes are rated.

17.7 Currency of the Notes

The Notes are denominated in Euro.

17.8 Authorisation and legislation

The creation and issue of the Notes has been authorised by resolutions of the Management Board of the Issuer on 4 November 2021 and of the Supervisory Board of the Issuer on 27 May 2021. The Notes have been created under Austrian law.

17.9 Post issuance information

The Issuer will not provide any post issuance information, except if required by any applicable laws and regulations.

17.10 Representation of the Holders

No representatives of the Holders have been appointed.

17.11 Rights attached to the Notes

The Notes constitute direct, unsecured and deeply subordinated obligations of the Issuer ranking (i) senior to Junior Obligations (as defined below), (ii) *pari passu* among themselves and with any Parity Obligations (as defined below) and (iii) junior to all other existing and future unsubordinated obligations as well as subordinated obligations of the Issuer which expressly rank senior to the obligations resulting from the Notes, except as otherwise provided by mandatory provisions of law.

"Junior Obligations" means any claim arising out of (i) the ordinary shares of the Issuer, (ii) any present or future share of any other class of shares of the Issuer, (iii) any present or future security, registered security or other instrument (x) of the Issuer that rank (or are expressed to rank) junior to the Notes or (y) of any of the Issuer or its subsidiaries under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) junior to the Notes, as well as (iv) the ABAP obligatorische Genussrechte 2007 (ISIN AT0000A086F0). **"Parity Obligations"** means present or future securities or any other instrument (i) of the Issuer that rank (or are expressed to rank) *pari passu* with the Notes, including but not limited to the hybrid bond issued in 2017 (ISIN XS1555774014) or the hybrid bond issued in 2020 (ISIN XS2113662063) or (ii) of any of the Issuer or its subsidiaries under a guarantee or other support undertaking by the Issuer if such issue of securities, guarantee or other support undertaking ranks (or are expressed to rank) *pari passu* with the Notes.

The Terms and Conditions provide that the Issuer may decide, in certain situations, to defer interest payments under the Notes, where such failure to pay interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose.

The Notes are undated and thus have no scheduled redemption date. The Notes can, however, be redeemed or repurchased and cancelled under certain circumstances. The Issuer is in principle under no obligation to redeem the Notes at any time before this date. Pursuant to the Terms and Conditions of the Notes the Holders of the Notes have no right to call the Notes and to declare the Notes due and payable, except if Issuer enters into liquidation and is settled or dissolved (unless this is done for the purpose or as a result of a merger, restructuring or reorganization in respect of which the Issuer is still solvent and the continuing entity assumes substantially all of the assets and obligations of the Issuer) and subject to the complete satisfaction of any claims from unsubordinated and subordinated creditors which expressly rank senior to the obligations resulting from the Notes. At the Issuer's option, the Notes may be redeemed pursuant to the Terms and Conditions after the occurrence of a Gross-up Event, an Accounting Event, a Tax Event, a Change of Control or if 80 per cent. or more in principal amount of the Notes initially issued have been redeemed or purchased, or in general with effect as of (and including) the First Reset Date or any Interest Payment Date thereafter.

The Notes bear interest on their principal amount at the fixed initial interest rate of 7.50% p.a., due and payable on 18 November each year, commencing on 18 November 2022. After 5 years, the interest rate will be adjusted. The adjustment is calculated from the 5-year ICESWAP2 Swap rate (expressed as a percentage rate per annum) which is indicated on the screen page of Reuters at 11.00 a.m. (Brussels local time) on the respective interest determination date, plus a certain Margin. The Margin means 12.58 percentage points (1,258 basis points). The Notes have no maturity date and may be redeemed at the earliest after 5 years of their issue at their principal amount (plus accrued interest, if any).

The yield in respect of the Notes from the Issue Date to the First Reset Date is 7.50% per annum, calculated on the basis of the Issue Price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method.

18. GLOSSARY AND LIST OF ABBREVIATIONS AND DEFINITIONS

ABAP Profit Participation Rights	The ABAP Profit Participation Rights were initially issued in 2007 by ABAP Beteiligungs Holding GmbH, an indirect wholly owned subsidiary of the Company, and have been transferred to the Company as issuer in 2019.
AFCA	The Austrian Federal Competition Authority (*Bundeswettbewerbsbehörde*).
Aggregate Principal Amount	The aggregate principal amount of up to EUR 100,000,000 at which the Notes are issued by Issuer on or about 18 November 2021.
Articles of Association	The articles of association (*Satzung*) of the Company.
ASFINAG	Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft, the Austrian Highway Financing Agency.
Austria	The Republic of Austria.
BDO	BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Am Belvedere 4, 1100 Vienna, Austria.
BIM	Building Information Modeling is a digital and integrative approach for managing projects in the construction industry. It enables all architectural, technical, physical and functional building data to be visualized in digital form.
Bookrunner or **Sole Structuring Adviser and Sole Bookrunner** or **HSBC**	HSBC Continental Europe, 38 Avenue Kléber, F-75116 Paris, France, in its capacity as sole structuring adviser and sole bookrunner with respect to the issue of the Notes.
Capital Market Act 2019...	Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended.
CEE	Central and Eastern Europe.
Clearstream	Clearstream Banking S.A., Luxembourg.
Commercial Code	Austrian Commercial Code (*Unternehmensgesetzbuch*), as amended
Company, Issuer or **PORR AG**	PORR AG, an Austrian stock corporation (*Aktiengesellschaft*), registered with the Austrian companies register under registration number FN 34853 f.
Consolidated Financial Statements	The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial years ended 31

December 2020, 31 December 2019 and 31 December 2018 which were prepared in the German language.

Consolidated Financial Statements 2018 .... The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial year ended 31 December 2018 comprised of the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of financial position and consolidated statement of changes in group equity, along with the notes, which were prepared in the German language.

Consolidated Financial Statements 2019 .... The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial year ended 31 December 2019 comprised of the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of financial position and consolidated statement of changes in group equity, along with the notes, which were prepared in the German language.

Consolidated Financial Statements 2020 .... The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial year ended 31 December 2020 comprised of the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of financial position and consolidated statement of changes in group equity, along with the notes, which were prepared in the German language.

CSO .... The Polish Central Statistical Office.

EBIT .... Operating result (earnings before interest and tax).

EBITDA .... Operating result plus amortization and depreciation (earnings before interest, tax, depreciation and amortization).

EEA .... European Economic Area.

EU .... European Union.

Euro .... The currency of the member states of the European Union participating in the third stage of the European Economic and Monetary Union.

Euroclear .... Euroclear Bank SA/NV, as operator of the Euroclear System.

FMA .... The Austrian Financial Markets Authority (*Finanzmarktaufsichtsbehörde*).

FSMA .... The UK Financial Services and Markets Act 2000.

GDP .... Gross domestic product is a monetary measure of the market value of all the final goods and services produced in a specific time period.

Germany	The Federal Republic of Germany.
Half-Year Report 2021	The English translation of the Company's reviewed but unaudited interim consolidated financial statements in accordance with IFRS as of and for the period ended 30 June 2021.
Holder(s)	The holder(s) of the Notes.
Home Markets	Austria, Germany, Switzerland, Poland, the Czech Republic, Slovakia and Romania. The defined term may refer to all or individual Home Markets.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards, as adopted by the European Union.
IGO Industries Group	Klaus Ortner, deputy chairman of the Supervisory Board, together with entities controlled by or attributable to him which hold Shares, namely IGO Construction GmbH, Dr.-Stumpf-Straße 2, 6020 Innsbruck, Austria, registered with the Austrian companies register under registration number FN 392079 m.
IGO Industries-Strauss Syndicate	The syndicate formed by IGO Industries Group and Strauss Group in respect of the shares in the Company attributable to them. Shares attributable to IGO Industries Group are held by IGO Construction GmbH. Shares attributable to Strauss Group are held by SuP Beteiligungs GmbH.
IMF	International Monetary Fund (*Internationaler Währungsfonds – IWF*).
ISIN	International Securities Identification Number (*Internationale Wertpapier-Identifikationsnummer*).
Issue Date	18 November 2021.
Issue Price	The price at which the Notes were issued and which was set at 100.00%.
KOF	The Swiss Economic Institute (*Konjunkturforschungsstelle*).
LEAN Project Management	This means methods which shall increase value added by continuously eliminating waste.
Management Board	The management board (*Vorstand*) of the Company.
Net Debt	Net debt (or net financial debt) is a non IFRS-measure which is calculated as the total of bonds and bonded loans (*Schuldscheindarlehen*) issued, plus financial liabilities less cash and cash equivalents and securities classified as current assets (investment certificates).
Non-residents	Individuals who do not have a domicile or habitual abode in Austria and legal entities which do not have their corporate seat or their place of management in Austria.

Notes....................................	The Undated Resettable Fixed Rate Subordinated Notes in the aggregate principal amount of up to EUR 100,000,000 with a denomination of EUR 1,000 each.
ÖBB.....................................	Österreichische Bundesbahnen-Holding Aktiengesellschaft, the Austrian Federal Railways.
OECD..................................	Organization for Economic Co-operation and Development.
Order backlog	Order backlog (*Auftragsbestand*) is a (non-IFRS) measure. It is the total of all orders or contracts which have not been executed by the respective reporting date cited. To the extent work performed is recognized as Production output and/or revenue, Order backlog is reduced correspondingly.
Order intake.......................	Order intake (*Auftragseingang*) is a (non-IFRS) measure of legally binding or committed orders received within a specified period.
POC method.......................	The Group accounts for contract revenue using the percentage-of-completion method. Under this method, for any given period, revenue is recognized for a construction project in an amount determined by multiplying the percentage of completion of the relevant project with the total estimated revenue for the contract.
PORR Group or **Group** or **PORR..................................**	The Company together with its consolidated subsidiaries.
PPP......................................	Public Private Partnership.
Production output.............	An operative measure used for assessing the overall construction output of the Group and other entities and consortia in which the Group holds a direct or indirect interest. Production output (*Produktionsleistung*) is not an IFRS financial measure and is not designed to measure the Group's financial performance. It covers all classic design and construction services, waste management, raw materials sales and facility management. In contrast to revenue, Production output includes the output from consortia and companies accounted for under the equity method, as well as those of minor significance, in line with the interest held by the Group.
Prospectus	This document and the documents incorporated by reference.
Prospectus Regulation.......	Regulation (EU) 2017/1129, as amended, of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Securities Act.....................	United States Securities Act of 1933, as amended.
Specified Denomination	The Notes will be issued in bearer form in denominations of EUR 1,000 and will only be transferable in minimum aggregate principal amounts of EUR 100,000 and any integral multiples of EUR 1,000 in excess thereof.
Stock Corporation Act	Austrian Stock Corporation Act (*Aktiengesetz*), as amended.

Stock Exchange Act 2018	Austrian Stock Exchange Act 2018 (*Börsegesetz 2018*), as amended.
Strauss Group	Karl-Heinz Strauss, member of the Management Board and CEO of the Company, together with entities controlled by or attributable to him which hold Shares, namely SuP Beteiligungs GmbH, Lehrbachgasse 2, 1120 Vienna, Austria, registered with the Austrian companies register under registration number FN 358915 t.
Supervisory Board	The supervisory board (*Aufsichtsrat*) of the Company.
Terms and Conditions	The terms and conditions of the Notes.
UAE	United Arab Emirates.
U.S. or **United States**	United States of America.
WIFO	Austrian Institute of Economic Research (*Österreichisches Wirtschaftsforschungsinstitut*).
Working capital	Working capital is calculated as the sum of current trade receivables and inventories minus current trade payables; Working capital is not an IFRS financial measure and is therefore unaudited.

19. INDEX TO THE FINANCIAL STATEMENTS

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Consolidated Financial Statements 2018

together with the respective auditors‘ report

This is a translation of the German language original

Consolidated Income Statement

in TEUR	Notes	2018	2017
Revenue	(7)	4,959,109	4,292,886
Own work capitalised in non-current assets		5,186	4,363
Income from companies accounted for under the equity method	(20)	86,551	59,220
Other operating income	(8)	183,923	170,918
Cost of materials and other related production services	(9)	-3,462,635	-2,944,027
Staff expenses	(10)	-1,178,798	-1,036,068
Other operating expenses	(12)	-373,869	-346,612
EBITDA		**219,467**	**200,680**
Depreciation, amortisation and impairment expense	(11)	-127,143	-110,461
EBIT		**92,324**	**90,219**
Income from financial investments and other current financial assets	(13)	18,466	15,985
Finance costs	(14)	-22,659	-20,880
EBT		**88,131**	**85,324**
Income tax expense	(15)	-21,936	-21,633
Profit/loss for the year		**66,195**	**63,691**
of which attributable to shareholders of the parent		62,726	60,492
of which attributable to holders of profit-participation rights		2,664	2,664
of which attributable to non-controlling interests		805	535
Basic (diluted) earnings per share, total (in EUR)	(16)	2.17	2.09

Statement of Comprehensive Income

in TEUR	Notes	2018	2017
Profit/loss for the year		**66,195**	**63,691**
Other comprehensive income			
Gains/losses from revaluation of property, plant and equipment	(18)	-230	-446
Remeasurement from defined benefit obligations	(34)	-4,506	4,632
Measurement of equity instruments		-1,306	-
Income tax expense (income) on other comprehensive income		1,278	-1,165
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)		**-4,764**	**3,021**
Exchange differences		3,259	-1,145
Gains/losses from fair value measurement of securities		-	2,679
Gains/losses from cash flow hedges			
in the year under review		-546	34
reclassified into profit or loss		-	-
Income tax expense (income) on other comprehensive income		136	-678
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)		**2,849**	**890**
Other comprehensive income		**-1,915**	**3,911**
Total income		**64,280**	**67,602**
of which attributable to non-controlling interests		760	366
Share attributable to shareholders of the parent and holders of profit-participation rights		**63,520**	**67,236**
of which attributable to holders of profit-participation rights		2,664	2,664
Share attributable to shareholders of the parent		**60,856**	**64,572**

Consolidated Cash Flow Statement

in TEUR Note (42)	2018	2017
Profit/loss for the year	66,195	63,691
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	124,239	113,945
Interest income/expense	7,946	5,630
Income from companies accounted for under the equity method	-26,272	-23,789
Dividends from companies accounted for under the equity method	18,882	9,624
Profits from the disposal of fixed assets	-18,842	-10,608
Decrease in long-term provisions	-4,884	-485
Deferred income tax	1,406	11,954
Operating cash flow	**168,670**	**169,962**
Decrease in short-term provisions	-5,007	-16,859
Increase/decrease in tax provisions	14,849	-805
Increase/decrease in inventories	-7,728	5,269
Increase in receivables	-177,791	-309,258
Increase in payables (excluding banks)	189,012	144,246
Interest received	16,736	11,867
Interest paid	-17,892	-15,838
Other non-cash transactions	5,443	-4,481
Cash flow from operating activities	**186,292**	**-15,897**
Proceeds from the disposal of intangible assets	45	48
Proceeds from the sale of property, plant and equipment and disposal of investment property	40,725	44,704
Proceeds from the sale of financial assets	2,535	21
Proceeds from repayment of loans	867	3,080
Investments in intangible assets	-4,193	-1,590
Investments in property, plant and equipment and investment property	-118,014	-162,517
Investment in financial assets	-17,519	-4,450
Investment in loans	-23,414	-709
Payouts for financial investments	-	-45,000
Proceeds from financial investments	-	45,000
Repayment of other financial assets	50,000	-
Proceeds from the sale of consolidated companies	1,404	-
Payouts for the purchase of subsidiaries less cash and cash equivalents	-1,128	-88,480
Cash flow from investing activities	**-68,692**	**-209,893**
Dividends	-42,992	-36,118
Payouts to non-controlling interests	-1,160	-1,681
Proceeds from Schuldscheindarlehen	40,000	57,973
Repayment of Schuldscheindarlehen	-63,000	-58,000
Repayment of bonds	-46,946	-
Obtaining loans and other financing	445,080	196,641
Redeeming loans and other financing	-485,694	-174,975
Hybrid capital	-	123,412
Acquisition of non-controlling interests	-115	-4
Cash flow from financing activities	**-154,827**	**107,248**
Cash flow from operating activities	**186,292**	**-15,897**
Cash flow from investing activities	**-68,692**	**-209,893**
Cash flow from financing activities	**-154,827**	**107,248**
Change to cash and cash equivalents	**-37,227**	**-118,542**
Cash and cash equivalents as of 1 Jan	358,707	476,430
Currency differences	-1,749	819
Changes to cash and cash equivalents resulting from changes to the consolidated group	-57	-
Cash and cash equivalents as of 31 Dec	**319,674**	**358,707**
Tax paid	5,681	10,485

Consolidated Statement of Financial Position

in TEUR	Notes	31.12.2018	31.12.2017
Assets			
Non-current assets			
Intangible assets	(17)	148,212	139,916
Property, plant and equipment	(18)	666,758	612,760
Investment property	(19)	65,971	70,259
Shareholdings in companies accounted for under the equity method	(20)	93,200	61,818
Loans	(21)	48,802	23,792
Other financial assets	(22)	41,576	94,557
Other non-current financial assets	(25)	25,026	24,555
Deferred tax assets	(29)	14,557	9,487
		1,104,102	**1,037,144**
Current assets			
Inventories	(23)	82,798	74,739
Trade receivables	(24)	1,461,729	1,301,576
Other financial assets	(25)	97,188	97,924
Other receivables and current assets	(26)	49,220	9,136
Cash and cash equivalents	(27)	319,674	358,707
Assets held for sale	(28)	25	5,564
		2,010,634	**1,847,646**
Total assets		**3,114,736**	**2,884,790**

Equity and liabilities			
Equity			
Share capital	(30)	29,095	29,095
Capital reserve	(31)	251,287	251,287
Hybrid capital	(31)	155,290	155,318
Other reserves	(31)	135,974	115,466
Equity attributable to shareholders of the parent		**571,646**	**551,166**
Profit-participation rights	(32)	42,624	42,624
Non-controlling interests	(33)	3,964	3,248
		618,234	**597,038**
Non-current liabilities			
Bonds and Schuldscheindarlehen	(35)	175,586	233,639
Provisions	(34)	149,150	146,410
Non-current financial liabilities	(36)	188,142	147,096
Other non-current financial liabilities	(38)	3,079	4,433
Deferred tax liabilities	(29)	57,688	55,486
		573,645	**587,064**
Current liabilities			
Bonds and Schuldscheindarlehen	(35)	56,290	67,663
Provisions	(34)	133,757	130,339
Current financial liabilities	(36)	49,840	57,738
Trade payables	(37)	1,154,351	1,032,040
Other current financial liabilities	(38)	41,257	21,372
Other current liabilities	(39)	449,098	367,572
Tax payables		38,264	23,964
		1,922,857	**1,700,688**
Total equity and liabilities		**3,114,736**	**2,884,790**

Statement of Changes in Group Equity

in TEUR Notes (30-33)	Share capital	Capital reserve	Revaluation reserve	Remeasurement from defined benefit obligations	Measurement of equity instruments	Foreign currency translation reserves
Balance as of 1 Jan 2017	**29,095**	**251,287**	**12,767**	**-30,767**	**-**	**2,156**
Total profit/loss for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-5,044	3,481	-	-916
Total income for the year	**-**	**-**	**-5,044**	**3,481**	**-**	**-916**
Dividend payout	-	-	-	-	-	-
Income tax on interest for holders of hybrid/mezzanine capital	-	-	-	-	-	-
Hybrid capital	-	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-	-
Balance as of 31 Dec 2017	**29,095**	**251,287**	**7,723**	**-27,286**	**-**	**1,240**
Restatement from the first-time application of IFRS 9	-	-	-	-	-	-
Restatement from the first-time application of IFRS 15	-	-	-	-	-	-
Balance as of 1 Jan 2018	**29,095**	**251,287**	**7,723**	**-27,286**	**-**	**1,240**
Total profit/loss for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-987	-3,551	-29	3,069
Total income for the year	**-**	**-**	**-987**	**-3,551**	**-29**	**3,069**
Dividend payout	-	-	-	-	-	-
Income tax on interest for holders of hybrid/mezzanine capital	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-	-
Balance as of 31 Dec 2018	**29,095**	**251,287**	**6,736**	**-30,837**	**-29**	**4,309**

Debt securities available for sale – fair value reserve	Reserve for cash flow hedges	Hybrid capital	Retained earnings and non-retained profit	Equity attributable to shareholders of parent	Profit-participation rights	Non-controlling interests	Total
-272	**-655**	**25,303**	**106,106**	**395,020**	**42,624**	**3,228**	**440,872**
-	-	7,894	52,598	60,492	2,664	535	63,691
2,009	26	-	4,524	4,080	-	-169	3,911
2,009	**26**	**7,894**	**57,122**	**64,572**	**2,664**	**366**	**67,602**
-	-	-1,688	-31,766	-33,454	-2,664	-1,681	-37,799
-	-	-	1,013	1,013	-	-	1,013
-	-	123,809	-	123,809	-	-	123,809
-	-	-	206	206	-	1,335	1,541
1,737	**-629**	**155,318**	**132,681**	**551,166**	**42,624**	**3,248**	**597,038**
-1,737	-	-	1,737	-	-	-	-
-	-	-	-2,613	-2,613	-	-	-2,613
-	**-629**	**155,318**	**131,805**	**548,553**	**42,624**	**3,248**	**594,425**
-	-	8,534	54,192	62,726	2,664	805	66,195
-	-410	-	38	-1,870	-	-45	-1,915
-	**-410**	**8,534**	**54,230**	**60,856**	**2,664**	**760**	**64,280**
-	-	-8,562	-31,766	-40,328	-2,664	-1,160	-44,152
-	-	-	2,807	2,807	-	-	2,807
-	-	-	-	-	-	1,194	1,194
-	-	-	-242	-242	-	-78	-320
-	**-1,039**	**155,290**	**156,834**	**571,646**	**42,624**	**3,964**	**618,234**

Notes to the Consolidated Financial Statements

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 building construction activities.

The consolidated financial statements have been prepared pursuant to Art. 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The reporting currency is the euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in the consolidated financial statements. Results preceded by the abbreviation TEUR are in euro thousand.

The consolidated financial statements were prepared with the closing date of 31 December and relate to the business year from 1 January to 31 December. The majority of numerical entries are rounded up or down to the nearest thousand (TEUR) and may result in rounding differences.

2. Consolidated group

In addition to PORR AG, 77 (previous year: 72) domestic subsidiaries and 69 (previous year: 69) foreign subsidiaries are included in the consolidated financial statements. For one company the Group only holds 49% of the shares, however, the remainder of the shares are held in trust for PORR and the company is therefore included in the consolidated group. Nine (previous year: ten) companies are no longer included in the consolidated group, whereby four companies were eliminated through intragroup mergers.

For two companies the number of shares sold meant that only significant influence remains and these were accounted for under the equity method. Two companies were liquidated, while one company was sold off in full. The purchase price of TEUR 1,236 was settled in cash. The assets and liabilities where control was lost break down as follows:

	2018
Non-current assets	
Property, plant and equipment	33
Deferred tax assets	253
Current assets	
Inventories	37
Trade receivables	1,579
Other financial assets	132
Other receivables and current assets	396
Cash and cash equivalents	69
Non-current liabilities	
Provisions	-117
Deferred tax liabilities	-81
Current liabilities	
Provisions	-9
Current financial liabilities	-224
Trade payables	-1,271
Other current financial liabilities	-744
Other current liabilities	-243
Tax payables	-38

Gains on sale amounting to TEUR 1,359 were recognised in income/expenses from financial assets. The fair value measurement of the remaining equity stake led to a gain of TEUR 1,235 and is recognised in companies accounted for under the equity method.

2.1. First-time consolidations

In these consolidated financial statements the following 14 companies were consolidated for the first time:

Because of new foundations	**Date of initial consolidation**
ISHAP Software Solutions GmbH	15.2.2018
SAM03 Beteiligungs GmbH	3.4.2018
ASCI Logistik GmbH	24.4.2018
CIS Beton GmbH	24.4.2018
PORR Recycling GmbH	7.6.2018
PORR Manangement GmbH	2.8.2018
BBGS Spolka z ograniczona odpowiedzialnoscia	26.9.2018
BB Government Services société privée á responsabilité limitée	27.8.2018
Joint Venture Tunel Swinoujscie s.c.	12.9.2018

No significant assets and liabilities were included as a result of these consolidations.

Because of acquisitions	**Date of initial consolidation**
PORR Infra GmbH (formerly Tunnel- & Traffic Consulting GmbH)	31.1.2018
PHF Verwaltungsgesellschaft Seevetal GmbH i.L.	28.9.2018
Alpine Bau CZ Group	
ALPINE Bau CZ a.s.	15.11.2018
ALPINE SLOVAKIA spol. s.r.o.	15.11.2018
ALPINE AT GmbH	15.11.2018

The acquisition of PHF Verwaltungsgesellschaft Seevetal GmbH i.L. comprises the purchase of a shell company that does not represent a business combination pursuant to IFRS 3. TEUR 1,000 was used for the purchase and was settled in cash; there was an influx to assets of TEUR 2,403 in cash and cash equivalents.

TEUR 36 was used for the purchase of 100% of PORR Infra GmbH. The purchase price was settled in cash. The company operates in the areas of development, execution, maintenance and trading with electronic devices and equipment in the infrastructure sector, especially in traffic and tunnel technology and tunnel fittings. The purchase price was allocated to the Group's assets and liabilities as follows:

	2018
Non-current assets	
Other intangible assets	14
Property, plant and equipment	128
Current assets	
Trade receivables	207
Other financial assets	14
Cash and cash equivalents	66
Current liabilities	
Provisions	-108
Trade payables	-47
Other current liabilities	-238
Purchase price	**36**

TEUR 3,530 was used for the purchase of 100% of Alpine Bau CZ a.s. and its subsidiaries (ALPINE Bau CZ Group). The purchase price was settled in cash. Furthermore, there is an earn-out clause that caps an additional purchase price at TEUR 500 in relation to the final inflows from two projects. The earn-out clause has been valued at TEUR 500. The group operates in project development and delivering construction services. The purchase price was allocated to the Group's assets and liabilities in accordance with IFRS 3.45 as follows:

	2018
Non-current assets	
Goodwill	12,220
Other intangible assets	157
Property, plant and equipment	10,562
Shareholdings in companies accounted for under the equity method	6,729
Deferred tax assets	1,214
Current assets	
Inventories	368
Trade receivables	30,558
Other financial assets	1,204
Other receivables and current assets	926
Cash and cash equivalents	1,000
Non-current liabilities	
Non-current financial liabilities	-2,697
Deferred tax liabilities	-1,220
Current liabilities	
Provisions	-9,373
Current financial liabilities	-10,311
Trade payables	-20,138
Other current financial liabilities	-6,913
Other current liabilities	-10,256
Purchase price	**4,030**

The acquisition of the Alpine Bau CZ Group led to the application of goodwill not deductible for tax purposes, as the purchase price includes the benefits of synergic effects, particularly key strategic advantages in road construction in the Czech Republic. The purchase price allocation shall be considered provisional, especially as regards contract assets, shareholdings in companies accounted for under the equity method and provisions.

The initial consolidation of the companies contributed TEUR -2,906 to earnings before taxes for the period and TEUR 15,615 to revenue. Assuming a notional date of first-time consolidation of 1 January 2018, Group revenue would change by TEUR 6,141 because of PORR Infra GmbH and earnings by TEUR -2,712, while the Alpine Bau CZ Group would cause a change in revenue of TEUR 42,735 and in EBT of TEUR -20,552.

Regarding the acquisition of the Hinteregger Group concluded in the 2017 business year, the purchase price allocation was finalised in 2018, whereby the fair value of property, plant and equipment (TEUR -1,194), liabilities for the earn-out clause II (TEUR 548) and goodwill were adjusted in the amount of TEUR 1,742.

Furthermore, 44 (previous year: 45) domestic and 35 (previous year: 27) foreign associates and joint ventures were valued using the equity method. The consolidated subsidiaries and companies accounted for under the equity method are shown in the list of shareholdings (see appendix). Companies which are of minor significance for the consolidated financial statements are not included. Nine (previous year: 10) subsidiaries and 28 (previous year: 28) shareholdings in associates and joint ventures were therefore not included in the consolidation or accounted for under the equity method; this primarily relates to general partner companies.

3. New accounting standards

3.1. Standards adopted for the first time in the year under review

The Group applied the following standards for the first time as of 1 January 2018, whereby only the first-time application of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments had a significant impact.

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
IFRS 9 Financial Instruments	24.7.2014	22.11.2016	1.1.2018
IFRS 15 Revenue from Contracts with Customers	28.5.2014	22.9.2016	1.1.2018
Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	12.9.2016	3.11.2017	1.1.2018
Clarification to IFRS 15 Revenue from Contracts with Customers	12.4.2016	31.10.2017	1.1.2018
Annual Improvements to IFRS Standards 2014–2016 Cycle, Clarification to IFRS 28 and IFRS 1	8.12.2016	7.2.2018	1.1.2018
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions	20.6.2016	26.2.2018	1.1.2018
Amendments to IAS 40 Transfers of Investment Property	8.12.2016	14.3.2018	1.1.2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	8.12.2016	28.3.2018	1.1.2018

The impacts of the first-time application of IFRS 15 and IFRS 9 mainly relate to:
- **Bundling contracts**
- **Disclosures related to the measurement of securities at fair value**

IFRS 15 Revenue from Contracts with Customers
The objective of IFRS 15 is to bring together a range of requirements that were previously contained in different standards and interpretations. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework. The model specifies that revenue is recognised as control is passed (control approach), either over time or at a point in time and thereby replaces the previously applied risk and reward model (transfer of risks and rewards). Furthermore, the scope of the requisite disclosures in the notes has been expanded.

For its initial application, PORR has chosen the cumulative adjustment approach IFRS 15.C3(b). This means that the effects for the first-time application as of 1 January 2018 are recognised directly in equity and do not therefore require any retrospective adjustments to the comparative figures for 2017. Therefore the standards valid up until this point in time, IAS 18 and IAS 11, continue to apply to the comparative period.

The following table shows the net impact on the retained earnings statement of financial position as of 1 January 2018 from the first-time application of IFRS 15:

in TEUR	Consolidated statement of financial position as of 1.1.2018	Adjustment through first-time application of IFRS 15	Consolidated statement of financial position as of 31.12.2017 without adjustments IFRS 15
Assets			
Trade receivables	1,298,093	3,483	1,301,576
Current assets	**1,844,163**	**3,483**	**1,847,646**
Total assets	**2,881,307**	**3,483**	**2,884,790**
Equity and liabilities			
Other reserves	112,853	2,613	115,466
Equity	**594,425**	**2,613**	**597,038**
Deferred tax liabilities	54,616	870	55,486
Non-current liabilities	**583,581**	**3,483**	**587,064**
Total equity and liabilities	**2,881,307**	**3,483**	**2,884,790**

The following table shows a reconciliation of the impacts from the first-time application of IFRS 15 on the items of the statement of financial position as of 31 December 2018 as well as on the consolidated income statement and the statement of comprehensive income for the period 1 January 2018 to 31 December 2018.

in TEUR	Consolidated statement of financial position as of 31.12.2018	Adjustments	Consolidated statement of financial position as of 31.12.2018 without adjustments IFRS 15
Assets			
Trade receivables	1,461,729	1,448	1,463,177
Current assets	**2,010,634**	**1,448**	**2,012,082**
Total assets	**3,114,736**	**1,448**	**3,116,184**
Equity and liabilities			
Other reserves	135,974	1,086	137,060
Equity	**618,234**	**1,086**	**619,320**
Deferred tax liabilities	57,687	362	58,049
Non-current liabilities	**573,645**	**1,448**	**575,093**
Total equity and liabilities	**3,114,736**	**1,448**	**3,116,184**

in TEUR	Consolidated income statement 1-12/2018	Adjustments	Consolidated income statement 1-12/2018 without adjustments IFRS 15
Revenue	4,959,109	-1,969	4,957,140
Share of profit/loss of companies accounted for under the equity method	86,551	-66	86,485
EBITDA	**219,467**	**-2,035**	**217,432**
EBIT	**92,324**	**-2,035**	**90,289**
EBT	**88,131**	**-2,035**	**86,096**
Income tax expense	-21,936	508	-21,428
Profit/loss of the year	**66,195**	**-1,527**	**64,668**
of which attributable to shareholders of parent	62,726	-1,527	61,199

Description of revenues and impacts of first-time application based on type of revenue:

The following shows the impacts of the first-time application compared to the previously applied accounting and measurement methods on the different types of revenue at PORR:

Revenues from construction contracts (all segments)
In general, revenue continues to be realised over the period of the service rendered under application of the POC method; this also applies for revenues from customer contracts being realised in consortiums. The method for determining the level of completion remains unchanged. Should appropriate conditions be met, multiple contracts are aggregated and measured together from across the Group with the aid of benchmarks. Subsequent amounts shall be applied when it is highly probable that they will not lead to a reversal of the revenues already recognised. Invoices for advance payments are provided in line with a predefined payment plan that broadly corresponds to progress made on the construction project. In individual cases, the payment plans include a financing component that is recognised separately in the financing result as interest income.

Projects with different margins are aggregated and this can result in minimal time lags in recognising revenue. No changes have resulted in relation to recognising prepayments; there were no financing components.

Landfill revenues (segment Business Unit 4 – Environmental Engineering, Healthcare & Services)
Revenues from landfill operations are realised at a point in time. No significant changes to the previously applied accounting and valuation methods have resulted from the first-time application.

Income from the sale of raw materials (segments Business Unit 1 – Austria, Switzerland, Czech Rep. and Business Unit 2 – Germany)
Revenues from the sale of raw materials are realised at a point in time. No significant changes to the previously applied accounting and valuation methods have resulted from the first-time application.

Property management (segment Business Unit 4 – Environmental Engineering, Healthcare & Services)
Service revenues from property management are realised over a period of time. No significant changes to the previously applied accounting and valuation methods have resulted from the first-time application.

IFRS 9 Financial Instruments
The standard includes requirements for the recognition, measurement and derecognition of financial instruments as well as for hedge accounting and replaces the previously applicable standard IAS 39.

The transitional provisions of IFRS 9 only permit a retrospective adjustment in accordance with IAS 8 in exceptional cases (hedges). What this means for PORR is that the effects of the first-time application as of 1 January 2018 are recognised directly in equity and do not therefore require any retrospective adjustments to the comparative figures for 2017. Therefore the standard valid up until this point in time, IAS 39, continues to apply to the comparative period. The first-time application of IFRS 9 has had no impact on retained earnings.

The following table shows a reconciliation of the impacts from the first-time application of IFRS 9 on the consolidated income statement and the statement of comprehensive income for the period 1 January 2018 to 31 December 2018.

in TEUR	Consolidated income statement 1–12/2018	Adjustments	Consolidated income statement 1–12/2018 without adjustments IFRS 15
Income from financial investments and other current financial assets	18,466	534	19,000
Income tax expense	-21,936	-134	-22,070

in TEUR	Statement of comprehensive income 1–12/2018	Adjustments	Statement of comprehensive income 1–12/2018 without adjustments IFRS 9
Fair value measurement of securities	-	-534	-534
Fair value of equity interests	-	711	711
Income tax expense (income) attributable to other comprehensive income	-	-85	-85

Classification and measurement categories

As of 1 January 2018 the Group has evaluated the business model for each financial instrument and subsequently assigned them to the appropriate categories in accordance with IFRS 9. The reclassifications can be clearly seen in the following table:

	Old measurement categories (IAS 39)	New measurement categories (IFRS 9)	Old carrying amount (IAS 39)	New carrying amount (IFRS 9)
Assets				
Loans	Loans and Receivables	Amortised Cost (AC)	23,886	23,886
Other financial assets	Available for Sale Financial Assets (at cost)	Fair Value through OCI (FVTOCI)	3,975	3,975
Other financial assets	Available for Sale Financial Assets (at cost)	Fair Value through Profit & Loss (FVTPL)	920	920
Other financial assets	Available for Sale Financial Assets	Fair Value through Profit & Loss (FVTPL)	12,466	12,466
Other financial assets	Available for Sale Financial Assets	Fair Value through OCI (FVTOCI)	77,196	77,196
Trade receivables	Loans and Receivables	Amortised Cost (AC)	647,050	647,050
Financial assets	Loans and Receivables	Amortised Cost (AC)	118,040	118,040
Financial assets	Financial Assets Held for Trading	Fair Value through Profit & Loss (FVTPL)	100	100
Derivatives (without hedges)	Financial Assets Held for Trading	Fair Value through Profit & Loss (FVTPL)	4,243	4,243
Cash and cash equivalents	-	-	358,707	358,707
Equity and liabilities				
Bonds	Financial Liabilities Measured at Amortised Cost	Amortised Cost (AC)	101,889	101,889
Schuldscheindarlehen	Financial Liabilities Measured at Amortised Cost	Amortised Cost (AC)	199,413	199,413
Bank loans and overdrafts	Financial Liabilities Measured at Amortised Cost	Amortised Cost (AC)	117,141	117,141
Financial liabilities	Financial Liabilities Measured at Amortised Cost	Amortised Cost (AC)	751	751
Lease obligations	-	-	85,120	85,120
Trade payables	Financial Liabilities Measured at Amortised Cost	Amortised Cost (AC)	1,032,040	1,032,040
Other financial liabilities	Financial Liabilities Measured at Amortised Cost	Amortised Cost (AC)	25,805	25,805
Derivatives (without hedges)	Financial Liabilities Measured at Amortised Cost	Fair Value through Profit & Loss (FVTPL)	612	612
Derivatives (with hedges)	-	-	1,210	1,210

Impairment of financial assets

IFRS 9 replaces the incurred loss model with the expected credit loss model. The new model is applicable for financial instruments recognised at amortised cost, for contract assets (IFRS 15) and debt instruments recognised at fair value directly in equity, as well as lease receivables (IAS 17/IFRS 16).

Financial instruments recognised at fair value in equity comprise nonconsolidated interests in subsidiaries and other equity components.

The impairment model of IFRS 9 calls for the formation of a risk provision in the amount of the twelve-month expected credit loss (stage 1). Should a significant increase in the credit risk occur, then the lifetime expected credit loss is recognised (stage 2). If there is objective evidence of actual impairment, then stage 3 applies. This does not necessarily result in the recognition of additional impairment, although an adjustment of cash flows to the net present value is required for financial instruments recognised under application of the effective interest method.

In the course of the first-time application, PORR decided to apply the simplified approach allowed by IFRS 9.5.5.15 has been applied for trade receivables, contract assets and lease receivables. This means that impairment at least in the amount of the lifetime expected credit loss model is recognised (stage 2). The general impairment model is applied to all of the other aforementioned financial instruments.

The Group draws on all available information when evaluating the significant increase in the credit risk after the initial measurement and when estimating the expected credit loss. This includes historic data and future-oriented information. As a general rule, no external creditworthiness assessments are available for financial instruments.

The significant financial instruments to be valued in accordance with the general impairment model relate to project financing for companies accounted for under the equity method and other equity interests. Should no external creditworthiness assessments be available, then the credit risk is monitored using KPIs such as the DSo and equity ratio for each equity interest.

Measurement of the expected credit loss

The expected credit loss is calculated on the basis of the product from the expected net of the financial instrument, the probability of default for the period and the amount lost in the case of an actual loss.

Disclosing impairment

Impairment of assets recognised at amortised cost is deducted directly from the asset. Impairment is recognised in equity for financial instruments at fair value directly in equity.

Impairment expenses related to trade receivables and contract assets are disclosed separately in the consolidated income statement. No impairment was recognised in the year 2018.

Impairment expenses in relation to other financial instruments are shown under the financing result, as was previously the case with IAS 39.

Impacts of the new impairment model

It is expected that impairment will have to be applied earlier to assets that fall within the scope of the impairment regulations of IFRS 9. Impairment on receivables is recognised on the basis of decreases in output and does not generally relate to any impairment resulting from changes in creditworthiness. Overdue trade receivables primarily relate to public clients and industrial companies with a top credit rating and low default risk. The analysis of the historic data did not show any losses, therefore the first-time application of IFRS 9 did not have any impact on impairment as of 1 January 2018.

Loans and project financing were allocated to level 1 of the impairment model when IFRS 9 was applied for the first time, as no significant increase in the credit risk has been identified since the first-time application. The analysis of the historic data did not show any losses, therefore the first-time application of IFRS 9 did not have any impact on impairment as of 1 January 2018.

Hedge accounting

PORR has not exercised the option of continuing to apply the rules of IAS 39 for its hedge accounting; this option would not have had a significant impact on hedge accounting.

3.2. New accounting standards which have not yet been applied

The following standards and interpretations were not mandatory in reporting periods beginning on or after 1 January 2018 and the option to apply them early was not applied.

Standards and interpretations already adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
IFRS 16 Leases	13.1.2016	9.11.2017	1.1.2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation	12.10.2017	22.3.2018	1.1.2019
IFRIC 23 Uncertainty over Income Tax Treatments	7.6.2017	23.10.2018	1.1.2019
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	12.1.2017	8.2.2019	1.1.2019
Annual Improvements to IFRSs 2015-2017 Cycle	12.12.2017	14.3.2019	1.1.2019
Amendments to IAS 19 Plan Amendments, Curtailments or Settlements	7.2.2018	13.3.2019	1.1.2019

IFRS 16 Leases
The standard specifies how to recognise, measure, present and disclose leases. IFRS 16 replaces the previous standard IAS 17 and three interpretations related to leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value (option to choose). On initial recognition the liability is discounted and in subsequent years it decreases through lease payments, while also increasing through unwinding. At the same time, a right of use in the amount of the present value of future lease payments is capitalised and subsequently written down using the straight-line method. The previous differentiation between operating leases and finance leases is thereby no longer applicable. The standard was published in January 2016 and its application will be obligatory for reporting periods beginning on or after 1 January 2019. IFRS 16 features different transition options. PORR has decided against early adoption and chosen the modified retrospective approach.

The following tables show the impacts from the first-time application of IFRS 16 on the consolidated statement of financial position and on the consolidated income statement as of 31 December 2018.

in TEUR	Consolidated statement of Financial Position as of 31 Dec 2018	Adjustments	Consolidated statement of Financial Position as of 31 Dec 2018 incl. IFRS 16 adjustments
Assets			
Property, plant and equipment	666,758	195,319	862,077
Non-current assets	**1,104,102**	**195,319**	**1,299,421**
Total assets	**3,114,736**	**195,319**	**3,310,055**
Equity and liabilities			
Other reserves	135,974	-2,527	133,447
Equity	**618,234**	**-2,527**	**615,707**
Non-current financial liabilities	188,142	172,430	360,572
Non-current liabilities	**573,645**	**172,430**	**746,075**
Current financial liabilities	49,840	25,416	75,256
Current liabilities	**1,922,857**	**25,416**	**1,948,273**
Total equity and liabilities	**3,114,736**	**195,319**	**3,310,055**

in TEUR	Consolidated income statement 1–12/2018	Adjustments	Consolidated income statement 1–12/2018 incl. adjustments IFRS 16
Other operating expenses	-373,869	32,975	-340,894
EBITDA	**219,467**	**32,975**	**252,442**
Depreciation, amortisation and impairment expense	-127,143	-27,380	-154,523
EBIT	**92,324**	**5,595**	**97,919**
Finance costs	-22,659	-6,811	-29,470
EBT	**88,131**	**-1,216**	**86,915**

Standards and interpretations not yet adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of initial application
IFRS 17 Insurance Contracts	18.5.2017	1.1.2021
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	1.1.2020
Amendments to IFRS 3 Definition of a business	22.10.2018	1.1.2020
Amendments to IAS 1 and IAS 8: Definition of materiality	31.10.2018	1.1.2020

4. Consolidation principles

Business combinations are accounted for in accordance with the acquisition method. According to this method, the assets acquired and liabilities assumed as well as contingent liabilities are measured on the acquisition date at their fair values attributable at this date. Where the difference between the acquisition costs and the attributable proportion of net assets valued at fair value shows an excess, this item is shown as goodwill, which is not written off or amortised in regular amounts but is subjected to an annual test for impairment. Where any difference relates to a bargain purchase, its effect on net income is recognised immediately and shown in other operating income.

All accounts receivable and payable between consolidated companies are eliminated during debt consolidation. Intragroup income and expense is offset within the framework of consolidation of income and expense. Intragroup profits or losses from intragroup deliveries are eliminated if these relate to significant amounts and the relevant assets are still recognised in the consolidated financial statements.

Shares in net assets of subsidiaries not attributable to PORR AG are shown separately as part of equity capital under the item “non-controlling interests”.

5. Accounting and measurement methods

The annual financial statements of all companies included in the consolidated financial statements are prepared according to standard accounting and measurement methods.

5.1. Measurement principles

Historic acquisition costs form the basis for the measurement of intangible assets and property, plant and equipment (except for real estate) and for loans, inventories, accounts receivable from billed orders and liabilities.

The fair value at the end of the reporting period is the basis for the measurement in respect of other equity interests, derivative financial instruments and investment property; the fair value at the date of revaluation is the basis for measurement for real estate used by the Group.

Contract assets from construction contracts that have not been completed, which are included under trade receivables, reflect the respective proportion of revenue corresponding to the percentage of completion at the end of the reporting period less any payments already made by the customer.

Currency translation: The companies included in the consolidated financial statements prepare their annual financial statements in their respective functional currencies, whereby the functional currency is the relevant currency for the commercial activities of the company concerned. The functional currency for all of the companies included is the currency of the country in which the company concerned is domiciled.

Items in the consolidated statement of financial position are translated at the mean rate of exchange at the end of the reporting period and income statement items are translated at the annual mean rate of exchange for the business year (as an arithmetic mean of all end-of-month quotations). Differences resulting from the currency translation are reported in other comprehensive income. These translation differences are recognised in the income statement at the date of disposal of the business activities.

In the event of company acquisitions, adjustments of the carrying amounts of the acquired assets and assumed liabilities to the fair value at the date of acquisition or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidation in a currency other than the functional currency are recognised in profit or loss for the period. Monetary items not denominated in the functional currency held by companies included in the consolidation are translated at the mean rate ruling at the end of the reporting period. Exchange gains or losses resulting from this translation are also recognised in profit or loss.

Intangible assets are capitalised at acquisition cost and amortisation is recognised on a straight-line basis over the probable useful life.

	Rates of amortisation	
	2018	2017
Rental rights	1.22 – 50.0	1.22 – 50.0
Licences, software	8.33 – 50.0	8.33 – 50.0
Mining rights	depends on assets	depends on assets
Customer relations	14.3	14.3

The amortisation apportionable to the business year is shown in the income statement under the item "Depreciation, amortisation and impairment expense".

If impairment is established, the relevant intangible assets are recognised at the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the carrying amount, which would have been determined had the impairment loss not been accrued.

Goodwill is recorded as an asset. In order to assess any impairment demand, goodwill of the cash-generating unit or groups of cash-generating units will be assigned, which benefit from the synergies of the Group amalgamation. This cash-generating unit or groups of cash-generating units are tested once a year for impairment, as well as at any other time where circumstances exist that indicate there may be possible impairment.

Property, plant and equipment, with the exception of real estate, is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and is subject to the previously accumulated and regularly applied straight-line depreciation during the year under review, whereby the following rates of depreciation are applied:

	Rates of depreciation	
	2018	2017
Technical plants and machinery	10.0 – 50.0	10.0 – 50.0
Other plants, factory and business equipment	10.0 – 50.0	10.0 – 50.0

The depreciation rates are based on the probable useful life of the facilities. If impairment is established, the relevant tangible assets are impaired to the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, an impairment reversal is recognised equivalent to the carrying amount, which would have been determined had the impairment expense not been accrued. Fundamental rebuilding work is recognised in the statement of financial position, while ongoing maintenance work, repairs and minor rebuilding work are recognised in profit or loss at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. The external assessments are held at periodic intervals of maximum five years; in the interim period assessments from internal experts are used to update the expert opinions. Revaluations are performed on a regular basis so that the carrying amounts do not deviate significantly from the fair values attributable at the end of the reporting period. The date for the revaluation for the end of the reporting period generally falls in the fourth quarter of the reporting year. The carrying amount is adjusted to the respective fair value by using a revaluation reserve in other comprehensive income. The revaluation reserve is reduced by the applicable deferred tax liability. Regular depreciation of revalued buildings is carried out according to the straight-line method, where the depreciation rates lie essentially between 1.0% and 4.0% (previous year: between 1.0% and 4.0%), and is recognised in the income statement. On a subsequent sale or decommissioning of revalued land or buildings, the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred to retained earnings.

Plants under construction, including buildings under construction, which are to be used for operational purposes or whose type of use has not yet been established, are accounted for at acquisition cost or manufacturing cost less impairment. Depreciation or impairment of these assets commences upon their completion or attainment of operational status.

Investment property is real estate that is held for the purpose of obtaining rental income and/or for the purpose of its rise in value. This includes office and commercial premises, residential buildings and unimproved land. These are recognised at their fair values. Gains or losses from changes in value are reflected in profit or loss for the period in which the change in value occurred.

The fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

Leases are classified as finance leases when, according to the lease contract, all the risks and rewards relating to the ownership are essentially transferred to the lessee. All other leases are classified as operating leases.

The Group as lessor
Where the Group is the lessor, the only lease contracts applicable are operating leases. The rental income from these contracts is recognised in net income on a straight-line basis over the term of the corresponding lease.

The Group as lessee
Assets held under finance leases are recorded as Group assets at their fair values or at the present value of the minimum lease payments if this is lower, at the beginning of the lease. The minimum lease payments are those amounts payable during the non-terminable term of the lease, including a guaranteed residual value. The corresponding liability owed to the lessor is recorded in the statement of financial position as obligations under finance leases. The lease payments are apportioned between interest paid and the reduction of the lease obligation in such a way as to achieve a constant rate of interest on the remaining liability. Interest expense is recognised in the income statement.

Rental payments on operating leases are recognised in profit or loss for the period on a straight-line basis over the term of the corresponding lease.

Shares in associates and in joint ventures are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired at fair value and, if applicable, goodwill. The carrying amount is increased or decreased annually by the proportionate annual profit or loss, dividends received and other changes to equity capital. Goodwill is not subject to planned amortisation, rather it is assessed for impairment as a part of the relevant shareholding when circumstances exist that indicate there may be possible impairment.

Shares in consortiums (joint ventures): Group shares in profits and losses from consortiums classified as joint ventures are shown in the consolidated income statement under as profit/loss from companies accounted for under the equity method. Group revenues from goods and services to consortiums are shown in the consolidated income statement under revenue. Capital paid into a consortium is entered under trade receivables (see note 24), together with profit shares and trade receivables for the relevant consortium and after deductions for withdrawals and general losses. If there is on balance a passive entry, this is included under trade payables (see note 37).

Shares in joint operations: The consolidated financial statements recognise the proportionate assets and liabilities and the proportionate expenses and income attributable to the PORR Group.

Pursuant to the standards applicable as of 31 December 2017, **loans**, other **financial assets**, **securities**, **construction contracts and trade receivables** are measured as follows. Please see note 3.1 for changes arising from the amendments to IFRS 9 and IFRS 15.

Loans are measured at amortised cost according to the effective interest method, less general allowances (value adjustments) due to impairment.

Shares in non-consolidated companies and other shareholdings shown under **other financial assets** are valued at acquisition cost, as with regard to these stakes and shareholdings, in the absence of listings, there is no stock exchange rate available and reliable fair values cannot be determined for these. If impairment is established, they are written down to the recoverable amount.

Securities available for sale are measured at fair value. Gains or losses from changes to the fair value, with the exception of revaluations due to impairment and gains and losses arising from securities denominated in foreign currencies, are entered into other comprehensive income. In the case of derecognition of these kinds of securities, or if impairment is indicated, the cumulative gain or loss in equity capital will be entered into profit or loss for the period. Interest is calculated by the effective interest method and is recognised in consolidated profit or loss.

The securities classified as held for trading are measured at their fair value. Gains or losses from changes in fair value are recognised in profit or loss.

Impairment of **financial assets**: At the end of each reporting period an assessment is carried out as to whether there are any indicators that a financial asset has been impaired. An impairment loss is recognised if there is evidence that the expected future cash flows from the asset in question will be reduced because of an event occurring after the initial recognition of that asset. If the impairment loss has decreased in a subsequent period because of an event occurring following its recognition, the impairment loss is reversed by increasing the carrying amount of the asset. In the case of financial assets measured at amortised cost, the maximum amount of any reversal is the amount that would have been recognised as the amortised cost of the financial asset in question if no impairment loss had been recognised.

Construction contracts are recognised according to the percentage of completion of the contract (POC method). The anticipated revenues from the contracts are shown under revenue according to the respective percentage of completion. The percentage of completion, which is the basis for the amount of the contract revenues shown, is, as a rule, determined according to the ratio of the services supplied compared to the estimated total services at the end of the reporting period. Claims are only recognised when it is likely that the customer will accept them and when they can be reliably measured. Where the result of a construction contract cannot be reliably estimated, the amount of the accumulated contract costs alone shall represent the amount recorded for contract revenues. If it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately and in full.

The revenues attributable to the services supplied so far according to the percentage of completion method are, to the extent that they exceed the payments on account made by the customer, shown in the statement of financial position under trade receivables. Amounts by which the payments on account received exceed the revenues attributable to the services supplied so far are shown under other liabilities.

Where construction contracts are executed in consortiums, profits are also recognised using the POC method.

Receivables are fundamentally recognised using the effective interest method, whereby the carrying amount generally corresponds to the nominal value. Should there be substantial evidence of risks regarding recovery, allowances are set up. Objective indicators suggesting the need for impairment include, for example, a decline in the creditworthiness of the debtor and related payment delays or impending insolvency. The necessary allowances are based on the actual risk of default.

Raw materials and supplies are valued at the lower of acquisition cost and net realisable value.

Recorded under inventories, **land intended for sale** is valued at the lower of acquisition cost, manufacturing cost and net realisable value.

Acquisitions and sales of **financial assets** common to the market (spot transactions) are shown in the statement of financial position on the settlement date.

Deferred tax items are recognised where there are temporary differences between the values of assets and liabilities in the consolidated financial statements on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax expense or tax relief. In addition, a deferred tax asset for future asset advantage resulting from tax loss carryforwards is recognised if there is sufficient certainty of realisation. Temporary differences arising from the first recognition of goodwill constitute exceptions to this comprehensive tax deferral.

The calculation of the deferred tax amount is based on the rate of income tax valid in the country concerned; for Austrian companies this is a tax rate of 25%.

If a Group company purchases **treasury shares** in PORR AG, the value of the consideration paid, including directly attributable additional costs (net of income tax), will be deducted from the equity of PORR AG until the shares are retired or re-issued. If these shares are subsequently re-issued, the consideration paid (less deductions for directly attributable additional costs and related income taxes) will be recognised in the equity of PORR AG.

The **provisions for severance payments, pensions and anniversary bonuses** are determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed by a recognised actuary on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 1.9% p.a. (previous year: 1.9%) was applied with salary increases of 2.0% (previous year: 2.1%). When determining provisions for severance payments and anniversary bonuses for Austria, deductions are made for fluctuations based on statistical data within a range of 0.4% to 10.5% (previous year: 0.4% to 10.5%) and for anniversary bonuses in Germany a range of 0.0% to 16.6% (previous year: 0.0% to 10.6%) was applied, while for severance payments in Poland a range of 0.0% to 9.25% was applied. When determining provisions for pensions, a pension increase of 2.0% p.a. (previous year: 2.0% p.a.) was applied in Austria and Germany. For Austrian companies the assumed retirement age is the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), taking into account all transitional arrangements; for German companies the legal retirement age is used. The life table AVÖ 2018-P was used for calculating provisions in Austria (previous year: life table AVÖ 2008-P – Pagler & Pagler), while for Germany the life table Richttafeln 2018 G by Heubeck was used (previous year: life table Richttafeln 2005 G by Klaus Heubeck).

Actuarial gains and losses for severance payments and pensions are recognised in full in other comprehensive income, while anniversary bonuses are under profit or loss for the period. Service costs are under staff expense. Interest paid is recorded under finance costs.

Other provisions take account of all currently discernible risks and contingent liabilities from past events whereby an outflow of resources is judged to be probable. They are recognised with the best estimate of the expenditure required to settle the present obligation if a reliable estimate exists. Provisions related to impending losses and damages and penalties from contracts are recorded in other provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

Pursuant to the standards applicable as of 31 December 2017, **financial liabilities, derivative financial instruments and revenues** are measured as follows. Please see note 3.1 for changes arising from the amendments to IFRS 9 and IFRS 15.

Financial liabilities are measured at fair value less direct transaction costs when they are initially recognised. If the amount of the repayment is lower or higher, this is written down or up in accordance with the effective interest method.

Derivative financial instruments are recognised at fair value. Gains and losses from changes in the market value of forward contracts designated as hedging instruments which should hedge the risk in variability of the cash flow in the functional currency from planned transactions in the foreign currency ("cash flow hedges"), along with other derivative financial instruments which are designated as cash flow hedges, are entered into other comprehensive income, as long as they are allotted to the effective part of the hedge transaction. Gains and losses from changes in the market value of forward contracts not designated as hedging instruments are recognised in profit or loss.

Revenue is measured at the fair value of the consideration. Discounts and other subsequent reductions in revenue are deducted from this amount. Sales taxes and other taxes related to the sale are not part of the consideration or revenue. Revenue from the sale of assets is recognised on delivery and transfer of the opportunities and risks. Revenue from construction contracts is recognised according to the percentage of completion allocated over the period of the contract.

Interest income is defined in accordance with the effective interest method. The effective interest rate is any interest rate where the present value of future cash flow from the financial asset value corresponds to the carrying amount of the asset. **Dividend income** from financial investments is recognised when legal title arises.

Borrowing costs resulting directly from acquisition or production of qualifying assets, even those whose acquisition or manufacture takes up a considerable time period until the intended use or sale, form part of the cost of the asset and are therefore capitalised. Other borrowing costs are recorded as an expense in the period in which they were incurred.

6. Key assumptions and key sources of estimation uncertainty

6.1. Key sources of estimation uncertainty

The following presents significant assumptions related to the future and other key sources of estimation uncertainty which could lead to significant adjustments in the consolidated financial statements for the following business year of results reported:

Provisions for severance and pensions
The valuation of existing pension and severance obligations relies on assumptions and estimates which could have a significant impact on the amounts recognised.

For pension provisions, the following actuarial assumptions were deemed relevant and the following margins were applied: Discount rate +/-0.25%, Pension trend +/-0.25%, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in life expectancy for the total candidates of the respective plan.

The differences to the values disclosed in the statement of financial position (see note 34) are shown in the tables below as relative deviations:

2018	Interest +0.25 PP				Interest –0.25 PP			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	-5.10%	-4.40%	-2.20%	-2.60%	5.50%	4.70%	2.20%	2.70%
	Pension trend +0.25 PP				**Pension trend –0.25 PP**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	5.50%	4.70%	2.20%	2.70%	-5.10%	-4.40%	-2.20%	-2.60%
	Life expectancy +1 year				**Life expectancy –1 year**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	4.10%	4.40%	6.50%	6.10%	-4.10%	-4.40%	-6.30%	-5.90%

2017	Interest +0.25 PP				Interest –0.25 PP			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	-4.10%	-3.70%	-2.40%	-2.60%	4.40%	3.60%	2.50%	2.70%
	Pension trend +0.25 PP				**Pension trend –0.25 PP**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	4.30%	3.60%	2.50%	2.70%	-4.00%	-3.70%	-2.40%	-2.60%
	Life expectancy +1 year				**Life expectancy –1 year**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	2.80%	3.80%	5.90%	5.50%	-2.50%	-3.60%	-5.10%	-4.80%

For provisions for severance payments, the following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/-0.25%, Salary trend +/-0.25%, Fluctuation +/-0.5% up to 25th year of work, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in average life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position (see note 34) is shown in the tables below as relative deviations:

	Interest +0.25 PP	Interest –0.25 PP	Salary trend +0.25 PP	Salary trend –0.25 PP
Severance DBO	-1.89%	1.96%	1.93%	-1.87%
	Fluctuation +0.5 PP up to 25th year of work	**Fluctuation –0.5 PP up to 25th year of work**	**Life expectancy +1 year**	**Life expectancy –1 year**
Severance DBO	-0.18%	0.18%	0.08%	-0.09%

	Interest +0.25 PP	Interest −0.25 PP	Salary trend +0.25 PP	Salary trend −0.25 PP
Severance DBO	-1.90%	1.96%	1.92%	-1.86%

	Fluctuation +0.5 PP up to 25th year of work	Fluctuation −0.5 PP up to 25th year of work	Life expectancy +1 year	Life expectancy −1 year
Severance DBO	-0.16%	0.17%	0.10%	-0.11%

Contract assets

The evaluation of client contracts under the POC method until project completion, in particular with a view to the accounting of claims, the contract revenue using the POC method, and the estimate of the probable operating profit from the contract, is based on expectations of the future development of the relevant construction contracts. A change in these estimates, particularly as regards contract costs to complete the contract, percentage of completion, the estimated operating profit and the final claims accepted can have a significant effect on the Group's financial position and financial performance (see note 24). The following sensitivity analysis shows the impact of changes to the key parameters on the carrying amounts:

in TEUR	Carrying amount 31.12.2018	Significant valuation assumptions	Change	Effect on carrying amounts
Contract assets not including prepayments	3,262,707	EBT margin	+/-0.5 PP	+/-16,314
Provisions for onerous contracts	12,260	Provision/ contract value	+/-0.5 PP	+/-511
Provisions for damages and penalties	37,927	Provision/ contract value	+/-0.5 PP	+/-12,819
Provisions for guarantees	76,765	Provision/ contract value	+/-0.5 PP	+/-23,858

in TEUR	Carrying amount 31.12.2017	Significant valuation assumptions	Change	Effect on carrying amounts
Contract values as per POC method	3,838,882	EBT margin	+/-0.5 PP	+/-17,640
Provisions for onerous contracts	18,280	Provision/ contract value	+/-0.5 PP	+/-634
Provisions for damages and penalties	37,648	Provision/ contract value	+/-0.5 PP	+/-9,784
Provisions for guarantees	69,583	Provision/ contract value	+/-0.5 PP	+/-18,886

Impairment

Impairment tests on goodwill, other intangible assets, property, plant and equipment are primarily based on estimated future cash flows which are expected from the continuous use of an asset and its disposal at the end of its useful life. Factors such as lower revenues or rising expenditure and the resulting lower cash flows as well as changes to the discount factors used can lead to impairment due to a reduction in value or, as far as allowed, to a reversal of impairment due to an increase in value. The carrying amounts and the valuation assumptions applied to key impairment tests on goodwill are as follows (no impairment tests have yet been conducted on the goodwill of the Alpine Bau CZ Group, which was newly acquired in the business year, as the purchase price allocation has not yet been finalised):

2018	Goodwill in TEUR	Fair value hierarchy	Method used	Business plan assumptions	Growth rate %	Discount rate after taxes %	Effective date
Road construction	7,704	-	Value in use	Revenue p.a. -4.0 – 3.6%	1	9.45	31.12.
PPI	10,949	-	Value in use	Revenue p.a. -12.2 – 6.9%	1	8.13	31.12.
Oevermann	44,170	-	Value in use	Revenue p.a. 0.0 – 2.1%	1	6.02	31.12.
BB Government	13,157	-	Value in use	Revenue p.a. 2.0 – 15.6%	1	5.99	31.12.
Hinteregger	23,388	-	Value in use	Revenue p.a. -31.6 – 19.9%	1	6.64	31.12.

2017	Goodwill in TEUR	Fair value hierarchy	Method used	Business plan assumptions	Growth rate %	Discount rate after taxes %	Effective date
Road construction	7,704	-	Value in use	Revenue p.a. -5.7 – 3.4%	1	8.83	31.12.
PPI	11,288	-	Value in use	Revenue p.a. 2.0 – 26.2%	1	8.98	31.12.
Oevermann	44,170	-	Value in use	Revenue p.a. 0.0 – 35.1%	1	8.17	31.12.

The following shows the changes in parameters that would lead to impairment for the cash-generating unit of the Hinteregger Group.

	Discount rate +0.5%	EBITDA margin −10%
Hinteregger	-	-1,460

Management assumes that there will not be any significant changes which could lead to impairment for the cash-generating unit of road construction, Porr Polska Infrastructure (PPI), the Oevermann Group and the BB Government Group.

7. Revenues

The gross revenues of TEUR 4,959,109 (previous year: TEUR 4,292,886) include the construction work of own construction sites, goods and services to consortiums, and other revenues from ordinary activities.

The following table shows total Group output by business area, in which the output from contracts carried out by consortiums is recognised together with the proportion attributable to a company included in the consolidated financial statements, and then transferred to revenue.

in TEUR	2018	2017
Business areas		
BU 1 – Austria, Switzerland, Czech Republic	2,741,412	2,428,439
BU 2 – Germany	926,657	741,129
BU 3 – International	1,617,041	1,307,492
BU 4 – Environmental Engineering, Healthcare & Services	243,432	225,180
Holding	64,372	35,924
Total Group output	**5,592,914**	**4,738,164**
of which proportional output from companies accounted for under the equity method and subsidiaries and shareholdings of minor significance	-633,805	-445,278
Revenue	**4,959,109**	**4,292,886**

	BU 1 – Austria, Switzerland, Czech Republic	**BU 2 – Germany**	**BU 3 – International**	**BU 4 – Environmental Engineering, Healthcare & Services**	**Holding**	**Group**
Revenue						
Building construction						
Commercial/office construction	190,576	106,265	110,778	-	-	407,619
Industrial engineering	185,908	12,432	9,598	-	-	207,938
Miscellaneous building construction	197,483	120,780	43,016	-	8,372	369,651
Residential construction	480,320	71,968	14,226	-	-	566,514
Civil engineering						
Railway construction	103,629	-	197,210	-	-	300,839
Bridge/overpass construction	88,451	66,818	145,437	-	-	300,706
Miscellaneous civil engineering	191,964	181,679	53,530	12,255	-	439,428
Road construction	453,842	151,053	233,130	-	-	838,025
Tunnelling	10,661	54,146	514,437	-	-	579,244
Other sectors	553,937	84,405	121,768	177,224	11,811	949,145
Revenue	**2,456,771**	**849,546**	**1,443,130**	**189,479**	**20,183**	**4,959,109**
Revenue recognised over time	2,406,081	842,028	1,443,130	97,225	20,183	4,808,647
Revenue recognised at a point of time	50,690	7,518	-	92,254	-	150,462

Revenue can be subdivided as follows:

in TEUR	2018	2017
Revenues from construction contracts	4,655,427	4,001,726
Revenues from sales of raw materials and other services	303,682	291,160
Total	**4,959,109**	**4,292,886**

Revenue exclusively comprises revenue from customer contracts. Promised goods or services in the amount of TEUR 5,314,711 lead to revenue of TEUR 2,848,392 in the following year and TEUR 2,466,319 in the years after that.

8. Other operating income

in TEUR	2018	2017
Income from releases of provisions	33,394	32,370
Income from the sale of property, plant and equipment	17,887	12,577
Revenue from the provision of staff	26,189	19,354
Insurance payments	12,938	8,971
Exchange gains	14,437	12,728
Revenue from charging materials	10,144	7,761
Revenue from other charges passed on	19,979	18,005
Rent from space and land	4,996	4,585
Other income related to staff	6,380	4,885
Miscellaneous	37,579	49,682
Total	**183,923**	**170,918**

Miscellaneous other operating income largely comprises deductions for the private use of company cars, compensation for damages in the course of realising tenders and additional services rendered.

9. Cost of materials and other related production services

in TEUR	2018	2017
Expenditure on raw materials and supplies and for purchased goods	-1,068,261	-909,283
Expenditure on purchased services	-2,394,374	-2,034,744
Total	**-3,462,635**	**-2,944,027**

10. Staff expense

in TEUR	2018	2017
Wages and salaries	-952,294	-831,577
Social welfare expenses	-218,062	-190,415
Expenditure on severance payments and pensions	-8,442	-14,076
Total	**-1,178,798**	**-1,036,068**

Expenditure on severance payments and pensions includes the prior service costs and contributions to the staff provision fund for employees who commenced employment with an Austrian group company after 31 December 2002 and voluntary severance payments. The interest expense arising from severance payments and pension obligations is shown under the item finance costs.

11. Depreciation, amortisation and impairment expense

Amortisation of TEUR 12,371 (previous year: TEUR 9,571) was applied to intangible assets and depreciation of TEUR 114,772 (previous year: TEUR 100,889) to property, plant and equipment, of which TEUR 2,727 (previous year: TEUR 1,471) relates to impairment. For more detailed information please refer to notes 17 and 18.

12. Other operating expenses

in TEUR	2018	2017
Legal and consultancy services, insurance	-57,733	-45,459
Buildings and land	-66,654	-55,206
Exchange losses	-13,618	-7,004
Fleet	-36,145	-30,098
Advertising	-13,245	-13,371
Office operations	-32,214	-28,102
Commission on bank guarantees	-19,662	-16,554
Other taxes	-12,866	-10,013
Contributions and fees	-8,341	-9,673
Training	-4,525	-4,183
Travel expenses	-40,198	-34,911
Miscellaneous	-68,668	-92,038
Total	**-373,869**	**-346,612**

Other operating expenses essentially comprise taxes and duties, third party services and general administrative costs. Miscellaneous operating expenses also include other rental payments from rental and leasing contracts of TEUR 32,975 (previous year: TEUR 33,913).

13. Income from financial investments and current financial assets

in TEUR	2018	2017
Income from shareholdings	3,191	1,911
of which from affiliated companies	(-)	(24)
Expenditure from shareholdings	-489	-2,325
of which from affiliated companies	(-74)	(-1,702)
Income/expenditure from current financial assets	1,051	1,149
Interest	14,713	15,250
of which from affiliated companies	(-)	(43)
Total	**18,466**	**15,985**

Under the item interest, interest of TEUR 2,339 (previous year: TEUR 6,092) (see note 45) to the UBM Group is included. Interest relates to financial assets measured at fair value not affecting net income.

14. Finance costs

in TEUR	2018	2017
Interest and similar expenditure relating to bonds and Schuldscheindarlehen	-9,404	-10,025
Other interest and similar expenses	-13,255	-10,855
of which from affiliated companies	(-5)	(-6)
of which interest expenditure from social overhead capital provisions	(-2,627)	(-2,330)
Total	**-22,659**	**-20,880**

As in the previous year, no borrowing costs were capitalised in the year under review. The capitalisation rate was between 0.2% and 6.4% (previous year: 0.25% and 6.25%).

15. Income tax

Income tax comprises the taxes on income and earnings and deferred taxes paid or owed in the individual countries for the year under review.

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in TEUR	2018	2017
Actual tax expense	20,530	9,679
Deferred tax expense (+)/income (-)	1,406	11,954
Tax expense (+)/income (-)	**21,936**	**21,633**

The tax expense resulting from the application of the Austrian Corporation Tax rate of 25% can be reconciled to the tax expense as reported in the income statement as follows:

in TEUR	2018	2017
EBT	**88,131**	**85,324**
Theoretical tax expense (+)/income (-)	22,033	21,331
Differences in rates of taxation	-1,661	-2,404
Tax effect of non-deductible expenditure and tax-exempt income	-3,565	-715
Income/expenditure from companies accounted for under the equity method	-1,552	-3,541
Changes in deferred tax assets not applied in relation to loss carryforwards and temporary differences	952	6,721
Effect from taxation changes	-629	65
Tax expense (+)/income (-) related to other periods	6,506	926
Other	-148	-750
Taxes on income	**21,936**	**21,633**

In addition to the tax expense recognised in the consolidated income statement, the tax effect of expenses and income set off to other comprehensive income was also recognised in other comprehensive income. The income recognised in other comprehensive income amounted to TEUR -1,414 (previous year: TEUR -1,843). Payouts from capital derived by hybrid capital, profit-participation rights and the costs of the capital increase classified as equity capital are tax deductible. The resulting tax of TEUR 2,807 (previous year: TEUR 1,410) was recognised directly in equity.

Summary of tax effects in other comprehensive income:

in TEUR	2018	2017
Revaluation reserve	61	-
Remeasurement from defined benefit obligations	925	-1,170
Debt securities available for sale: fair value reserve	-	-670
Remeasurement of equity instruments	285	-
Reserve for cashflow hedges	136	-8
Equity attributable to shareholders of parent	**1,407**	**-1,848**
Equity attributable to non-controlling interests	7	5
Total	**1,414**	**-1,843**

16. Earnings per share

Earnings per share are calculated by dividing the proportion of the annual profit relating to the shareholders of the parent company by the weighted average number of shares in issue.

in TEUR	2018	2017
Proportion of annual surplus relating to shareholders of parent	62,726	60,492
Weighted average number of issued shares and capital share certificates	28,878,505	28,878,505
Basic earnings per share = diluted earnings per share in EUR	**2.17**	**2.09**

As there were no potential diluted transactions for the business years 2017 and 2018, the diluted earnings per share correspond to the basic earnings per share.

Reconciliation statement for the weighted number of shares:

	2018	2017
Shares in issue as of 1 Jan	29,095,000	29,095,000
less treasury shares	-216,495	-216,495
Shares in issue less treasury shares as of 1 Jan	28,878,505	28,878,505
Weighted average of ordinary shares as of 31 Dec	**28,878,505**	**28,878,505**

17. Intangible assets

in TEUR	Concessions, licences and similar rights	Software	Goodwill	Other intangible assets	Total
Acquisition costs and manufacturing costs					
Balance as of 1 Jan 2017	46,316	44,270	34,460	12,928	137,974
Additions/disposals due to changes in the consolidated group	5	11,555	79,758	-	91,318
Additions	553	1,037	-	-	1,590
Disposals	-11,795	-707	-6,282	-	-18,784
Reclassifications	-2,020	16	-	-	-2,004
Currency adjustments	97	86	240	-	423
Balance as of 31 Dec 2017	**33,156**	**56,257**	**108,176**	**12,928**	**210,517**
Reclassification pursuant to IFRS 3.49	-	-	1,742	-	1,742
Additions/disposals due to changes in the consolidated group	-	492	12,220	-	12,712
Additions	972	3,221	-	-	4,193
Disposals	-56	-3,953	-3,957	-	-7,966
Reclassifications	20	2,714	-	-	2,734
Currency adjustments	29	-33	-343	-	-347
Balance as of 31 Dec 2018	**34,121**	**58,698**	**117,838**	**12,928**	**223,585**
Accumulated amortisation and impairment					
Balance as of 1 Jan 2017	28,557	30,635	6,826	9,359	75,377
Additions/disposals due to changes in the consolidated group	3	3,778	785	-	4,566
Additions (planned amortisation)	1,673	4,784	-	1,643	8,100
Additions (impairment)	-	-	1,471	-	1,471
Disposals	-11,795	-679	-6,282	-	-18,756
Reclassifications	-234	-	-	-	-234
Currency adjustments	20	57	-	-	77
Balance as of 31 Dec 2017	**18,224**	**38,575**	**2,800**	**11,002**	**70,601**
Additions/disposals due to changes in the consolidated group	-	320	-	-	320
Additions (planned amortisation)	2,144	5,858	-	1,642	9,644
Additions (impairment)	-	-	2,727	-	2,727
Disposals	-34	-3,930	-3,956	-	-7,920
Currency adjustments	23	-22	-	-	1
Balance as of 31 Dec 2018	**20,357**	**40,801**	**1,571**	**12,644**	**75,373**
Carrying amounts – balance as of 31 Dec 2017	**14,932**	**17,682**	**105,376**	**1,926**	**139,916**
Carrying amounts – balance as of 31 Dec 2018	**13,764**	**17,897**	**116,267**	**284**	**148,212**

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the cash-generating unit or groups of cash-generating units to which it belongs in each particular case.

This applies to the segments as shown below:

in TEUR	Balance 1 Jan 2018	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance 31 Dec 2018
BU 1 – Austria, Switzerland, Czech Republic	12,561	-5	12,220	-	-1,623	23,153
BU 2 – Germany	57,328	-	-	-	-	57,328
BU 3 – International	33,672	-339	1,742	-	-	35,075
BU 4 – Environmental Engineering, Healthcare & Services	1,484	-	-	-	-795	689
Holding	331	-	-	-	-309	22
Total	**105,376**	**-344**	**13,962**	**-**	**-2,727**	**116,267**

in TEUR	Balance 1 Jan 2017	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance 31 Dec 2017
BU 1 – Austria, Switzerland, Czech Republic	12,561	-	-	-	-	12,561
BU 2 – Germany	-	-	57,328	-	-	57,328
BU 3 – International	11,787	240	21,645	-	-	33,672
BU 4 – Environmental Engineering, Healthcare & Services	2,955	-	-	-	-1,471	1,484
Holding	331	-	-	-	-	331
Total	**27,634**	**240**	**78,973**	**-**	**-1,471**	**105,376**

In the segment Business Unit 1 – Austria, Switzerland, Czech Republic, goodwill of TEUR 7,704 is allocated to the cash-generating unit of road construction. In the segment Business Unit 2 – Germany, goodwill totalling TEUR 44,170 is allocated to the cash-generating unit of the Oevermann Group. In the segment Business Unit 3 – International, goodwill of TEUR 10,949 is allocated to the cash-generating unit Porr Polska Infrastructure, further goodwill totalling TEUR 23,388 is allocated to the cash-generating unit of the Hinteregger Group. The goodwill newly acquired in the reporting year from the Alpine Bau CZ Group has not yet been allocated to the cash-generating unit (provisionally allocated to the segment BU 1) as the purchase price allocation has not yet been finalised (see note 2.1).

The impairment test involves comparing the total of the carrying amounts of the assets of the cash-generating unit to which goodwill was allocated in addition to the carrying amount of the goodwill allocated to this cash-generating unit, with the recoverable amount of the same assets. The recoverable amount of the cash-generating unit corresponds to the fair value less sale costs or the value in use, if this is higher. The fair value is determined on the basis of a DCF calculation. In cases where no fair value can be determined, the value in use, i.e. the present value of probable future cash flows generated by the segment, is laid down as the recoverable amount. The cash flows were derived from budgets for three to five years approved by the Executive Board and current as at the time of the implementation of the impairment tests. More details on the parameters and sensitivity analyses used in impairment tests are given in note 6.1.

The comments shown under accounting and measurement methods explain the useful lives and methods of amortisation, depreciation and impairment.

The consolidated income statement contains impairment related to goodwill of TEUR 2,727 (previous year: TEUR 1,471), shown under the item "Depreciation, amortisation and impairment expense", as well as amortisation on other intangible assets. Impairment related to goodwill was applied because of a downturn in the market environment or the expiry of a business model.

18. Property, plant and equipment

in TEUR	Land, land rights and buildings on land owned by others and assets under construction	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets under construction	Total
Acquisition costs, manufacturing costs and revaluations					
Balance as of 1 Jan 2017	484,065	460,803	137,376	3,174	1,085,418
Additions/disposals due to changes in the consolidated group	13,079	93,562	7,527	1,961	116,129
Additions	22,903	82,431	50,282	17,273	172,889
Disposals	-42,515	-89,461	-27,097	-1,614	-160,687
Reclassifications	-1,632	4,161	-2,707	-2,746	-2,924
Currency adjustments	2,609	2,075	1,028	19	5,731
Revision arising from revaluation	-446	-	-	-	-446
Balance as of 31 Dec 2017	**478,063**	**553,571**	**166,409**	**18,067**	**1,216,110**
Reclassification pursuant to IFRS 3.49	-	-1,197	3	-	-1,194
Additions/disposals due to changes in the consolidated group	3,985	8,175	1,731	1	13,892
Additions	28,541	76,445	53,251	13,551	171,788
Disposals	-9,030	-63,037	-35,770	-4,928	-112,765
Reclassifications	4,320	4,965	4,161	-11,605	1,841
Currency adjustments	-544	-910	-276	-38	-1,768
Revision arising from revaluation	-231	-	-	-	-231
Balance as of 31 Dec 2018	**505,104**	**578,012**	**189,509**	**15,048**	**1,287,673**
Accumulated depreciation and impairment					
Balance as of 1 Jan 2017	226,213	265,224	71,095	177	562,709
Additions/disposals due to changes in the consolidated group	4,367	60,818	6,307	-	71,492
Additions (planned depreciation)	14,082	56,353	30,454	-	100,889
Disposals	-34,669	-75,356	-23,638	-	-133,663
Reclassifications	-691	443	-858	-	-1,106
Currency adjustments	859	1,568	602	-	3,029
Balance as of 31 Dec 2017	**210,161**	**309,050**	**83,962**	**177**	**603,350**
Additions/disposals due to changes in the consolidated group	299	1,432	1,504	-	3,235
Additions (planned depreciation)	14,916	64,812	35,044	-	114,772
Disposals	-4,030	-64,774	-31,531	-177	-100,512
Reclassifications	928	-2,935	2,935	-	928
Currency adjustments	-139	-579	-140	-	-858
Balance as of 31 Dec 2018	**222,135**	**307,006**	**91,774**	**-**	**620,915**
Carrying amounts – balance as of 31 Dec 2017	**267,902**	**244,521**	**82,447**	**17,890**	**612,760**
Carrying amounts – balance as of 31 Dec 2018	**282,969**	**271,006**	**97,735**	**15,048**	**666,758**

Land, land rights and buildings, including buildings on land owned by others, includes reserves for raw materials amounting to TEUR 52,648 (previous year: TEUR 56,900), which is written off based on performance.

Scheduled depreciation is shown under “Depreciation, amortisation and impairment expense”.

The value of property under property, plant and equipment which was valued by an external expert at the end of the reporting period amounts to TEUR 27,294 (previous year: TEUR 6,750).

The carrying amount for property, plant and equipment pledged for security at the end of the reporting period is TEUR 36,247 (previous year: TEUR 36,458).

The carrying amount for land, land rights and buildings, including buildings on land owned by others and usage rights shown under intangible assets would have amounted to TEUR 269,220 (previous year: TEUR 260,468) under application of the cost model as of 31 December 2018.

Fair value of land and buildings

Determining the fair value of properties is carried out by way of a revolving cycle. Fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement. An internal valuation team determines the market value of any property which has not undergone an external valuation. Discussions related to the parameters which need to be applied to determine fair value (Level 3) are led by operational project developers, the Executive Board and the valuation team.

The various levels are defined as follows:
- Quoted (non-adjusted) prices in active markets for identical assets or liabilities (Level 1)
- Inputs which differ from the quoted market prices in Level 1, which are either indirectly observable (i.e. as a price) or directly observable (i.e. derived from the price) (Level 2).
- Inputs which are based on unobservable market data for the assets or liabilities (Level 3)

in TEUR	Fair value as of 31 Dec 2018		
Property type	**Prices quoted in active markets for identical assets Level 1**	**Other key observable inputs Level 2**	**Other key unobservable inputs Level 3**
Operating premises/storage	-	-	163,693
Gravel pit/stone quarry	-	-	62,700
Mix plant	-	-	11,430
Landfill	-	-	45,146

in TEUR	Fair value as of 31 Dec 2017		
Property type	**Prices quoted in active markets for identical assets Level 1**	**Other key observable inputs Level 2**	**Other key unobservable inputs Level 3**
Operating premises/storage	-	-	142,240
Gravel pit/stone quarry	-	-	66,729
Mix plant	-	-	10,845
Landfill	-	-	48,088

Range of unobservable inputs 2018

	Operating premises/ storage	Gravel pit/ stone quarry	Landfills	Mix plants
	CE, CV	CE, CV	CE	CV
Capitalisation rate in %	5.00 – 7.50	4.50		
Rent in EUR/m²	2.25 – 14.00			
Maintenance in %[1]	0.50 – 2.00			
Maintenance in %[2]	4.00 – 5.00			
Vacancy rate in %[1]	3.00 – 10.00			
Vacancy rate in %[2]	8.00 – 12.00			
Income in EUR/t		6.73 – 42.00	7.50 – 88.00	
Expenses in EUR/t		4.72 – 14.12		
Land value in EUR/m²				15.30 – 45.40
Construction period in EUR/m²				1,000.00 – 1,650.00

Range of unobservable inputs 2017

	Operating premises/ storage	Gravel pit/ stone quarry	Landfills	Mix plants
Valuation method	CE, CV	CE, CV	CE	CV
Capitalisation rate in %	6.00 – 7.50	4.00 – 7.00	10.93	
Rent in EUR/m²	2.50 – 14.00			
Maintenance in %[1]	0.75 – 2.00			
Vacancy rate in %[1]	3.00 – 10.00			
Income in EUR/t		7.50 – 40.00	7.50 – 80.00	
Expenses in EUR/t		4.64 – 13.84		
Land value in EUR/m²				15.00 – 45.00
Construction period in EUR/m²				1,000.00 – 1,650.00

CE = capitalised earnings
CV = comparative value
[1] Discount from value of new construction
[2] Discount from value of gross annual income

The impact of unobservable inputs on fair value.
- Capitalisation rate: the lower the capitalisation rate, the higher the fair value
- Rent: the higher the price per m², the higher the fair value
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value

Fair value is determined using internationally recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

Reconciliation of Level 3 valuations

	Property type			
in TEUR	Operating premises/ storage	Gravel pit/ stone quarry	Mix plants	Landfill
Balance as of 1 Jan 2018	**142,240**	**66,729**	**10,845**	**48,088**
Additions/disposals due to changes in the consolidated group	3,686	-	-	-
Additions	21,957	1,551	1,016	4,017
Disposals	-1,397	-2,938	-	-665
Reclassifications	3,475	-83	-	-
Currency adjustments	-388	-	-43	26
Revision arising from revaluation	-228	-	-3	-
Planned depreciation	-5,652	-2,559	-385	-6,320
Balance as of 31 Dec 2018	**163,693**	**62,700**	**11,430**	**45,146**

in TEUR	Property type Operating premises/ storage	Gravel pit/ stone quarry	Mix plants	Landfill
Balance as of 1 Jan 2017	**135,417**	**65,742**	**10,605**	**46,088**
Additions/disposals due to changes in the consolidated group	8,712	-	-	-
Additions	12,727	3,947	-	6,229
Disposals	-6,874	-773	-14	-185
Reclassifications	-1,219	-110	370	18
Currency adjustments	1,032	-	291	427
Revision arising from revaluation	-446	-	-	-
Planned depreciation	-7,109	-2,077	-407	-4,489
Balance as of 31 Dec 2017	**142,240**	**66,729**	**10,845**	**48,088**

Finance leases

The carrying amounts of property, plant and equipment and investment property held under finance leasing agreements amounted to:

in TEUR	2018	2017
Real estate leasing	12,400	9,838
Equipment leasing	123,356	96,738
Total	**135,756**	**106,576**

These carrying amounts are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e. of TEUR 113,160 (previous year: TEUR 85,120).

The terms of the finance leases for real estate are between 20 and 38 years; leasing fees are generally tied to the 6-month EURIBOR from the Austrian National Bank and adjusted every six months. The terms of the finance leases for equipment are between two and 15 years, leasing fees are generally tied to the 3-month EURIBOR from the Austrian National Bank and adjusted every quarter. The equipment leasing contracts include extension options, but they do not contain sales options or clauses for adjusting the price.

Operating leases

The Group essentially leases cars and properties under operating leases; in most cases pre-agreed extension options are not exercised. The average term of car leasing agreements is four years and the term of real estate leasing agreements is two to 60 years.

The following summary shows the future minimum lease payments during the non-terminable period of the operating leases:

in TEUR	2018	2017
Due within 1 year	25,416	31,499
Due between 1 and 5 years	58,805	79,527
Due after 5 years	113,625	170,755

19. Investment property

in TEUR	
Acquisition costs, manufacturing costs and revaluations	
Balance as of 1 Jan 2017	**43,453**
Additions/disposals due to changes in the consolidated group	14,032
Additions for purchases	20,815
Additions for manufacturing costs	142
Disposals	-2,014
Reclassifications	-4,286
Adjustments to fair value	-1,883
Balance as of 31 Dec 2017	**70,259**
Additions for purchases	407
Additions for manufacturing costs	147
Disposals	-2,456
Reclassifications	-3,627
Adjustments to fair value	1,241
Balance as of 31 Dec 2018	**65,971**

The value of investment property, which was assessed by an external expert as of the reporting date, amounted to TEUR 7,140 (previous year: TEUR 26,280).

The rental income from investment property amounted to TEUR 591 in the year under review (previous year: TEUR 841). Operating expenses related to investment property for which there was no rental income in the year under review amounted to TEUR 99 (previous year: TEUR 42).

Investment property with a carrying amount of TEUR 1,715 (previous year: TEUR 1,715) is pledged as collateral for liabilities.

Reclassifications of TEUR 3,627 (previous year: TEUR 0) relate to the reclassification of properties into property, plant and equipment; properties of TEUR 0 (previous year TEUR 1,250) were reclassified out of property, plant and equipment. Furthermore, properties worth TEUR 0 (previous year: TEUR 5,534) were reclassified into non-current assets held for sale.

Fair value of land and buildings

The fair value is determined according to recognised measurement methods, namely by being inferred from a current market price, by being inferred from a price attained in a transaction with similar items of real estate in the recent past – in the absence of suitable market data – by discounting estimated future cash flows that are usually generated in the market by this type of real estate in the course of letting.

in TEUR	Fair value as of 31 Dec 2018		
Property type	**Prices quoted in active markets for identical assets Level 1**	**Other key observable inputs Level 2**	**Other key unobservable inputs Level 3**
Office/commercial	-	-	11,094
Undeveloped properties	-	52,400	-
Other	-	-	2,476

in TEUR	Fair value as of 31 Dec 2017		
Property type	**Prices quoted in active markets for identical assets Level 1**	**Other key observable inputs Level 2**	**Other key unobservable inputs Level 3**
Office/commercial	-	-	13,738
Undeveloped properties	-	54,020	-
Other	-	-	2,501

Range of observable inputs 2018

Property type	Valuation method	Land value[1] in EUR/m²
Undeveloped properties	CV	22.00 - 150.00

Range of observable inputs 2017

Property type	Valuation method	Land value[1] in EUR/m²
Undeveloped properties	CV	10.00 - 140.00

CV = comparative value
[1] Without construction plans

Range of non-observable inputs 2018

Property type	Valuation method	Capitalisation rate in %	Rent in EUR/m²	Maintenance in %[1]	Vacancy rate in %[1]
Office/commercial	CE, CV	5.00 – 7.50	3.00 – 8.50	0.75	3.00 – 5.00

Range of non-observable inputs 2017

Property type	Valuation method	Capitalisation rate in %	Rent in EUR/m²	Maintenance in %[1]	Vacancy rate in %[1]
Office/commercial	CE, CV	6.50 – 7.50	3.50 – 12.30	0.75	3.00 – 5.00

CE = capitalised earnings
CV = comparative value
[1] Discount from value of new construction

The impact of non-observable inputs on fair value

- Capitalisation rate: the lower the capitalisation rate, the higher the fair value
- Rent: the higher the price per m², the higher the fair value
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value

Reconciliation of Level 3 valuations:

	Property type	
in TEUR	Office/ commercial	Other
Balance as of 1 Jan 2018	**13,738**	**2,501**
Disposals	-2,243	-
Adjustments to fair value	-401	-25
Balance as of 31 Dec 2018	**11,094**	**2,476**

	Property type	
in TEUR	Office/ commercial	Other
Balance as of 1 Jan 2017	**9,048**	**2,292**
Additions/disposals due to changes in the consolidated group	8,741	1,503
Disposals	-1,996	-19
Reclassifications	-907	-841
Adjustments to fair value	-1,148	-434
Balance as of 31 Dec 2017	**13,738**	**2,501**

20. Shares in companies accounted for under the equity method

The requisite disclosures pursuant to IFRS 12 have been made for associates and joint ventures which are classed as significant by the PORR Group for reasons of quality or quantity. For seven companies the Group holds the majority of shares, however there is no control due to a shareholder agreement and so the companies are recognised under the equity method.

Associated companies

The following associate is “Joint Venture Al Wakrah Stadium & Precinct Main Works & Masterplan”, in which the PORR Group holds 33.3% (previous year: 33.3%). The purpose of the company is to build the Al Wakrah Stadium, the main venue for the 2022 FIFA World Cup in Qatar.

in TEUR	2018	2017
Revenue	260,012	133,971
Profit of the year	29,374	10,717
Other comprehensive income	869	-355
Total comprehensive income	**30,243**	**10,362**
Current assets	84,716	62,578
Current liabilities	-62,152	-49,298
Net assets	**22,564**	**13,280**
Group share of net assets as of 1 Jan	4,427	973
Group share of total comprehensive income	10,080	3,454
Dividends received	-6,986	-
Group share of net assets as of 31 Dec	**7,521**	**4,427**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**7,521**	**4,427**

Disclosures on associated companies of minor significance

in TEUR	2018	2017
Carrying amount of companies accounted for under the equity method as for 31 Dec	25,034	25,117
Group share of		
profit/loss for the year	4,184	9,072
other comprehensive income	295	-221
Total comprehensive income	**4,479**	**8,851**

The accumulated amount of non-recognised shares of losses of associates as of 31 December 2018 is TEUR 4 (previous year: TEUR 407).

Joint ventures

The following joint venture is “hospitals” Projektentwicklungsges.m.b.H. and its subsidiaries (“hospitals” Group), in which the PORR Group holds 62.9% (previous year: 62.9%), however, there is no control due to a shareholder agreement. The company operates in the field of developing and preparing healthcare projects.

in TEUR	2018	2017
Revenue	1,497	1,937
Interest expense	-150	-213
Tax payables	-234	-83
Profit/loss for the year	2,847	3,055
Total comprehensive income	**2,847**	**3,055**
Non-current assets	20,086	14,500
Current assets	2,245	6,144
of which cash and cash equivalents	(979)	(3,127)
Non-current liabilities	-2,921	-
of which non-current financial liabilities	(-2,921)	(-)
Current liabilities	-485	-4,566
of which current financial liabilities	(-)	(-)
Net assets	**18,925**	**16,078**
Group share of net assets as of 1 Jan	14,814	12,892
Group share of total comprehensive income	1,791	1,922
Group share of net assets as of 31 Dec	**16,605**	**14,814**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**16,605**	**14,814**

Another significant joint venture is AVALERIA Hotel HafenCity GmbH & Co. KG, in which the PORR Group acquired a direct holding of 56.88% in the 2018 business year. There is no control here due to a shareholder agreement. The purpose of the company is to develop and market the JUFA Hotel Hamburg HafenCity.

in TEUR	2018	2017
Revenue	1,291	-
Interest expense	-18	-
Tax payables	-1,786	-
Profit/loss of the year	10,177	-
Total comprehensive income	**10,177**	**-**
Non-current assets	52,000	-
Current assets	980	-
of which cash and cash equivalents	(383)	-
Non-current liabilities	-20,671	-
of which non-current financial liabilities	(-18,885)	-
Current liabilities	-1,224	-
of which current financial liabilities	(-)	-
Net assets	**31,085**	**-**
Net assets acquired	15,816	-
Group share of total comprehensive income	2,520	-
Group share of net assets as of 31 Dec	**18,336**	**-**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**18,336**	**-**

Disclosures on joint ventures of minor significance:

in TEUR	2018	2017
Carrying amount of companies accounted for under the equity method at 31 Dec	25,704	17,460
Group share of		
profit/loss for the year	49,395	30,285
other comprehensive income	-96	255
Total comprehensive income	**49,299**	**30,540**

The share of the Group in the annual profit also includes the pro-rata earnings from non-significant consortiums amounting to TEUR 41,408 (previous year: TEUR 21,063), which is recognised under trade receivables and payables (see note 5.1).

The accumulated amount of non-recognised shares of losses of joint ventures as of 31 December 2018 is TEUR 1,808 (previous year: TEUR 1,352).

The joint ventures listed below represent the ten largest consortiums measured by proportionate annual revenue; the disclosures on financial information represent 100%:

Consortium	Share in consortium in % 2018	2017	Activity	Location
ATCOST21	61	61	Construction of Filder, Obertürkheim and Untertürkheim tunnels	Germany
Albaufstieg Tunnel	58	58	Tunnelling lots 1, 2 and 3	Germany
Reconstruction Albulatunnel II	40	40	Construction of a 6 km long replacement tunnel from Albulatal to Engadin	Switzerland
CE Mur power plant Graz	60	60	Construction of a Mur power plant	Austria
Denys – Porr Monaco BA1	50	50	Construction of a high-pressure gas pipeline	Germany
GKI Triebwasserweg Maria Stein	33.33	33.33	Construction services for the Inn joint venture hydropower plant, lot MSBC “Triebwasserweg Maria Stein”	Austria
ARGE N4 EP KÜBRU	38.45	38.45	Bridge/road construction section 2, Süsswinkel – Goldau, Canton Schwyz	Switzerland
Arge FBZ Traunkirchen	66.67	66.67	Construction of the Traunkirchen forestal educational center	Austria
Arge KW Traunleiten	50	50	Construction of the Traunleiten hydropower plant	Austria
ARGE CPC	37.5	37.5	Planning and installation of overhead conductor rails and overhead lines for the Ceneri base tunnel / lot 2	Switzerland

2018 in TEUR	ATCOST21	Albaufstieg Tunnel	Reconstr. Albulatunnel II	CE Mur power plant Graz	Denys – Porr Monaco BA1	GKI Triebwasserweg Maria Stein	ARGE N4 EP KÜBRU	Arge FBZ Traunkirchen	Arge KW Traunleiten	ARGE CPC
Revenue	161,912	110,859	29,869	35,509	33,560	44,890	30,885	24,962	15,388	88,489
Depreciation, amortisation and impairment	-5,725	-781	-1,420	-294	-55	-3,798	-222	-	-17	-197
Interest expense	-	-	-122	-	-	-	-	-	-	-26
Non-current assets	5,094	777	1,170	655	52	-	103	3	30	297
Current assets	188,720	89,075	25,575	57,672	14,444	95,932	8,663	5,706	6,633	72,400
of which cash and cash equivalents	(9,241)	(21,455)	(1,537)	(2)	(6,904)	(1,671)	(3,327)	(2,238)	(779)	(2,984)
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
of which non-current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Current liabilities	-193,814	-89,852	-26,745	-58,327	-14,496	-95,932	-8,766	-5,709	-6,663	-72,697
of which current financial liabilities	(-)	(-)	(-)	(-65)	(-)	(-)	(-)	(-)	(-)	(-)
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2017 in TEUR	ATCOST21	Albaufstieg Tunnel	Reconstr. Albulatunnel II	CE Mur power plant Graz	Denys – Porr Monaco BA1	GKI Triebwasserweg Maria Stein	ARGE N4 EP KÜBRU	Arge FBZ Traunkirchen	Arge KW Traunleiten	ARGE CPC
Revenue	149,170	132,820	31,673	15,426	23,044	32,924	7,063	9,603	3,509	27,945
Depreciation, amortisation and impairment	-8,001	-1,254	-880	-64	-32	-24	-157	-4	-24	-15
Interest expense	-231	-	-85	-	-	-	-	-	-	-14
Non-current assets	7,253	1,451	2,080	418	18	-	193	3	30	35
Current assets	57,611	47,515	31,058	9,940	13,840	40,739	3,276	3,547	3,242	29,566
of which cash and cash equivalents	(17,846)	(16,109)	(290)	(60)	(10,601)	(815)	(1,821)	(922)	(488)	(1,850)
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
of which non-current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Current liabilities	-64,864	-48,966	-33,138	-10,358	-13,858	-40,739	-3,469	-3,550	-3,272	-29,601
of which current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The share of the Group in the profit for the period of the most important consortiums amounts to TEUR 18,870 (previous year: TEUR 14,368) and is shown under trade receivables and payables (see note 5.1).

21. Loans

in TEUR	2018	2017
Loans to companies accounted for under the equity method	17,231	13,788
Loans to companies in which an equity interest is held	31,002	8,731
Other loans	569	1,273
Total	**48,802**	**23,792**

22. Other financial assets

in TEUR	2018	2017
Shareholdings in non-consolidated subsidiaries	266	290
Other shareholdings	5,335	4,605
Financial assets available for sale	-	89,662
Other equity interests	35,975	-
Total	**41,576**	**94,557**

The miscellaneous financial assets relate to granting perpetual hybrid capital of TEUR 25,330 with an interest rate of 6.0% to UBM Development AG. Ordinary termination by PORR AG is excluded. The mezzanine loan of TEUR 50,000 was paid back by UBM Development AG in the 2018 business year. Interest payments are dependent on whether UBM Development AG resolves to pay out a dividend from the annual surplus. If there is a year in which no payout of dividends from the annual surplus is resolved by UBM Development AG, then UBM Development AG is not obliged to pay any interest in the same year, whereby in this instance the interest is not cancelled but remains due. The carrying amount stood at TEUR 25,179 at the reporting date (previous year: TEUR 77,196).

The remaining financial assets available for sale of TEUR 10,796 (previous year: TEUR 12,466) mainly comprise fixed-interest instruments. They are not subject to any restrictions on disposal.

23. Inventories

Inventories comprise the following:

	2018	2017
Finished and unfinished products and merchandise	5,584	4,834
Raw materials and supplies	66,408	51,349
Payments on account	10,806	18,556
Total	**82,798**	**74,739**

Allowances of TEUR -548 (previous year: TEUR -636) were recognised on products and merchandise in the year under review. No inventories were pledged as collateral for liabilities.

24. Trade receivables

Contract assets

The client contracts valued under the POC method at the end of the reporting period are stated as follows:

in TEUR	2018	Recorded as a receivable	Recorded as a liability
Contract assets	3,262,707	2,506,643	756,064
of which unrealised partial gains	(104,750)	(87,985)	(16,765)
Less attributable payments on account	-2,865,821	-1,898,390	-967,431
Net	**396,886**	**608,253**	**-211,367**

in TEUR	2017	Recorded as a receivable	Recorded as a liability
Contract values defined according to POC method	3,838,882	3,310,386	528,496
of which unrealised partial gains	(165,840)	(153,070)	(12,770)
Less attributable payments on account	-3,337,193	-2,655,859	-681,334
Net	**501,689**	**654,527**	**-152,838**

Proportional contract values capitalised according to the percentage of completion of the contract as of 31 December 2018 are balanced by contract costs valued at TEUR 3,157,957 (previous year: TEUR 3,673,042), so that the recognised profit for these contracts amounts to TEUR 104,750 (previous year: TEUR 165,840).

Changes to the contract assets were as follows in the period under review:

Increase caused by:
- Newly started construction service contracts or progress made on projects

Decrease caused by:
- Completed construction service contracts and those for which a final invoice has been issued
- Advance payments received

Shares of the profits from consortiums are shown under receivables from consortiums. Advances received, including preliminary payments on invoices for partial delivery, are shown under liabilities, where these exceed proportional contract values capitalised according to the percentage of completion of the contract. Impending losses and damages and penalties from contracts are recorded in provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

Composition and maturity terms of trade receivables:

in TEUR	31.12.2018	Remaining term > 1 year	31.12.2017	Remaining term > 1 year
Trade receivables	723,085	63,190	514,191	48,866
Receivables from construction contracts	-	-	654,527	-
Contract assets	608,253	-	-	-
Receivables from consortiums	130,391	8,476	132,858	11,533
Total	**1,461,729**	**71,666**	**1,301,576**	**60,399**

Trade receivables are classified as current in accordance with IAS 1 as they are to be settled within the entity's normal operating cycle. The significant payment terms from contracts with customers under which revenue is realised over a period of time specify payment 30 days after the review period of the issue of a monthly invoice. In individual cases, payments follow a specific payment schedule based on the project. Contracts with customers under which revenue is realised at a point in time specify payment 30 days after the service has been rendered and/or the invoice has been issued.

Trade receivables include contractual retentions of TEUR 55,743 (previous year: TEUR 48,477).

in TEUR	2018	2017
Trade receivables before allowances	**892,675**	**620,394**
Impairment allowances as of 1 Jan	**106,203**	**75,243**
Additions	98,940	77,975
Appropriation	-29,877	-37,378
Liquidation	-5,676	-9,637
Balance as of 31 Dec	**169,590**	**106,203**
Carrying amount of trade receivables	**723,085**	**514,191**

Maturity structure of receivables

in TEUR	2018	2017
Carrying amount as of 31 Dec	**723,085**	**514,191**
of which not overdue at closing date	471,972	344,853
of which overdue at closing date in the following time periods		
less than 30 days	37,327	48,487
between 30 and 60 days	18,608	15,860
between 60 and 180 days	23,798	30,895
between 180 and 360 days	54,320	15,309
more than 360 days	117,060	58,787

In the above-mentioned overdues, amounts of ongoing invoice checks are also included, which could take up to 120 days to settle. Allowances for impairment were included at reasonable amounts.

25. Other non-current financial assets

in TEUR	31.12.2018	Remaining term > 1 year	31.12.2017	Remaining term > 1 year
Loans	87	-	94	-
Receivables from companies accounted for under the equity method	37,112	12,590	32,806	7,680
Receivables from other shareholdings	9,691	-	8,158	-
Receivables from insurance	170	-	495	-
Other	75,153	12,436	80,925	16,875
Total	**122,213**	**25,026**	**122,478**	**24,555**

Forward contracts at fair value amounting to TEUR 2,424 (previous year: TEUR 4,243) are included under other financial assets (see note 43). In addition this item contains TEUR 4,287 (previous year: TEUR 6,022) of receivables from deposits, as well as receivables to the UBM Group totalling TEUR 14,473 (previous year: TEUR 19,164) (see note 45).

Receivables from non-consolidated subsidiaries, companies accounted for under the equity method and other shareholdings include contractual retentions amounting to TEUR 1,223 (previous year: TEUR 1,250).

26. Other receivables and assets

in TEUR	31.12.2018	Remaining term > 1 year	31.12.2017	Remaining term > 1 year
Tax assets	23,001	-	6,597	-
Receivables from supplier payments	24,582	-	-	-
Other	1,637	-	2,539	-
Total	**49,220**	**-**	**9,136**	**-**

27. Cash and cash equivalents

The cash and cash equivalents include cash at banks amounting to TEUR 319,320 (previous year: TEUR 358,390) and cash in hand of TEUR 354 (previous year: TEUR 317).

28. Non-current assets held for sale

The non-current assets held for sale relate to one property in the segment Business Unit 3 – International for which the Group has received Supervisory Board approval to sell and is actively looking for a buyer. The Group assumes that the sale will be concluded in the 2019 business year.

29. Deferred tax assets

The following tax deferments stated in the statement of financial position arise from temporary differences between the valuations in the IFRS consolidated financial statements and the respective valuations for tax purposes as well as from realisable loss carryforwards:

	2018		2017	
in TEUR	Assets	Liabilities	Assets	Liabilities
Non-current assets, liabilities from finance leases	85,307	74,580	64,469	65,628
POC method	-	97,104	-	98,233
Untaxed reserves	-	3,135	-	3,251
Provisions	21,767	9,118	23,547	6,703
Tax loss carryforwards	33,732	-	39,800	-
Off-setting	-126,249	-126,249	-118,329	-118,329
Deferred taxes	**14,557**	**57,688**	**9,487**	**55,486**

Deferred tax assets based on loss carryforwards are recognised to the extent that these can probably be offset against future taxable profits.

Non-capitalised deferred tax assets based on loss carryforwards amount to TEUR 68,017 (previous year: TEUR 37,129), of which losses of TEUR 59,901 can be carried forward essentially without restriction, while TEUR 9,116 can be carried forward for the next five years.

30. Share capital

	No. 2018	EUR 2018	No. 2017	EUR 2017
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**

The shares are ordinary no-par shares. Each ordinary share has a pro-rata interest of EUR 1.00 in the share capital of EUR 29,095,000 and participates in profits to the same extent and each share entitles the bearer to one vote at the Annual General Meeting. The shares are no-par bearer shares.

As of 31 December 2018 the company held a total of 216,495 treasury shares (previous year: 216,495 shares), respectively 0.74% of the share capital. In accordance with Section 65 Paragraph 5 of the Stock Corporation Act, the company does not have any rights, particularly voting rights, from the treasury shares.

Authorised capital

As of 31 December 2018, the Executive Board is authorised, in accordance with Section 169 of the Stock Corporation Act, to increase the share capital of the company within five years of entry of the authorisation of the AGM granted on 29 May 2018 being entered in the Commercial Register, with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 4,364,250 by issuing up to 4,364,250 no-par value shares for cash or consideration in kind – in either case also in multiple tranches, also in the course of direct subscription rights in accordance with Section 153, Paragraph 6 Stock Corporation Act – (authorised capital), whereby the issue price, which may not be lower than the pro rata share of share capital, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The Executive Board is authorised, with the approval of the Supervisory Board to exclude shareholders' subscription rights in full or in part

i) if the capital increase is in exchange for consideration 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% of the company's share capital at the time the authorisation is exercised,
B) the capital increase is in exchange for cash contributions for the purpose of servicing a greenshoe option,
C) or is used to balance out uneven amounts.

The Supervisory Board is authorised to rule on changes to the statutes which result from the Executive Board exercising this entitlement.

31. Reserves

The capital reserves result largely from the capital increases, adjustments and statute-barred dividend claims arising from previous years and the current year, less the costs for the capital increase. The capital reserves include an amount of TEUR 192,764 (previous year: TEUR 192,764) which is restricted. It may only be released to compensate for an accumulated loss which would otherwise be shown in the annual financial statements of PORR AG, to the extent that free reserves are not available to cover this.

The other reserves comprise the revaluation reserves in accordance with IAS 16, the reserves from revaluation of the annual financial statements of subsidiaries in foreign currencies, the reserves for cash flow hedges, reserves for remeasurement from benefit obligations and reserves for equity instruments, retained earnings of PORR AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained profits from subsidiaries since their acquisition and the effects of adjusting the annual financial statements of companies included in the consolidated financial statements to the accounting and measurement methods used in the consolidated financial statements. Treasury shares as of 31 December 2018 were deducted from reserves and amounted to 216,495 shares as of the reporting date. An amount of TEUR 713 from the revaluation reserve was reclassified due to outflows in retained earnings.

In the year under review, the shareholders of PORR AG received a dividend of EUR 1.10 per share entitled to dividends, with the remaining balance carried forward to new account.

Net earnings amounting to TEUR 32,039 are available for distribution to shareholders in PORR AG. From the unrestricted retained earnings of PORR AG, which come to TEUR 180,998 as of 31 December 2018, an amount of TEUR 7,356 is restricted from distribution in accordance with Section 235 Paragraph 2 of the Austrian Commercial Code. The residual amount of TEUR 173,642 may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 458 (previous year: TEUR 458) may only be released to compensate for an accumulated loss which would otherwise be shown, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss. From the net retained profits recognised in the statement of financial position of EUR 32,039,425.03, the Executive Board proposes to pay a dividend of EUR 1.10 per share entitled to dividends, with the remaining balance to be carried forward to new account.

Hybrid capital

As part of a PORR AG bond emission programme, a bond exchange was carried out in October 2014, in which holders of bonds issued by PORR AG in the years 2009 and 2010 were publicly invited to exchange these bonds in bonds about to be newly issued. Included here was the issue of a subordinated hybrid bond with a total nominal value of EUR 17,054,500.00. The hybrid bond was increased in the business year 2015 to EUR 25,000,000 in the course of a private placement. The partial debentures of this hybrid bond were issued with a denomination of EUR 500.00 and are fixed at 6.75% p.a. until 27 October 2021 during an unlimited term, after which they are subject to variable interest as of 28 October 2021 (3-month EURIBOR plus a premium of 8.5% p. a.). In February 2017 PORR AG issued another subordinated hybrid bond with a total nominal value of EUR 125,000,000. The partial debentures of this hybrid bond, which is a perpetual bond, were issued with a denomination of EUR 1,000 and are subject to fixed interest of 5.5% p.a. until 6 February 2022 and subject to variable interest from 7 February 2022 (5-year ISDAFIX2 swap rate plus margin of 10.312% p.a.). As payments of interest and capital redemption are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment on the mezzanine and hybrid capital permanently, this mezzanine and hybrid capital is categorised as equity instruments. Interest of TEUR 8,562, which is paid, less any tax effect such as profit payouts, is recorded directly in equity as a deduction.

32. Equity from profit-participation rights from subsidiaries

The profit-participation rights were issued by PORR Construction Holding GmbH, a subsidiary 100% of whose nominal capital is held by PORR AG. The outstanding profit-participation rights with a total nominal value of TEUR 40,000, whose issuance conditions are in accordance with debentures, are issued for an unspecified length of time.

The interest amounts to 8.0% p.a. of the nominal capital of the profit-participation rights as of 31 December 2015. From 1 January 2016 up to and including 31 December 2020 the interest amounts to 6.66% p.a. of the nominal capital of the profit-participation rights. From 1 January 2021 the annual interest will be 13.0% of the nominal capital of the profit-participation rights.

The issuer is only obliged to pay interest if they or PORR AG decide to pay holdings or shareholders a dividend from the annual surplus. The issuer is not obliged to pay the due interest for one year in the absence of a profit payout, and if the issuer utilises their right not to pay, then this unpaid interest is kept in arrears which must be paid as soon as the issuer or PORR AG decides that a dividend from the annual surplus is payable to their holdings or shareholders. In the case of dismissal by the issuer or the extraordinary notice of dismissal by the bearers of profit-participation rights, the capital from profit-participation rights becomes due to the bearers, in addition to the valid interest accrued by this date and outstanding interest.

As payments on the profit-participation rights – interest as well as capital redemption – are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment on this part of the profit participation rights permanently, these profit-participation rights are categorised as equity instruments. Interest in the amount of TEUR 2,664, which is paid on these profit-participation rights, less any tax, is recorded directly in equity as a deduction.

33. Non-controlling interests

The shares in equity of subsidiaries which are not owned by PORR AG or a shareholder of the Group are entered in equity under non-controlling interests. The share of non-controlling interests in subsidiaries is of minor significance.

34. Provisions

in TEUR	Severance	Pensions	Anniversary bonuses	Indemnities	Construc-tions	Recultiva-tion	Other	Total
Balance as of 1 Jan 2018	**72,173**	**41,221**	**17,891**	**3,821**	**125,511**	**11,304**	**4,828**	**276,749**
Additions/disposals from changes to the consolidated group	-	-867	-	-	9,277	-	208	8,618
Transfer	4,948	944	3,482	211	57,148	3,472	3,221	73,426
OCI changes								
from changes to demo-graphic assumptions	-534	2,401	-	-	-	-	-	1,867
from changes to financial assumptions	-472	-222	-	-	-	-	-	-694
from changes to experience based adjustments	3,918	-585	-	-	-	-	-	3,333
Appropriation	-6,786	-2,603	-1,562	-361	-32,966	-1,270	-405	-45,953
Liquidation	-	-	-	-	-32,018	-1,374	-1,047	-34,439
Balance as of 31 Dec 2018	**73,247**	**40,289**	**19,811**	**3,671**	**126,952**	**12,132**	**6,805**	**282,907**
of which non-current	73,247	40,289	19,811	3,671	-	12,132	-	149,150
of which current	-	-	-	-	126,952	-	6,805	133,757

PORR AG and its subsidiaries must pay their employees in Austria and Germany anniversary bonuses on certain anniversaries in accordance with collective agreements. The provision for anniversary bonuses was determined in accordance with the provisions of IAS 19 on other long-term benefits. Please refer to the notes under the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

At TEUR 12,260 (previous year: TEUR 18,280), provisions for constructions represent provisions for impending losses arising from the order backlog and, at TEUR 76,765 (previous year: TEUR 69,583), provisions for guarantees and TEUR 37,927 (previous year: TEUR 37,648) for provisions for damages and penalties. Provisions for impending losses are based on current contract calculations. Provisions for guarantees and other contract risks are determined on the basis of an individual assessment of the risks. Claims arising against the Group from these risks are deemed to be probable; the recognised amount corresponds to the best possible estimate of the amount of the claim. As construction contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the time of the claim is uncertain but will, as a rule, lie within the relevant operating cycle. Provisions for rehabilitation that also contain aftercare obligations are mainly formed for the landfill business of BU 4 – Environmental Engineering, Healthcare & Services. The provisions are formed on the basis of the amounts of landfill over the operating life in instalments and are used across the term of the rehabilitation and/or the aftercare on the basis of the area rehabilitated.

Pension plans

Defined benefit plans

Provisions for severance pay were created for employees (on wages and salaries) who have claims to severance payments pursuant to the Employee Act, the Wage Earners' Sev erance Pay Act or works agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to 1 January 2003 and has been ongoing for at least ten years without interruption, have a claim to severance pay where the employment is terminated upon the employee's reaching the statutory age of retirement, even if the employment is terminated by the employee.

The amount of the severance pay depends on the amount of the pay at the time of termination and of the length of employment. These employee claims should therefore be treated as claims under defined benefit pension plans, in which case plan assets do not exist to cover these claims. Similar considerations apply to employees to whom severance pay is due pursuant to the Wage Earners' Severance Pay Act and for severance pay payable pursuant to works agreements.

The Construction Workers' Leave and Severance Pay Act 1987 applies to the majority of waged workers, according to which their claims are directed towards the holiday pay and severance pay fund to be financed by employer's contributions. This is a state plan, for which a severance pay provision does not need to be created.

Pension commitments are, as a rule, defined individual benefit commitments for senior staff which are not covered by plan assets. The amount of the pension claim depends on the number of years of service in each case.

Changes within provisions for severance pay were as follows:

in TEUR	2018	2017
Present value of severance obligations (DBO) as of 1 Jan	72,173	70,081
Changes to the consolidated group	-	3,415
Service cost (entitlements)	3,682	3,813
Interest paid	1,266	1,111
Severance payments	-6,786	-4,231
Actuarial profits (-)/losses (+)	2,912	-2,016
Present value of severance obligations (DBO) as of 31 Dec	**73,247**	**72,173**

in TEUR	2018	2017
Service cost (entitlements)	3,682	3,813
Net interest expense	1,266	1,111
Severance costs (recognised in profit and loss for the period)	**4,948**	**4,924**
Severance costs (recognised in other comprehensive income)	**2,912**	**-2,016**

For the year 2019, an interest expense of TEUR 1,268 and a current service cost of TEUR 3,611 are planned. Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

Pension provisions

Pension obligations transferred to provisions

in TEUR	2018	2017
Present value of the obligations covered by plan assets	21,697	22,001
Fair value of the plan assets	-13,187	-13,640
Net value of the obligations covered by plan assets	8,510	8,361
Present value of the obligations not covered by plan assets	31,779	32,860
Carrying amount of provisions as of 31 Dec	**40,289**	**41,221**

Pension costs

in TEUR	2018	2017
Service cost (entitlements)	205	159
Settlement	-	-26
Interest expense	989	903
Interest income	-250	-248
Pension costs (recognised in profit and loss for the period)	**944**	**788**
Pension costs (recognised in other comprehensive income)	**1,594**	**-2,617**

Description of pension plans

Claims – Austria: as part of the defined benefit plans relating to pensions, the company is obliged to grant the promised benefits both to current and former employees.

The employee claims to defined benefit pension plans are defined as follows:

Group A (service contract, version dated 1 July 1991):
The pension allowance involves an agreed percentage of the basis of assessment (salary and overtime rate) for cases of retirement after reaching the age of 63 and is reduced by a defined percentage for every full year of retirement before reaching the age of 63.

Group B (service contract dated 5 August 1991) and Group C/D (service contract dated 6 August 1991):
The pension allowance is determined as an agreed amount due upon retirement after reaching the age of 63 and is reduced by a defined amount for every full year of retirement before reaching the age of 63.

Group E/F (service contract dated 29 August 1991):
The pension allowance involves an agreed amount for retirement upon reaching the age of 60; this amount increases by a fixed annual amount for every year up to 63, whereby the maximum contribution is reached after reaching the age of 63.

Claims – Germany: there are multiple pension plans with defined benefits for current and former employees.

Employee claims to these defined benefit pension plans are tied to the number of eligible calendar years and the class of pension which were determined for the pension candidate when the claim was agreed.

In addition, there are individual commitments involving defined benefit obligations.

Pension obligations

in TEUR	2018	2017
Present value of pension obligations (DBO) as of 1 Jan	54,860	45,803
Changes to the consolidated group	-867	15,846
Service cost (entitlements)	205	159
Interest paid	989	903
Pension payments	-3,509	-5,488
Settlement	-	-27
Actuarial profits (-)/losses (+)	1,798	-2,336
Present value of pension obligations (DBO) as of 31 Dec	**53,476**	**54,860**

The obligations from the direct pension benefits in Austria are covered by insurance contracts concluded with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group. In Germany the obligations from direct pension benefits are covered by insurance contracts concluded with Nürnberger Lebensversicherung AG, Condor Lebensversicherung AG, Generali Lebensversicherung AG and Essener Verband. In order to secure the pension rights of the employees insured from the corporate pension benefits, the rights from the insurance agreements are pledged in favour of the employees insured. The insurance of the old-age pension is entitled to share in profits in line with Section 16 of the General Terms and Conditions Governing Endowment and Pension Insurance. The insurance for the disability pension and widows pension is also entitled to share in profits. To this end, a cash accounting statement is produced at the end of every insurance year. In the case of a profit, 50% of the balance of income and expenditure is refunded to the insurance policyholder. In the case of a loss, this is carried forward to the next insurance year. Profits can only be paid out again once the loss carryforward has been settled. The amount of the annual insurance premiums is determined by the insurance company's rates and is stated in the registry of members. The premiums must be paid annually in advance. The final annual premium must be paid in the year in which the policyholder reaches retirement age. The pension plan reinsurance is held in an independent department of the cover pool for life insurance as laid down in Section 20 Paragraph 2 Line 1 in connection with Section 2 of the Insurance Supervision Law.

Endowment life insurance policies have been concluded, e.g. with Nürnberger Lebensversicherung AG, for the pension benefits of the German companies. The insurance involves individual endowment policies which are ring-fenced. The policyholder is the employer, while the insured party/beneficiary is the employee who can choose between a lump sum or an annuity of equal value. The amount of the annuity is determined by the rates valid at the time of choosing and the corresponding insurance conditions. The contributions must be paid until the end of the insurance year in which the claim becomes valid (death or retirement). At the end of every insurance year the current profit participation (risk and interest surplus) is credited and converted into a bonus.

Development of plan assets

in TEUR	2018	2017
Fair value of the plan assets as of 1 Jan	13,640	12,460
Changes to the consolidated group	-	1,625
Contribution payments	106	115
Interest income	250	248
Payouts (lease payments)	-1,012	-1,089
Actuarial profits (+)/losses (-)	203	281
Present value of plan assets as of 31 Dec	**13,187**	**13,640**

For the year 2019, an interest payment of TEUR 979 and a current service cost of TEUR 221 are planned. Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

Part of the plan assets amounting to TEUR 11,116 has been invested as follows with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group:

Structure of investments in classic cover pool

in %	2018	2017
Fixed-income securities	63.76	42.85
Shares, supplementary capital, profit-participation rights, non-ownership capital	2.38	3.92
Investment funds	22.03	32.96
Affiliates and shareholdings	2.77	6.28
Loans	5.87	9.40
Properties	2.00	3.79
Cash in Bank	1.19	0.80
Total	**100.00**	**100.00**

Part of the plan assets amounting to TEUR 95 has been invested as follows by Sparkassen Versicherung AG:

Structure of investments in classic cover pool

in %	2018	2017
Property and alternative investments	2.47	2.47
Shares	1.08	1.08
Equity interests	3.01	3.01
Bonds and cash	93.44	93.44
Total	**100.00**	**100.00**

The following table shows the average duration of the respective obligations:

	Maturity profile – DBO			DBO	Maturity profile – Cash			Cash
2018	1 – 5 years	6 – 10 years	10+ years	Duration	1 – 5 years	6 – 10 years	10+ years	Duration
Pensions	16,417	12,691	22,986	10.92	17,185	14,615	36,865	14.18
Severance	32,038	16,400	24,547	7.85	35,982	25,415	82,644	12.9

	Maturity profile – DBO			DBO	Maturity profile – Cash			Cash
2017	1 – 5 years	6 – 10 years	10+ years	Duration	1 – 5 years	6 – 10 years	10+ years	Duration
Pensions	16,455	12,683	23,499	11.08	17,222	14,618	36,876	13.83
Severance	31,040	16,844	23,927	7.87	34,775	26,017	86,096	13.44

Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after 31 December 2002, and workers to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, do not acquire any severance pay claims in respect of their respective employer. For these employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, contributions of 1.53% of the wage or salary must be paid to an employee welfare fund; this amounted to TEUR 2,703 (previous year: TEUR 2,334) in 2018, of which TEUR 42 (previous year: TEUR 53) related to managers in key positions.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of those employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act. At the present time, around 37% of the wage of relevant employees is payable to the holiday pay fund for 2018, amounting to TEUR 50,591 (previous year: TEUR 45,893) and 4.6% of the wage of relevant employees is payable to the severance pay fund, amounting to TEUR 7,309 in 2018 (previous year: TEUR 6,638). This contribution covers employee severance pay claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This state plan covers all the companies in the building sector. The benefits are financed on a pay-as-you-earn basis, i.e. the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. The companies are not legally or actually obliged to pay these future benefits. The companies are only obliged to pay the prescribed contributions as long as they employ workers whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

Payments to external employee provision funds are recognised under the item staff expense.

The employees of the PORR Group furthermore belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide future benefits.

35. Bonds and Schuldscheindarlehen

As of the value date 28 October 2014, PORR AG made an exchange offer to the bondholders of the bonds issued in 2009 and 2010. The bondholders could choose between the instrument recognised as equity (hybrid bond 6.75% 2014–2021, see note 31) and a senior bond. The senior bond was issued under the following conditions:

Nominal amount	EUR 56,262,000.00
Tenor	2014–2019
Denomination	EUR 500.00
Nominal interest rate	3.875% p. a.
Coupon	28 October annually
Redemption	28 October 2019 at 100%
Closing rate 31.Dec.2018	102.278
ISIN	AT0000A19Y28
Book value (less treasury shares)	EUR 55,291,110.00

The TEUR 50,000 bond issued by PORR AG with the value date 26 November 2013 was redeemed in full on 26 November 2018.

Schuldscheindarlehen (SSD):

On 12 August 2015 PORR AG placed a Schuldscheindarlehen totalling TEUR 185,500. The issue consists of four tranches with terms of three and five years and with a choice of interest at fixed or variable rates.

In August 2016 investors were offered the option of a premature extension of the terms for three, five and seven years. In addition, the volume was increased from TEUR 185,500 to a total of TEUR 200,000. In February 2017 tranches totalling TEUR 58,000 and subject to variable interest rates were prematurely extended as follows: TEUR 18,000 to August 2020, TEUR 30,000 to August 2022 and TEUR 10,000 to August 2024. In August 2018, in addition to the contractually fixed repayment of the tranches subject to fixed rates totalling TEUR 21,000, tranches subject to variable rates totalling TEUR 40,000 were prematurely extended with a new end date of 14 August 2023.

in EUR	**Nominal amount**	**Tenor**	**Interest**	**Interest rate**
Tranche 1	1,000,000.00	12.8.2019	fixed	1.15%
Tranche 2	6,000,000.00	12.8.2020	fixed	2.249%
Tranche 3	5,000,000.00	12.8.2020	fixed	2.249%
Tranche 4	18,000,000.00	13.8.2020	variable	6-month EURIBOR + 1.25%
Tranche 5	20,000,000.00	12.8.2021	fixed	1.55%
Tranche 6	17,000,000.00	12.8.2021	fixed	1.55%
Tranche 7	10,000,000.00	12.8.2021	variable	6-month EURIBOR + 1.55%
Tranche 8	5,000,000.00	12.8.2021	variable	6-month EURIBOR + 1.55%
Tranche 9	15,000,000.00	13.2.2022	variable	6-month EURIBOR + 1.55%
Tranche 10	15,000,000.00	13.2.2022	variable	6-month EURIBOR + 1.55%
Tranche 11	5,000,000.00	14.8.2023	fixed	1.917%
Tranche 12	10,000,000.00	14.8.2023	variable	6-month EURIBOR + 1.9%
Tranche 13	5,000,000.00	14.8.2023	variable	6-month EURIBOR + 1.6%
Tranche 14	10,000,000.00	14.8.2023	variable	6-month EURIBOR + 1.6%
Tranche 15	17,000,000.00	14.8.2023	variable	6-month EURIBOR + 1.6%
Tranche 16	3,000,000.00	14.8.2023	variable	6-month EURIBOR + 1.6%
Tranche 17	5,000,000.00	14.8.2023	variable	6-month EURIBOR + 1.6%
Tranche 18	5,000,000.00	13.2.2024	variable	6-month EURIBOR + 1.9%
Tranche 19	5,000,000.00	13.2.2024	variable	6-month EURIBOR + 1.9%
Carrying amount as of 31 Dec 2018	**176,585,389.40**			

All tranches subject to variable interest have been hedged using interest rate swaps (swapping variable rate for fixed rate), classified as a cash flow hedge.

36. Financial liabilities

in TEUR	2018	2017
Deposits from banks		
at variable interest rates	76,749	95,834
at fixed interest rates	46,026	21,307
Lease obligations		
at variable interest rates	113,160	85,120
Derivative financial instruments	**2,002**	**1,822**
Other financial liabilities		
at fixed interest rates	45	751
Total	**237,982**	**204,834**

Deposits from banks subject to variable rates of interest are mainly charged interest at the 3-month EURIBOR rate or the 6-month EURIBOR rate plus differing margins. During the year under review the 3-month EURIBOR rate averaged out at -0.32% and the 6-month EURIBOR rate at an average -0.27%. The margins for newly acquired funds with a maximum 3-month term averaged 1.22 PP in 2018.

Some items of real estate and equipment used by the Group itself are held under finance leases (see note 18). The interest rates for the lease obligations are between 0.2% and 6.4%. The interest component of the lease payments is usually continuously adjusted to the market interest rate. With the exception of these leasing rate adjustments to reference interest rates, no agreements on conditional rental payments are included.

Derivative financial instruments include forward contracts and interest rate hedges, which are measured at fair value at the end of the reporting period (see note 43).

		Remaining term			
in TEUR	31.12.2018	< 1 year	1–5 years	> 5 years	of which secured by collateral
Deposits from banks	122,775	20,040	80,605	22,130	244
Lease obligations	113,160	27,798	62,696	22,666	113,160
Derivative financial instruments	2,002	2,002	-	-	-
Other financial liabilities	45	-	45	-	-
Total	**237,982**	**49,840**	**143,346**	**44,796**	**113,404**

		Remaining term			
in TEUR	31.12.2017	< 1 year	1–5 years	> 5 years	of which secured by collateral
Deposits from banks	117,141	21,661	82,081	13,399	190
Lease obligations	85,120	33,549	43,027	8,544	85,120
Derivative financial instruments	1,822	1,822	-	-	-
Other financial liabilities	751	706	45	-	-
	204,834	**57,738**	**125,153**	**21,943**	**85,310**

Deposits from banks which are secured by collateral relate to real estate. Group obligations under finance leases are secured by the leased assets totalling a carrying amount of TEUR 135,756 (previous year: TEUR 106,576) which are the property of the lessor under civil law.

in TEUR	31.12.2018	31.12.2017
With a remaining term up to one year	29,503	35,366
With a remaining term of more than one year and less than five years	66,388	45,107
With a remaining term of more than five years	25,100	8,809
Total	**120,991**	**89,282**
Future financing costs	-7,831	-4,162
Present value of minimum lease payments	**113,160**	**85,120**

37. Trade payables

		Remaining term			of which
in TEUR	31.12.2018	< 1 year	1–5 years	> 5 years	secured by collateral
Trade payables	1,112,123	1,066,580	29,121	16,422	-
Payables to consortiums	42,228	41,728	500	-	-
Total	**1,154,351**	**1,108,308**	**29,621**	**16,422**	**-**

		Remaining term			of which
in TEUR	31.12.2017	< 1 year	1–5 years	> 5 years	secured by collateral
Trade payables	972,992	931,085	29,157	12,750	-
Payables to consortiums	59,048	59,048	-	-	-
Total	**1,032,040**	**990,133**	**29,157**	**12,750**	**-**

Trade payables are classified as current as they are to be settled within the entity’s normal operating cycle.

38. Other financial liabilities

		Remaining term			of which
in TEUR	31.12.2018	< 1 year	1–5 years	> 5 years	secured by collateral
Payables to non-consolidated subsidiaries	206	206	-	-	-
Payables to companies accounted for under the equity method	7,981	7,943	38	-	-
Payables to other shareholdings	2,164	2,164	-	-	-
Other	33,985	30,944	2,421	620	-
Total	**44,336**	**41,257**	**2,459**	**620**	**-**

		Remaining term			of which
in TEUR	31.12.2017	< 1 year	1–5 years	> 5 years	secured by collateral
Payables to non-consolidated subsidiaries	202	202	-	-	-
Payables to companies accounted for under the equity method	3,946	3,941	5	-	-
Payables to other shareholdings	895	895	-	-	-
Other	20,762	16,334	1,627	2,801	-
Total	**25,805**	**21,372**	**1,632**	**2,801**	**-**

39. Other liabilities

in TEUR	31.12.2018	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Tax liabilities	85,101	85,101	-	-	-
Social security liabilities	19,630	19,630	-	-	-
Contract liabilities	211,367	211,367	-	-	-
Payables to staff	130,666	130,666	-	-	-
Other	2,334	2,334	-	-	-
Total	**449,098**	**449,098**	**-**	**-**	**-**

in TEUR	31.12.2017	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Tax liabilities	75,701	75,701	-	-	-
Social security liabilities	18,634	18,634	-	-	-
Advances received POC	152,838	152,838	-	-	-
Payables to staff	118,901	118,901	-	-	-
Other	1,498	1,498	-	-	-
Total	**367,572**	**367,572**	**-**	**-**	**-**

40. Contingent liabilities and guarantees

in TEUR	2018	2017
Guarantees, guarantee bonds and other contingent liabilities	6,217	5,610
of which for companies accounted for under the equity method	(233)	(184)

The guarantees primarily relate to securing bank loans of non-consolidated subsidiaries, companies accounted for under the equity method and other companies in which the Group holds a stake, as well as other liabilities from the operational business whose drawdown is theoretically possible, but considered improbable.

Other financial liabilities

The operational construction business requires various types of guarantees in order to safeguard contractual obligations. This generally relates to guarantees for tenders, contract fulfilment, advance payment and warranty. Apart from this, the Group is jointly and severally liable for all consortiums in which it participates. Claims arising from these liabilities are not likely.

The Group has access to European credit lines totalling TEUR 3,031,674 (previous year: TEUR 2,683,520). Of these credit lines, TEUR 1,095,000 (previous year: TEUR 976,080) was concluded with a three-year term. The remainder of TEUR 1,936,674 (previous year: TEUR 1,707,441) generally run for a one-year term. Furthermore, there were credit lines in several Arabic countries of TEUR 670,318 (previous year: TEUR 599,534). As of 31 December 2018, around 58% (previous year: 60%) of the European credit lines had been drawn on and around 52% (previous year: 11%) of the lines in Arabic countries.

The three-year credit lines of TEUR 1,095,00 (previous year: TEUR 976,080) include harmonised financial covenants. The majority of these relate to the ratio between net debt and EBITDA or to the equity ratio.

All triggers had been met as of 31 December 2018. On the basis of the planned development, it is assumed that they will be met again on the next effective date, 31 December 2019.

41. Notes on segment reporting

Segment reporting is conducted in line with the internal reporting and controlling structure of the PORR Group. IFRS are the standards used for all business transactions between segments. The following segments are presented:

Segment Business Unit 1 – Austria, Switzerland, Czech Republic: This segment covers the PORR Group's operating business on the home markets of Austria, Switzerland and the Czech Republic as well as some individual projects in building construction in Germany. A full range of products and services is offered.

Segment Business Unit 2 – Germany: This segment covers the PORR Group's operating business on the home market of Germany. A full range of products and services is offered.

Segment Business Unit 3 – International: This segment contains the project-driven business activities in Poland, the Nordic region, Qatar, UAE, Slovakia, Romania, Great Britain and other future target countries. It also includes the competencies in tunnelling and railway construction for the whole Group.

Segment Business Unit 4 – Environmental Engineering, Healthcare & Services: This segment contains PORR Umwelttechnik GmbH as well as the equity interests PRAJO, TKDZ und PWW, hospitals, PORREAL and STRAUSS Property Management, Thorn, ALU-SOMMER and the activities in PPP.

Holding: This segment consists of Group services, PORR Design & Engineering GmbH and PORR Design & Engineering Deutschland GmbH.

Information on the commercial segments summarised in the business units can be found in the Group management report.

Segment report 2018

in TEUR	BU 1 – Austria, Switzerland, Czech Republic	BU 2 – Germany	BU 3 – International	BU 4 – Environmental Engineering, Healthcare & Services	Holding	Group
Production output (Group)	2,741,412	926,657	1,617,041	243,432	64,372	5,592,914
Segment revenue (revenue, own work capitalised and other operating income)	2,528,948	880,318	1,513,781	200,540	24,631	5,148,218
Intersegment revenue	82,854	12,805	20,588	20,206	146,316	
EBT (Earnings before tax = segment earnings)	55,583	1,857	22,553	7,132	1,006	88,131
Share of profit/loss of companies accounted for under the equity method	37,457	8,504	34,748	4,698	1,144	86,551
Depreciation, amortisation and impairment	-71,053	-18,828	-9,562	-15,059	-12,641	-127,143
of which impairment	(-1,623)	(-)	(-)	(-795)	(-309)	(-2,727)
Interest income	907	8,052	439	1,869	3,446	14,713
Interest expense	-6,452	-2,204	-1,211	-764	-12,028	-22,659

Segment report 2017

in TEUR	BU 1 – Austria, Switzerland, Czech Republic	BU 2 – Germany	BU 3 – International	BU 4 – Environmental Engineering, Healthcare & Services	Holding	Group
Production output (Group)	2,428,439	741,129	1,307,492	225,180	35,924	4,738,164
Segment revenue (revenue, own work capitalised and other operating income)	2,244,948	877,360	1,151,688	165,506	28,665	4,468,167
Intersegment revenue	39,014	16,826	10,798	11,530	126,983	
EBT (Earnings before tax = segment earnings)	60,083	-9,849	26,846	6,349	1,895	85,324
Share of profit/loss of companies accounted for under the equity method	27,258	13,236	14,147	4,726	-147	59,220
Depreciation, amortisation and impairment	-62,877	-17,428	-8,460	-12,064	-9,632	-110,461
of which impairment	(-)	(-)	(-)	(-1,471)	(-)	(-1,471)
Interest income	3,839	1,354	856	1,880	7,321	15,250
Interest expense	-5,147	-1,433	-788	-1,191	-12,321	-20,880

The following information relates to geographic business areas in which the Group is active:

in TEUR	Production output by customer base 2018	Non-current assets by company base 2018	Production output by customer base 2017	Non-current assets by company base 2017
Domestic	**2,331,616**	**539,809**	**2,198,338**	**535,294**
Germany	1,503,468	193,979	1,152,076	179,345
Poland	646,767	58,283	426,147	45,524
Czech Republic	203,963	47,668	151,503	25,075
Qatar	302,635	496	423,412	629
Italy	15,295	220	6,038	274
Romania	99,930	6,397	78,368	4,642
Bulgaria	1,037	988	10,416	1,087
Switzerland	225,466	7,847	187,876	7,483
Serbia	8,153	17,657	8,665	15,537
Great Britain	20,905	-	22,153	-
Slovakia	91,258	3,033	26,843	2,980
Norway	84,879	3,005	58,828	3,236
Croatia	3,186	1,522	2,127	1,767
United Arab Emirates	48,948	-	-	-
Other foreign	5,408	37	-14,626	62
Total foreign	**3,261,298**	**341,132**	**2,539,826**	**287,641**
Segment total	**5,592,914**	**880,941**	**4,738,164**	**822,935**

42. Notes on the cash flow statement

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, whereby the cash flow from operating activities is derived according to the indirect method. The financial fund exclusively comprises cash on hand/at banks and corresponds to the value shown in the statement of financial position for cash and cash equivalents.

The reconciliation of the changes in cash flow from financing activities is as follows:

in TEUR	Financial liabilities	Leases	Derivatives	Bonds and Schuldschein-darlehen	Total debts from financing activities
Balance as of 1 Jan 2018	**117,892**	**85,120**	**1,822**	**301,302**	**506,136**
Cash flows (cash changes)	-3,717	-36,531	-366	-69,946	-110,560
Cash flows (non-cash changes)					
Corporate acquisitions	8,646	4,361	-	-	13,007
Additions	-	60,271	-	-	60,271
Exchange differences	-1	-61	-	-	-62
Accrued interest	-	-	-	520	520
Fair value changes	-	-	546	-	546
Balance as of 31 Dec 2018	**122,820**	**113,160**	**2,002**	**231,876**	**469,858**

in TEUR	Financial liabilities	Leases	Derivatives	Bonds and Schuldschein-darlehen	Total debts from financing activities
Balance as of 1 Jan 2017	**38,898**	**81,851**	**1,707**	**300,662**	**423,118**
Cash flows (cash changes)	57,651	-36,134	149	-27	21,639
Cash flows (non-cash changes)					
Corporate acquisitions	21,442	8,069	-	-	29,511
Additions	-	31,329	-	-	31,329
Exchange differences	-99	5	-	-	-94
Accrued interest	-	-	-	667	667
Fair value changes	-	-	-34	-	-34
Balance as of 31 Dec 2017	**117,892**	**85,120**	**1,822**	**301,302**	**506,136**

43. Notes on financial instruments

43.1. Capital risk management

The fundamental aim of the Group's capital management is to substantially increase equity and to keep debt low.

In the year under review PORR succeeded in increasing equity by around TEUR 21,196. It was thereby possible to broadly maintain the equity ratio at 19.9% despite the growth of 8.0% in total assets. Both non-current and current liabilities subject to interest were reduced, by TEUR 17,007 and TEUR 19,271 respectively.

As of 31 December 2018 net debt, defined as the balance of cash and cash equivalents, bonds and current and non-current financial liabilities, totalled TEUR 150,184 (previous year: TEUR 147,429) and was thereby at a similar level to the previous year.

The net gearing ratio, defined as net debt divided by equity, is applied for the control of capital risk management. In 2018 net gearing stood at 0.24 (previous year: 0.25).

43.2. Categories of financial instruments

43.2.1. Carrying amounts, measurement rates and fair values

in TEUR	Measurement category	Carrying amount as of 31.12.2018	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 31.12.2018
Assets							
Loans	AC	26,665	26,665				
Loans	FVTPL	22,224			22,224	Level 3	22,224
Other financial assets	FVTOCI	29,692		29,692		Level 3	29,692
Other financial assets	FVTPL	1,088			1,088	Level 3	1,088
Other financial assets	FVTPL	10,796			10,796	Level 1	10,796
Trade receivables	AC	853,476	853,476				
Other financial assets	AC	119,600	119,600				
Other financial assets	FVTPL	102			102	Level 1	102
Derivatives (without hedges)	FVTPL	2,424			2,424	Level 2	2,424
Cash and cash equivalents		319,674	319,674				
Liabilities							
Bonds							
at fixed interest rates	AC	55,291	55,291			Level 1	56,614
Schuldscheindarlehen							
at fixed interest rates	AC	53,876	53,876			Level 3	54,454
at variable interest rates	AC	122,709	122,709				
Deposits from banks							
at fixed interest rates	AC	46,026	46,026			Level 3	49,428
at variable interest rates	AC	76,749	76,749				
Lease obligations[2]		113,160	113,160				
Other financial liabilities							
at fixed interest rates	AC	45	45			Level 3	44
Trade payables	AC	1,154,351	1,154,351				
Other financial liabilities	AC	44,336	44,336				
Derivatives (without hedges)	FVTPL	246			246	Level 2	246
Derivatives (with hedges)		1,756		1,756		Level 2	1,756
by category							
Financial assets at amortised cost	AC	999,741	999,741				
Cash and cash equivalents		319,674	319,674				
Fair value through profit & loss	FVTPL	36,388			36,388		
Fair value through OCI	FVTOCI	29,692		29,692			
Financial liabilities at amortised cost	AC	1,553,383	1,553,383				

The carrying amount of the financial instruments not measured at fair value corresponds to an appropriate approximation of the fair value in accordance with IFRS 7.29. The exception is bonds subject to fixed interest rates (fair value hierarchy level 1), deposits from banks subject to fixed interest rates (fair value hierarchy level 3), and Schuldscheindarlehen subject to fixed interest rates (fair value hierarchy level 3).

The fair value valuation for derivatives is determined in accordance with market data from information service provider REUTERS. Loans and borrowings as well as Schuldscheindarlehen are valued under the discounted cash flow valuation method, whereby the zero coupon yield curve published by REUTERS as of 31 December 2018 was used for the discounting of the cash flow.

Miscellaneous financial assets are measured at fair value directly in equity and relate to the granting of hybrid capital to UBM Development AG (TEUR 25,179), an equity interest in UBM Development Deutschland GmbH (TEUR 1,653), as well as other insignificant interests in GmbH companies (TEUR 2,860). The option to recognise them directly in equity under other operating income was exercised to prevent distortion of operating income. Dividends of TEUR 1,800 were recognised in the period under review, as were reclassifications totalling TEUR 1,323 in retained earnings due to the repayment of the mezzanine capital of UBM Development AG.

in TEUR	Measurement category	Carrying amount as of 31.12.2017	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 31.12.2017
Assets							
Loans	LaR	23,886	23,886				
Other financial assets[1]	AfS (at cost)	4,895	4,895				
Other financial assets	AfS	12,466		12,466		Level 1	12,466
Other financial assets	AfS	77,196		77,196		Level 3	77,196
Trade receivables	LaR	1,301,576	1,301,576				
Other financial assets	LaR	118,040	118,040				
Other financial assets	FAHfT	100			100	Level 1	100
Derivatives (without hedges)	FAHfT	4,243			4,243	Level 2	4,243
Cash and cash equivalents		358,707	358,707				
Liabilities							
Bonds							
at fixed interest rates	FLAC	101,889	101,889			Level 1	107,552
Schuldscheindarlehen							
at fixed interest rates	FLAC	74,797	74,797			Level 3	75,624
at variable interest rates	FLAC	124,616	124,616				
Deposits from banks							
at fixed interest rates	FLAC	21,307	21,307			Level 3	23,685
at variable interest rates	FLAC	95,834	95,834				
Lease obligations[2]		85,120	85,120				
Other financial liabilities							
at fixed interest rates	FLAC	751	751			Level 3	710
Trade payables	FLAC	1,032,040	1,032,040				
Other financial liabilities	FLAC	25,805	25,805				
Derivatives (without hedges)	FLHfT	612			612	Level 2	612
Derivatives (with hedges)		1,210		1,210		Level 2	1,210
by category							
Loans and receivables	LaR	1,443,502	1,443,502				
Cash and cash equivalents		358,707	358,707				
Available-for-sale financial assets[1]	AfS (at cost)	4,895	4,895				
Available-for-sale financial assets	AfS	89,662		89,662			
Financial assets held for trading	FAHfT	4,343			4,343		
Financial liabilities held for trading	FLHfT	612			612		
Derivative liabilities (with hedges)		1,210		1,210			
Financial liabilities measured as amortised cost	FLAC	1,477,039	1,477,039				

[1] These are related to Group shareholdings, predominantly shares in GmbHs, whose fair value cannot be reliably measured and for which there is no active market so that it is measured at acquisitions cost less possible impairment. There are currently no concrete plans to sell..
[2] Lease obligations fall under the application of IAS 17 and IFRS 7.

Details on fair value financial instruments 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 31 December 2018:

	Mid swap	Credit spread	Hybrid spread	Hybrid coupon in %
Balance as of 31 Dec 2018	19.6	271.57	368	6.6
Balance as of 31 Dec 2017	31.3	203.13	151	3.854

	Mezzanine capital	Hybrid capital
Total as of 1 Jan 2018	51,323	25,873
Disposals	-51,323	-
Surcharges/discounts	-	-694
Total as of 31 Dec 2018	**-**	**25,179**

UBM Development AG had paid back the mezzanine loan of TEUR 50,000 to PORR AG, effective 3 April 2018.

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.

43.2.2. Net income by measurement category

		from subsequent measurement				
in TEUR		from interest/income	at fair value	Allowances	from disposal	Net income2018
Financial assets at amortised cost	AC	9,892	-	-	-	9,892
Fair value through profit & loss	FVTPL	1,266	771	-561	104	1,580
Fair value through OCI	FVTOCI	4,072	-	-	87	4,159
Financial liabilities at amortised cost	AC	-17,878	-	-	-	-17,878

		from subsequent measurement				
in TEUR		from interest/income	at fair value	Allowances	from disposal	Net income 2017
Loans and receivables	LaR	10,168	-	-	-	10,168
Available-for-sale financial assets	AfS (at cost)	1,862	-	-734	-392	736
Available-for-sale financial assets	AfS	5,082	2,679	-	-1	7,760
Derivative (without hedge)	FAHfT/FLHfT	-	4,105	-	-	4,105
Financial liabilities measured at amortised cost	FLAC	-17,076	-	-	-	-17,076

43.3. Objectives of financial risk management

Managing financial risks, in particular liquidity risks and interest rate/currency risks are governed by standard Group guidelines. The management's aim is to minimise the risks as far as possible. Hence, derivative and non-derivative hedging instruments are used in line with evaluations. Nevertheless, in general the only risks which are anticipated are those which have consequences on the Group's cash flow. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trade or other speculative purposes.

All hedge transactions are performed centrally by the Group treasury, unless in specific cases other Group companies are authorised to conclude transactions outside the Group treasury. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. All Group treasury activities are subject to strict risk/processing control, the cornerstone of which is the functional separation of commerce, processing and accounting.

43.4. Liquidity risks

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity.

Managing the liquidity risk is based on a financial plan updated once a quarter, which originates at operational level. For all projects a designated commercial employee conducts individual and monthly planning for the current year and for the subsequent years. The operational component involves planning all cash-related financial issues such as due dates for financing, M&A and capital market transactions, interest and dividends; this is performed centrally at holding level with the person holding Group responsibility.

At year-end 2018 the Group had a liquidity level of TEUR 319,674; this liquidity is used on the one hand for the seasonal peak liquidity demand from April to November (typical to the construction industry), as well as for settling loans due, Schuldscheindarlehen instalments and bonds, and for corporate acquisitions. Should additional liquidity demand arise, this could provisionally be covered by drawing on existing lines of credit.

As of 31 December 2018 net debt, defined as the balance from cash and cash equivalents, debt securities in current assets, bonds and current and non-current financial liabilities, amounted to TEUR 150,184 (previous year: TEUR 147,429).

Current financial liabilities, defined as the current portion of bonds and de facto current financial liabilities, amount to TEUR 106,130 (previous year: TEUR 125,401) and are covered by cash and cash equivalents and assets held for sale of TEUR 319,699 (previous year: TEUR 364,271).

Bonds and Schuldscheindarlehen worth TEUR 175,586 (previous year: TEUR 233,639) were part of non-current financial liabilities of TEUR 363,728 (previous year: TEUR 380,735).

As of 31 December 2018 there was TEUR 396,500 (previous year: TEUR 233,000) available in bank lines for cash loans, which could be drawn on for the immediate refinancing of current financial liabilities. With regard to the syndicated guaranteed credit line which was granted and used, see note 40.

As of 31 December 2018 there was TEUR 783,963 (previous year: TEUR 569,123) in disposable liquidity, defined as the sum of funds available in bank accounts and confirmed, unused money market facilities.

Table of liquidity and interest rate risks

in TEUR	Average interest rate	Non-discounted payment flow until March 2019	April to Dec 2019	2020–2013	from 2024
Bonds					
at fixed interest rates	3.88%	-	57,533	-	-
Schuldscheindarlehen					
at fixed interest rates	1.72%	-	1,928	54,778	-
at variable interest rates	1.58%	992	977	119,024	10,097
Deposits from banks					
at fixed interest rates	2.36%	1,344	3,989	23,112	26,722
at variable interest rates	1.09%	6,882	9,377	61,287	586
Lease obligations	2.03%	14,184	15,319	66,388	25,100
Other financial liabilities					
at fixed interest rates	0.75%	-	-	46	-
Trade payables	interest-free	1,042,601	23,979	45,543	-

in TEUR	Average interest rate	Non-discounted payment flow until March 2018	April to Dec 2019	2019–20222	from 2023
Bonds					
at fixed interest rates	4.99%	-	55,305	58,442	-
Schuldscheindarlehen					
at fixed interest rates	1.73%	-	22,298	51,610	5,096
at variable interest rates	1.47%	932	924	110,271	20,481
Deposits from banks					
at fixed interest rates	2.04%	88	285	17,896	4,072
at variable interest rates	1.24%	21,184	935	65,708	9,400
Lease obligations	1.44%	13,957	21,408	45,107	8,809
Other financial liabilities					
at fixed interest rates	0.75%	-	707	47	-
Trade payables	interest-free	908,118	22,966	41,907	-

Payables to consortiums and other financial liabilities largely lead to cash outflows at the carrying amounts upon maturity.

43.5. Interest rate risk management

The Group's interest rate risk is defined as the risk from rising interest cost or falling interest income in connection with financial items. For PORR this risk results primarily from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group treasury. At the end of the reporting period, the management of this risk was conducted with non-derivative instruments as well as three interest rate swaps totalling TEUR 123,000 and three interest rate swaps with start dates in the future totalling TEUR 155,000. All derivative hedges are designated as cash-flow hedges. The basic purpose of the interest rate swaps is to refinance Schuldscheindarlehen at the variable EURIBOR rate. The hedging ratio of the swaps is 100%. All interest rate swaps relate to swapping variable interest flows for fixed interest flows. As of 31 December 2018 the market value of the interest rate swaps had a fair value of TEUR -1,756 (previous year: TEUR 1,210).

As of 31 December 2018 the Group used the following derivative financial instruments to hedge interest rate risks:

Derivative	Start	Maturity	Reference value in TEUR	Fixed interest rate in %	Reference interest rate	Market value 31.12.2018	Market value 31.12.2017
Interest rate swap	12.8.2015	12.8.2020	57,000	0.63	6-month EURIBOR	-565	-755
Interest rate swap	12.8.2015	13.8.2018	68,000	0.3675	6-month EURIBOR	-	-154
Interest rate swap	13.8.2018	12.8.2019	30,000	0.225	6-month EURIBOR	-42	-52
Interest rate swap	13.8.2018	13.8.2020	36,000	0.384	6-month EURIBOR	-219	-167
Interest rate swap	12.8.2019	12.8.2021	28,000	0.29	6-month EURIBOR	-95	-
Interest rate swap	12.8.2020	14.8.2023	10,000	0.815	6-month EURIBOR	-93	26
Interest rate swap	12.8.2020	12.8.2021	27,000	0.58	6-month EURIBOR	-102	12
Interest rate swap	13.8.2020	14.2.2022	40,000	0.84	6-month EURIBOR	-344	-83
Interest rate swap	12.8.2021	14.8.2023	40,000	0.9	6-month EURIBOR	-193	-
Interest rate swap	14.2.2022	13.2.2024	10,000	1.342	6-month EURIBOR	-105	-36

An analysis of the floating interest rate position as of 31 December 2018 amounting to around TEUR 200,966 showed the following sensitivities that would occur under the scenarios of an interest rate increase of 0.01 PP. The extent of the interest rate increase is based on the average volatility of the 3-month and 6-month EURIBOR in 2018. An unchanged interest rate therefore falls statistically within a probability band of 67% and the probability of an interest rate bandwidth of 1 BPS is respectively 99%. The simulated impact on interest rates is as follows:

in TEUR	higher interest expense for the year 2019	higher interest expense (p. a.) with straight-line extrapolation from 2020
at interest rate rise of 0.01 PP	6	20

43.6. Foreign currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge the operational foreign currency risks completely. In accordance with the respective functional currency of the Group unit which is processing the order, we aim to conduct local orders in the corresponding national currencies. This happens in every instance in which the services to be rendered are locally generated. If this does not succeed, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the Group treasury exclusively use forward contracts and first generation currency options (see note 43.8.).

As of 31 December 2018, the following currency positions existed for the entire Group:

Reporting currency	Currency pair	VAR[1] in TEUR
QAR	EURQAR	886
EUR	USDEUR	570
PLN	EURPLN	559
RON	EURRON	267
EUR	NOKEUR	160
NOK	EURNOK	132
RSD	EURRSD	98
various	various	333

[1] VAR = Value At Risk at a one-sided 95% confidence interval, this corresponds to a standard deviation of 1.96 over a time period of ten days.

The currency positions shown are only netted in the course of the respective reporting currency of the companies; correlations between individual currency pairs are not considered. At a confidence interval of 95% over a time period of ten days, the VAR amounts to TEUR 3,005.

VAR at Group level, when the items are netted over the reporting currencies and under inclusion of correlations between currency pairs, amounts to TEUR 1,538.

Reporting currency	Currency pair	VAR[1] in TEUR
EUR	QAREUR	665
EUR	USDEUR	513
EUR	PLNEUR	176
EUR	AEDEUR	122
EUR	RONEUR	45
EUR	various	17

[1] VAR = Value At Risk at a one-sided 95% confidence interval, this corresponds to a standard deviation of 1.96 over a time period of ten days.

43.7. Hedging currency risks

The PORR Group had concluded forward exchange contracts of TEUR 148,787 (previous year: TEUR 185,445) as of 31 December 2018; of these, TEUR 75,283 were forward purchases and TEUR 73,504 were forward sales. Around TEUR 72,860 (previous year: TEUR 83,774) are used as hedges for project cash flows and the remainder of TEUR 75,927 (previous year: TEUR 101,671) for hedging intragroup financing.

As of 31 December 2018 the market valuation of open forward exchange contracts resulted in a fair value of TEUR 2,178. In the business year 2018 total expense of TEUR 1,453 which resulted from changes in the fair value of forward contracts was recognised in profit or loss.

The following table shows the predicted contractual due dates for payments from forward contracts as estimated on 31 December 2018, i.e. when payments from the underlying transactions are expected:

	Cash flows in TEUR					
Forward sales Due date	CHF	PLN	NOK	DKK	USD	Total
January 2019	22,972	12,531			5,370	40,873
February 2019		7,117			1,856	8,973
March 2019		5,208			4,902	10,110
April 2019		2,702				2,702
May 2019		200			1,657	1,857
June 2019		1,013		89		1,102
November 2019					4,981	4,981
December 2019			1,211			1,211
January 2020					1,695	1,695

	Cash flows in TEUR					
Forward purchases Due date	CHF	NOK	RON	QAR	PLN	Total
January 2019	35,021	2,785			3,185	40,991
February 2019	1,559	1,528			120	3,207
March 2019	1,414	1,394			120	2,928
April 2019	806	1,045			120	1,971
May 2019	786	756			120	1,662
June 19	891	513	3,190		120	4,714
July 19	431	518			120	1,069
August 19	615	183			120	918
September 2019	215	289			120	624
October 2019		536			120	656
November 2019		146			120	266
December 2019		5,866		9,999	120	15,985
January 2020		292				292

43.8. Derivative financial instruments

The following table shows the fair values of the different derivative instruments.

in TEUR	2018	2017
Assets		
Derivatives		
without hedges	2,424	4,243
Liabilities		
Derivatives		
without hedges	246	612
with hedges	1,756	1,210

43.9. Credit risks

The risk related to receivables from customers can be classified as marginal, owing to the broad dispersion and ongoing creditworthiness checks. Specific to the industry, construction contracts require an advance payment by the general contractor which will not be covered by payments until a later date. To reduce the default risk, an extensive creditworthiness check is carried out and adequate sureties are agreed as far as possible.

The risk of default in the case of other original financial instruments stated under assets in the statement of financial position is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The carrying amount of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing allowances for impairment. There are high levels of outstanding receivables which relate mostly to infrastructure projects for public clients or public companies. Except for these, there are no occurrences of concentration of operating risks arising from significant outstanding amounts from individual debtors.

As of 31 December 2018 the maximum credit risk amounted to TEUR 1,385,388 (previous year: TEUR 1,900,888) and relates mainly to loans, other financial investments and securities, other financial assets, trade receivables and cash and cash equivalents.

44. Average staffing levels

	2018	2017
Salaried employees		
Domestic	3,513	3,239
Foreign	5,025	4,568
Waged Workers		
Domestic	6,365	5,940
Foreign	4,111	3,972
Total staff	**19,014**	**17,719**
of which fully consolidated		
Salaried employees	8,329	7,695
Waged Workers	10,237	9,677
Total fully consolidated	**18,566**	**17,372**

45. Related party disclosures

In addition to subsidiaries and companies accounted for under the equity method, related parties include the UBM Group, the companies of the IGO-Ortner Group, as they or their controlling entity hold shares together with the Strauss Group, over which one member of the PORR AG Executive Board has significant control, as well as the Kapsch Group, as one of the members of the PORR AG Executive Board holds a key position there while at the same time exercising joint influence over PORR AG. In addition to people and related companies who have control 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.

Transactions between Group companies included in the consolidated financial statements were eliminated on consolidation and are not examined any further.

Receivables and liabilities to consortiums only show direct services charged.

Transactions between Group companies and companies accounted for under the equity method are disclosed in the following analysis.

	Sales of goods and services		Purchases of goods and services		Receivables		Liabilities	
in TEUR	2018	2017	2018	2017	2018	2017	2018	2017
Associates	42,130	20,382	24,345	30,061	11,117	13,441	3,493	2,014
Joint ventures	78,059	47,815	67,996	36,990	25,995	19,365	4,488	1,932
Consortiums	194,673	231,675	54,634	55,688	64,188	81,929	14,539	13,387

Transactions with members of the management in key positions and companies over which they have control were as follows:

in TEUR	Income 2018	Income 2017	Expenses 2018	Expenses 2017	Receivables 2018	Receivables 2017	Liabilities 2018	Liabilities 2017
from trade payables and receivables								
UBM Group	100,458	96,549	5,441	6,918	5,434	6,504	2,061	830
IGO-Ortner Group	4,658	7,645	50,915	24,654	953	2,015	6,345	6,751
Strauss Group	4,119	4,684	541	584	101	139	1	12
Kapsch Group	1,265	693	3,212	1,573	86	263	341	18
Other	2	3	2,632	442	-	1,762	68	30
from financing								
UBM Group	2,339	6,092	-	-	39,652	96,360	60	102

The sale of 50% in H + E Haustechnik und Elektro GmbH was a related party transaction.

Outstanding accounts receivable are not secured and are settled in cash. With the exception of guarantees taken on for companies accounted for under the equity method which totalled TEUR 233 (previous year: TEUR 184), and for which no fees are generally charged, no guarantees were given nor were any enforced. No allowances were made in respect of amounts owed by related companies or persons, nor were any bad debt losses booked during the year under review.

46. Events after the end of the reporting period and other information

Schuldscheindarlehen with a total volume of EUR 203m were placed with a value date of 15 February 2019, whereby the net liquidity influx amounted to EUR 183m after EUR 20m from old tranches was integrated into the new transaction and thereby prematurely extended. They were divided into four-, five- and seven-year tranches, each subject to fixed and variable interest rates. The issue also included a green tranche totalling EUR 31.5m, issued in line with the "Eligible Green Principles". A second party opinion to confirm adherence to these principles was provided by the independent ratings agency Sustainalytics. This deal involves refinancing environmentally sound, sustainable investments in PORR office buildings as well as investments in PORR's activities in the field of environmental engineering.

The Executive Board of PORR AG approved the consolidated financial statements and handed them over to the Supervisory Board on 18 April 2019.

47. Fees paid to the Group’s auditors

The following table shows the fees paid to the Group’s auditors in the year under review:

in TEUR	BDO Austria GmbH 2018	BDO Austria GmbH 2017
Auditing the financial statements	270	265
Other audit services	389	358
Other advisory services	18	44

48. Executive bodies

Members of the Executive Board
Karl-Heinz Strauss, CEO
Andreas Sauer (from 1 February 2018)
Thomas Stiegler (from 6 December 2018)
J. Johannes Wenkenbach

Members of the Supervisory Board
Karl Pistotnik, Chairman
Klaus Ortner, Deputy Chairman
Michael Diederich (until 29 May 2018)
Robert Grüneis
Walter Knirsch
Iris Ortner
Bernhard Vanas
Susanne Weiss
Thomas Winischhofer

Members delegated by the Works Council
Peter Grandits (until 29 May 2018)
Michael Kaincz
Michael Tomitz
Gottfried Hatzenbichler
Wolfgang Ringhofer

The table below shows the remuneration paid to the managers in key positions, i.e. the members of the Executive Board and of the Supervisory Board of PORR AG broken down according to payment categories:

	Salary	Variable bonus	Pension fund	2018
Executive Board remuneration				
Karl-Heinz Strauss	750	616	39	1,405
J. Johannes Wenkenbach	500	515	40	1,055
Andreas Sauer	458	404	37	899
Thomas Stiegler	35	-	3	38
Total	**1,743**	**1,535**	**119**	**3,397**
of which current benefits due	1,743	1,535	-	3,278
of which remuneration due after termination of employment	-	-	119	119
Supervisory Board remuneration				
Current benefits due				197

	Salary	Variable bonus	Pension fund	2017
Executive Board remuneration				
Karl-Heinz Strauss	750	595	39	1,384
Christian B. Maier	500	675	40	1,215
J. Johannes Wenkenbach	500	425	40	965
Total	**1,750**	**1,695**	**119**	**3,564**
of which current benefits due	1,750	1,695	-	3,445
of which remuneration due after termination of employment	-	-	119	119
Benefits due as the result of termination of employment[1]	1,577	-	-	1,577
Supervisory Board remuneration				
Current benefits due				198

[1] Severance due for the termination of the Executive Board mandate of Christian B. Maier

18 April 2019, Vienna

The Executive Board
Karl-Heinz Strauss, m.p.
Andreas Sauer m.p.
Thomas Stiegler m.p.
J. Johannes Wenkenbach m.p.

Shareholdings

Company name	Country code	Cur-rency	Domicile	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Subsidiaries									
"EAVG Enzersdorfer Abfallverwertungsgesellschaft m.b.H."	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
A. Niedermühlbichler Baugesellschaft m.b.H.	AT	EUR	Seeboden	0.00000	100.00000	V	0.00000	100.00000	V
ABW Abbruch, Boden- und Wasserreinigungs-Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Allgemeine Straßenbau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
ALPINE AT GmbH	AT	EUR	Brunn am Gebirge	0.00000	100.00000	V			
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	86.38750	V	0.00000	86.38750	V
AMF - Asphaltmischanlage Feistritz GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	U	0.00000	100.00000	U
AMF - Asphaltmischanlage Feistritz GmbH & Co KG	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	V	0.00000	100.00000	V
AMO Asphaltmischwerk Oberland GmbH	AT	EUR	Linz	0.00000	90.00000	U	0.00000	90.00000	U
AMO Asphaltmischwerk Oberland GmbH & Co KG	AT	EUR	Linz	0.00000	90.00000	V	0.00000	90.00000	V
ASCI Logistik GmbH	AT	EUR	Premstätten	0.00000	100.00000	V			
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Asphaltmischwerk Greinsfurth GmbH	AT	EUR	Amstetten	0.00000	66.66750	U	0.00000	66.66750	U
Asphaltmischwerk Greinsfurth GmbH & Co OG	AT	EUR	Amstetten	0.00000	66.66750	V	0.00000	66.66750	V
Bautech Labor GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Bosch Baugesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
bpp Bautechnik GmbH	AT	EUR	Pichl bei Wels	0.00000	100.00000	V	0.00000	100.00000	V
CamBER22 GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
CIS Beton GmbH	AT	EUR	Premstätten	0.00000	100.00000	V			
Edos Beteiligungsverwaltungs GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Eisenschutzgesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
EPS Absberggasse 47 Projektmanagement GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
EPS LAA 43 GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
FEHBERGER Stahlbau GmbH	AT	EUR	Völkermarkt	0.00000	100.00000	V	0.00000	100.00000	V
Fritz & Co. Baugesellschaft m.b.H.	AT	EUR	Salzburg	0.00000	100.00000	V	0.00000	100.00000	V
G. Hinteregger & Söhne Baugesellschaft m.b.H.	AT	EUR	Salzburg	0.00000	100.00000	V	0.00000	100.00000	V
Gesellschaft für Bauwesen GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
GETINA Versicherungsvermittlung GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
GHS Logistik GmbH	AT	EUR	Salzburg	0.00000	100.00000	V	0.00000	100.00000	V
Goidinger Bau GmbH	AT	EUR	Zams	0.00000	100.00000	V	0.00000	100.00000	V
Grund- Pfahl- und Sonderbau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Hinteregger Holding Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
IAT GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Ing. Otto Richter & Co Straßenmarkierungen GmbH	AT	EUR	Wienersdorf, politische Gemeinde Traiskirchen	0.00000	100.00000	V	0.00000	100.00000	V
Ing. RADL-BAU GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
ISHAP Personaldokumentations GmbH	AT	EUR	Wien	0.00000	80.00000	V	0.00000	80.00000	V
ISHAP Software Solutions GmbH	AT	EUR	Wien	0.00000	80.00000	V			
Johann Koller Deponiebetriebsges.m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
KOLLER TRANSPORTE - KIES - ERDBAU GMBH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Kraft & Wärme Rohr- und Anlagentechnik GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Kratochwill Schotter & Beton GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	V	0.00000	100.00000	V

Company name	Country code	Currency	Domicile	PORR AG share %	PORR Group share %	Type of consolidation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
LD Recycling GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	V	0.00000	100.00000	V
Lieferasphaltgesellschaft JAUNTAL GmbH	AT	EUR	Klagenfurt	0.00000	71.99671	V	0.00000	71.99671	V
M.E.G. Mikrobiologische Erddekontamination GmbH	AT	EUR	Linz	0.00000	100.00000	V	0.00000	100.00000	V
Nägele Hoch- und Tiefbau GmbH	AT	EUR	Röthis	0.00000	100.00000	V	0.00000	100.00000	V
O.M. Meissl & Co. Bau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
ÖBA - Österreichische Betondecken Ausbau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Panitzky Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Perschler Gesellschaft m.b.H. in Liqu.	AT	EUR	Niklasdorf				0.00000	100.00000	V
PKM - Muldenzentrale GmbH	AT	EUR	Wien	0.00000	97.97021	V	0.00000	96.45152	V
PORR AUSTRIARAIL GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
PORR Bau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
PORR Bauindustrie GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
PORR Beteiligungen und Management GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
PORR Construction Holding GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
PORR Design & Engineering GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
PORR Equipment Services GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
PORR Financial Services GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
PORR Hinteregger-Holding GmbH	AT	EUR	Wien				0.00000	100.00000	V
PORR Infra GmbH	AT	EUR	Wals-Siezenheim	0.00000	100.00000	V			
PORR Recycling GmbH	AT	EUR	Wien	0.00000	100.00000	V			
PORR Umwelttechnik GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
PORREAL GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
PORRisk Solutions GmbH	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
Prajo & Co GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
PRONAT Steinbruch Preg GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	V	0.00000	100.00000	V
PWW Holding GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
RCH Recycling Center Himberg GmbH	AT	EUR	Himberg	0.00000	100.00000	V	0.00000	100.00000	V
Sabelo Beteiligungsverwaltungs GmbH	AT	EUR	Wien	100.00000	100.00000	U	100.00000	100.00000	U
Sabimo Monte Laa Bauplatz 2 GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Salzburger Lieferasphalt GmbH & Co OG	AT	EUR	Sulzau, politsche Gemeinde Werfen	0.00000	80.00000	V	0.00000	80.00000	V
SAM03 Beteiligungs GmbH	AT	EUR	Wien	0.00000	100.00000	V			
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	100.00000	100.00000	V	100.00000	100.00000	V
Schotterwerk GRADENBERG Gesellschaft m.b.H.	AT	EUR	Köflach	0.00000	100.00000	V	0.00000	100.00000	V
Schwarzl Transport GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	V	0.00000	100.00000	V
STRAUSS Property Management GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
Tancsos und Binder Gesellschaft m.b.H.	AT	EUR	Wolfsberg	0.00000	100.00000	V	0.00000	100.00000	V
TEERAG-ASDAG Bau GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
TEERAG-ASDAG GmbH	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
TEERAG-ASDAG Hochbau Burgenland GmbH	AT	EUR	Stegersbach	0.00000	100.00000	V	0.00000	100.00000	V
Wibeba Hochbau GmbH & Co. Nfg. KG	AT	EUR	Wien	100.00000	100.00000	V	100.00000	100.00000	V
Wiener Betriebs- und Baugesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	V	0.00000	100.00000	V
BB Government Services société privée á responsabilité limitée	BE	EUR	Uccle	0.00000	100.00000	V			
PORR Bulgaria EOOD	BG	BGN	Sofia	0.00000	100.00000	V	0.00000	100.00000	V
Gunimperm-Bauveg SA	CH	CHF	Bellinzona	0.00000	100.00000	V	0.00000	100.00000	V
PORR SUISSE AG	CH	CHF	Altdorf	0.00000	100.00000	V	0.00000	100.00000	V
ALPINE Bau CZ a.s.	CZ	CZK	Valasské Mezirici	0.00000	100.00000	V			
OBATECH s.r.o.	CZ	CZK	Prag	0.00000	100.00000	V	0.00000	100.00000	V
PORR a.s.	CZ	CZK	Prag	0.00000	100.00000	V	0.00000	100.00000	V

Company name	Country code	Currency	Domicile	PORR AG share %	PORR Group share %	Type of consolidation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
PORR Equipment Services Cesko s.r.o	CZ	CZK	Prag	0.00000	100.00000	V	0.00000	100.00000	V
PORREAL Cesko, s.r.o.	CZ	CZK	Prag	0.00000	100.00000	V	0.00000	100.00000	V
baikap Holding 180812 GmbH	DE	EUR	München	0.00000	100.00000	V	0.00000	100.00000	V
BB Government Services GmbH	DE	EUR	Kaiserslautern	0.00000	100.00000	V	0.00000	100.00000	V
CMG Gesellschaft für Baulogistik GmbH	DE	EUR	Münster	0.00000	100.00000	V	0.00000	100.00000	V
Emil Mayr Hoch- und Tiefbau GmbH	DE	EUR	Ettringen/Wertach	0.00000	100.00000	V	0.00000	100.00000	V
Franki Grundbau GmbH & Co. KG	DE	EUR	Seevetal	0.00000	100.00000	V	0.00000	100.00000	V
Franki Grundbau Verwaltungs GmbH	DE	EUR	Seevetal	0.00000	100.00000	V	0.00000	100.00000	V
Hinteregger, Brandstetter & Co. Baugesellschaft m.b.H.	DE	EUR	Traunstein	0.00000	100.00000	V	0.00000	100.00000	V
HUT Umwelttechnik GmbH	DE	EUR	Seevetal				0.00000	100.00000	V
IAT Deutschland GmbH	DE	EUR	München	0.00000	100.00000	V	0.00000	100.00000	V
ISG Ingenieurservice Grundbau GmbH	DE	EUR	Seevetal	0.00000	100.00000	V	0.00000	100.00000	V
ÖBA Betondecken Ausbau Deutschland GmbH	DE	EUR	München	0.00000	100.00000	V	0.00000	100.00000	V
Oevermann Hochbau GmbH	DE	EUR	Münster	0.00000	100.00000	V	0.00000	100.00000	V
Oevermann Ingenieurbau GmbH	DE	EUR	Münster	0.00000	100.00000	V	0.00000	100.00000	V
Oevermann Verkehrswegebau GmbH	DE	EUR	Münster	0.00000	100.00000	V	0.00000	100.00000	V
Porr Design & Engineering Deutschland GmbH	DE	EUR	Berlin	0.00000	100.00000	V	0.00000	100.00000	V
Porr Deutschland GmbH	DE	EUR	München	0.00000	94.66235	V	0.00000	94.29860	V
Porr Equipment Services Deutschland GmbH	DE	EUR	München	0.00000	100.00000	V	0.00000	100.00000	V
Porr Franki GmbH & Co. KG	DE	EUR	Seevetal	0.00000	100.00000	V	0.00000	100.00000	V
Porr Industriebau GmbH	DE	EUR	Passau	0.00000	100.00000	V	0.00000	100.00000	V
PORR Management GmbH	DE	EUR	München	100.00000	100.00000	V			
PORR MURNAU GmbH & Co. KG	DE	EUR	München	0.00000	100.00000	V	0.00000	100.00000	V
PORR Oevermann GmbH	DE	EUR	Münster	0.00000	100.00000	V	0.00000	100.00000	V
Porr Umwelttechnik Deutschland GmbH	DE	EUR	Garching bei München	0.00000	100.00000	V	0.00000	100.00000	V
PORR Vermögensverwaltung MURNAU GmbH	DE	EUR	München	0.00000	100.00000	U	0.00000	100.00000	U
PORREAL Deutschland GmbH in Liqu.	DE	EUR	Berlin				0.00000	100.00000	V
Radmer Kies GmbH & Co. KG	DE	EUR	Aschheim, Landkreis München	0.00000	100.00000	V	0.00000	100.00000	V
Radmer Kiesvertrieb Verwaltungs GmbH	DE	EUR	Aschheim, Landkreis München	0.00000	100.00000	U	0.00000	100.00000	U
STRAUSS & CO. Development GmbH	DE	EUR	Berlin	0.00000	94.00000	V	0.00000	94.00000	V
Stump Spezialtiefbau GmbH	DE	EUR	Berlin	0.00000	100.00000	V	0.00000	100.00000	V
Thorn Abwassertechnik GmbH	DE	EUR	München	0.00000	100.00000	V	0.00000	100.00000	V
TKDZ GmbH	DE	EUR	Wellen	0.00000	100.00000	V	0.00000	100.00000	V
Unterstützungskasse Franki Grundbau GmbH	DE	EUR	Seevetal	0.00000	100.00000	V	0.00000	100.00000	V
VIT Verbau- und Injektionstechnik GmbH	DE	EUR	Seevetal				0.00000	100.00000	V
Wellener Immobiliengesellschaft mbH	DE	EUR	Wellen	0.00000	100.00000	V	0.00000	100.00000	V
IAT UK Waterproofing Systems limited	GB	GBP	London	0.00000	100.00000	V	0.00000	100.00000	V
PORR SLOVAKIA LTD.	GB	GBP	London	0.00000	100.00000	V	0.00000	100.00000	V
PORR UK Ltd.	GB	GBP	London	0.00000	100.00000	V	0.00000	100.00000	V
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje, izgradnju i nadzor	HR	HRK	Zagreb	0.00000	100.00000	U	0.00000	100.00000	U
GRUNDBAU d.o.o.	HR	HRK	Zagreb	0.00000	100.00000	V	0.00000	100.00000	V
Schwarzl drustvo s ogranicenom odgovornoscu za obradu betona i sljunka	HR	HRK	Glina	0.00000	100.00000	V	0.00000	100.00000	V
PORR Építési Kft.	HU	HUF	Budapest	0.00000	100.00000	V	0.00000	100.00000	V
BB GOVERNMENT SERVICES SRL	IT	EUR	Vicenza	0.00000	100.00000	V	0.00000	100.00000	V
IAT Impermeabilizzazioni Srl	IT	EUR	Bozen	0.00000	100.00000	V	0.00000	100.00000	V
PORR GRADEZNISTVO DOOEL Skopje	MK	MKD	Skopje	0.00000	100.00000	V	0.00000	100.00000	V
Loftesnesbrui PORR-AURSTAD ANS	NO	NOK	Oslo	0.00000	64.95000	V	0.00000	64.95000	V
PNC Norge AS	NO	NOK	Oslo	0.00000	100.00000	V	0.00000	100.00000	V
Porr Construction LLC under liquidation	OM	OMR	Muscat	0.00000	100.00000	V	0.00000	100.00000	V
BBGS Spolka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	100.00000	V			

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Joint Venture Tunel Swinoujscie s.c.	PL	PLN	Warschau	0.00000	40.00000	V			
"Stal-Service" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	80.00000	V	0.00000	80.00000	V
PORR Spólka Akcyjna	PL	PLN	Warschau	0.00000	100.00000	V	0.00000	100.00000	V
PORREAL Polska Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	100.00000	V	0.00000	100.00000	V
Stump-Hydrobudowa Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	100.00000	V	0.00000	100.00000	V
RADMER BAU PORTUGAL - CONSTRUCOES, LIMITADA	PT	EUR	Lissabon	0.00000	99.00000	U	0.00000	99.00000	U
PORR Qatar Construction W.L.L	QA	QAR	Doha	0.00000	49.00000	V	0.00000	49.00000	V
Porr Construct S.R.L.	RO	RON	Bukarest	0.00000	100.00000	V	0.00000	100.00000	V
SC Schwarzl Beton SRL	RO	RON	Bukarest				0.00000	100.00000	U
"PORR - WERNER & WEBER - PROKUPLJE" doo, Prokuplje	RS	RSD	Prokuplje	0.00000	80.00000	V	0.00000	80.00000	V
DRUSTVO SA OGRANICENOM ODGOVORNOSCU "PORR-WERNER & WEBER-LESKOVAC", Leskovac	RS	RSD	Leskovac	0.00000	70.00000	V	0.00000	70.00000	V
Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina	RS	RSD	Jagodina	0.00000	80.00000	V	0.00000	80.00000	V
Gradevinsko preduzece Porr d.o.o. - u likvidaciji	RS	RSD	Belgrad	0.00000	100.00000	V	0.00000	100.00000	V
PWW d.o.o. Nis	RS	RSD	Nis	0.00000	100.00000	V	0.00000	100.00000	V
PWW Deponija d.o.o. Jagodina	RS	RSD	Jagodina	0.00000	100.00000	V	0.00000	100.00000	V
PWW Deponija Dva d.o.o. Leskovac	RS	RSD	Leskovac	0.00000	100.00000	V	0.00000	100.00000	V
TRACK EXPERTS D.O.O. BEOGRAD, MILUTINA MILANKOVICA 11A – u likvidaciji	RS	RSD	Belgrad	0.00000	74.00000	V	0.00000	74.00000	V
PNC Sverige AB	SE	SEK	Stockholm	0.00000	100.00000	V	0.00000	100.00000	V
ALPINE SLOVAKIA, spol. s.r.o.	SK	EUR	Bratislava	0.00000	100.00000	V			
PORR s.r.o.	SK	EUR	Bratislava	0.00000	100.00000	V	0.00000	100.00000	V
Tovarystvo z obmezhenoyu vidpovidalnistyu "Porr Ukraina"	UA	UAH	Kiew				0.00000	100.00000	V
Associated companies									
ABO Asphalt-Bau Oeynhausen GmbH.	AT	EUR	Oeynhausen, politische Gemeinde Traiskirchen	0.00000	22.50000	E	0.00000	22.50000	E
ALU-SOMMER GmbH	AT	EUR	Stoob	0.00000	49.49857	E	0.00000	49.49857	E
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG	AT	EUR	Zistersdorf	0.00000	20.00000	U	0.00000	20.00000	U
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	AT	EUR	Zistersdorf-Maustrenk, politische Gemeinde Zistersdorf	0.00000	20.00000	U	0.00000	20.00000	U
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AT	EUR	Linz	0.00000	33.33333	U	0.00000	33.33333	U
ASA - Projektentwicklung - GmbH	AT	EUR	Wien	0.00000	49.99963	E	0.00000	47.44822	E
ASF Frästechnik GmbH & Co KG	AT	EUR	Kematen	0.00000	40.00000	E	0.00000	40.00000	E
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	AT	EUR	Rauchenwarth	0.00000	40.00000	E	0.00000	40.00000	E
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	EUR	Wien	0.00000	45.00000	U	0.00000	45.00000	U
CCG Immobilien GmbH	AT	EUR	Wien	0.00000	50.00000	E	0.00000	25.00000	E
FMA Asphaltwerk GmbH & Co KG	AT	EUR	Feldbach	0.00000	35.00000	E	0.00000	35.00000	E
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH in Liqu.	AT	EUR	Bad Mitterndorf				0.00000	24.00000	U
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH & Co KG	AT	EUR	Bad Mitterndorf				0.00000	24.00000	E
ISHAP Gebäudedokumentations GmbH	AT	EUR	Wien	0.00000	37.50000	E	0.00000	37.50000	E
KAB Straßensanierung GmbH & Co KG	AT	EUR	Spittal an der Drau	0.00000	19.98800	U	0.00000	19.98800	U
Lavanttaler Bauschutt - Recycling GmbH	AT	EUR	Wolfsberg	0.00000	49.99999	E	0.00000	49.99999	E
MSO Mischanlagen GmbH Ilz & Co KG	AT	EUR	Ilz	0.00000	47.19200	E	0.00000	47.19200	E
MSO Mischanlagen GmbH Pinkafeld & Co KG	AT	EUR	Pinkafeld	0.00000	47.33333	E	0.00000	47.33333	E
PM2 Bauträger GesmbH	AT	EUR	Klagenfurt	0.00000	24.75000	U	0.00000	24.75000	U

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RFM Asphaltmischwerk GmbH & Co KG	AT	EUR	Wienersdorf-Oeynhausen, politische Gemeinde Traiskirchen	0.00000	46.00000	E	0.00000	46.00000	E
RFM Asphaltmischwerk GmbH.	AT	EUR	Wienersdorf-Oeynhausen, politische Gemeinde Traiskirchen	0.00000	46.00000	U	0.00000	46.00000	U
Sava Most Gradevinsko Preduzece OG	AT	EUR	Wien	0.00000	27.93000	U	0.00000	27.93000	U
TB Betonwerk Zams GmbH	AT	EUR	Zams	0.00000	24.00000	E	0.00000	24.00000	E
Obalovna Boskovice, s.r.o.	CZ	CZK	Boskovice	0.00000	45.00000	E	0.00000	45.00000	E
Alexander Parkside GmbH & Co. KG	DE	EUR	Berlin	0.00000	50.00000	E	0.00000	50.00000	E
ASDAG Kavicsbánya és Épitö Korlátolt Felelösségü Társaság	HU	HUF	Janossomorja	0.00000	34.88000	E	0.00000	34.88000	E
BPV-Metro 4 Építési Közkereseti Társaság	HU	HUF	Budapest	49.95000	49.95000	U	49.95000	49.95000	U
BPV-METRO 4 NeKe Építési Közkereseti Társaság	HU	HUF	Budapest	49.95000	49.95000	U	49.95000	49.95000	U
FRANKI POLSKA Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Krakau	0.00000	70.00000	E	0.00000	70.00000	E
Advanced Utility Construction and Contracting LLC	QA	QAR	Doha	0.00000	40.00000	E	0.00000	40.00000	E
Joint Venture Al Wakrah Stadium & Precinct Main Works and Masterplan (SC-14-G-171)	QA	QAR	Doha	0.00000	33.33333	E	0.00000	33.33333	E
Joint Ventures									
"hospitals" Projektentwicklungsges.m.b.H.	AT	EUR	Wien	0.00000	62.90000	E	0.00000	62.90000	E
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
AMW Asphalt-Mischwerk GmbH	AT	EUR	Sulz	0.00000	50.00000	U	0.00000	50.00000	U
AMW Asphalt-Mischwerk GmbH & Co KG	AT	EUR	Sulz	0.00000	50.00000	E	0.00000	50.00000	E
AMW Leopoldau GmbH & Co OG	AT	EUR	Wien	0.00000	33.34000	E	0.00000	33.34000	E
ARIWA Abwasserreinigung im Waldviertel GmbH	AT	EUR	Wien	0.00000	75.00000	E	0.00000	75.00000	E
ASB Nörsach GmbH	AT	EUR	Linz	0.00000	50.00000	E	0.00000	50.00000	E
ASF Frästechnik GmbH	AT	EUR	Kematen	0.00000	40.00000	U	0.00000	40.00000	U
Asphaltmischwerk Betriebsgesellschaft m.b.H.	AT	EUR	Rauchenwarth	0.00000	40.00000	U	0.00000	40.00000	U
Asphaltmischwerk Roppen GmbH	AT	EUR	Roppen	0.00000	30.00000	U	0.00000	30.00000	U
Asphaltmischwerk Roppen GmbH & Co KG	AT	EUR	Roppen	0.00000	30.00000	E	0.00000	30.00000	E
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG	AT	EUR	Weißbach bei Lofer	0.00000	45.00000	E	0.00000	45.00000	E
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	AT	EUR	Bergheim	0.00000	50.00000	E	0.00000	50.00000	E
AUL Abfallumladelogistik Austria GmbH	AT	EUR	Wien	0.00000	50.00000	E			
Betonexpress FH Vertriebs-GMBH	AT	EUR	Bad Gleichenberg				0.00000	20.00000	U
Errichtungsgesellschaft Marchfeldkogel mbH in Liqu.	AT	EUR	Groß-Enzersdorf				0.00000	60.93000	E
FMA Asphaltwerk GmbH	AT	EUR	Feldbach	0.00000	35.00000	U	0.00000	35.00000	U
Gaspix Beteiligungsverwaltungs GmbH	AT	EUR	Zirl	31.57894	31.57894	U	31.57894	31.57894	U
Grazer Transportbeton GmbH	AT	EUR	Gratkorn	0.00000	50.00000	E	0.00000	50.00000	E
HD Baustoff Verwertung GmbH	AT	EUR	Berndorf	0.00000	50.00000	E	0.00000	50.00000	E
hospitals Projektentwicklungsges.m.b.H.	AT	EUR	Graz	0.00000	74.00000	E	0.00000	74.00000	E
INTERGEO Umweltmanagement GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
IP Real Estate Amraser Straße GmbH	AT	EUR	Innsbruck	0.00000	50.00000	E	0.00000	50.00000	E
KDS 98 Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee				0.00000	33.30000	E
Lieferasphalt Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	50.00000	U	0.00000	50.00000	U
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	AT	EUR	Viecht, politische Gemeinde Dessel-brunn	0.00000	33.50000	E	0.00000	33.50000	E
Lieferasphalt Gesellschaft m.b.H. & Co. OG	AT	EUR	Maria Gail, politische Gemeinde Villach	0.00000	40.00000	E	0.00000	40.00000	E
Lieferasphalt Gesellschaft m.b.H. & Co. OG, Zirl	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E

Company name	Country code	Cur-rency	Domicile	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
LISAG Linzer Splitt- und Asphaltwerk GmbH.	AT	EUR	Linz	0.00000	50.00000	U	0.00000	50.00000	U
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG	AT	EUR	Linz	0.00000	50.00000	E	0.00000	50.00000	E
MSO Mischanlagen GmbH	AT	EUR	Ilz	0.00000	66.66667	U	0.00000	66.66667	U
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	EUR	Zirl	31.57895	31.57895	E	31.57895	31.57895	E
Salzburger Reststoffverwertung GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
Stöckl Schotter- und Splitterzeugung GmbH	AT	EUR	Weißbach bei Lofer	0.00000	40.00001	E	0.00000	40.00001	E
TAL Betonchemie Handel GmbH	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	EUR	Nußdorf ob der Traisen	0.00000	33.33333	U	0.00000	33.33333	U
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	EUR	Nußdorf ob der Traisen	0.00000	33.33333	E	0.00000	33.33333	E
Tauernkies GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
TB Transportbeton GmbH	AT	EUR	Linz	0.00000	33.33333	E			
TBT Transportbeton Tillmitsch GmbH	AT	EUR	Tillmitsch	0.00000	50.00000	U	0.00000	50.00000	U
TBT Transportbeton Tillmitsch GmbH & Co KG	AT	EUR	Tillmitsch	0.00000	50.00000	E	0.00000	50.00000	E
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	AT	EUR	Spittal an der Drau	0.00000	50.00000	U	0.00000	50.00000	U
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	AT	EUR	Spittal an der Drau	0.00000	50.00000	E	0.00000	50.00000	E
Weyerhof Steinbruch GmbH	AT	EUR	Murau	0.00000	50.00000	U	0.00000	50.00000	U
Weyerhof Steinbruch GmbH & Co KG	AT	EUR	Murau	0.00000	50.00000	E	0.00000	50.00000	E
WPS Rohstoff GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	49.00000	E	0.00000	49.00000	E
Obalovna Havlickuv Brod s.r.o.	CZ	CZK	Hradec Králové	0.00000	50.00000	E			
OBALOVNA PRÍBRAM, s.r.o.	CZ	CZK	Prag	0.00000	37.50000	E	0.00000	75.00000	V
Obalovna Stredokluky s.r.o.	CZ	CZK	Prag	0.00000	50.00000	E	0.00000	50.00000	E
Obalovna Tábor s.r.o.	CZ	CZK	Ceské Budejovice	0.00000	50.00000	E	0.00000	50.00000	E
Obalovna Tyniste s.r.o.	CZ	CZK	Ceské Budejovice	0.00000	33.33333	E	0.00000	33.33333	E
SILASFALT s.r.o.	CZ	CZK	Ostrava - Kuncice	0.00000	50.00000	E			
Spolecne obalovny, s.r.o.	CZ	CZK	Prag	0.00000	50.00000	E	0.00000	50.00000	E
Alexander Parkside Verwaltungs GmbH	DE	EUR	Berlin	0.00000	50.00000	U	0.00000	50.00000	U
AMW Asphaltmischwerke Westfalen GmbH	DE	EUR	Münster	0.00000	50.00000	E	0.00000	50.00000	E
AVALERIA Beteiligungsgesellschaft mbH	DE	EUR	Düsseldorf	0.00000	60.00000	U			
AVALERIA Hotel HafenCity GmbH & Co. KG	DE	EUR	Düsseldorf	0.00000	56.88000	E			
Beteiligungsgesellschaft Nordharz Asphalt-Mischwerke mbH	DE	EUR	Wegeleben	0.00000	50.00000	U	0.00000	50.00000	U
Frankenstraße 18-20 GmbH & Co. KG in Liqu.	DE	EUR	Hamburg				0.00000	50.00000	E
H + E Haustechnik und Elektro GmbH	DE	EUR	Deggendorf	0.00000	50.00000	E	0.00000	100.00000	V
Nordharz Asphalt-Mischwerke GmbH & Co. KG	DE	EUR	Wegeleben	0.00000	50.00000	E	0.00000	50.00000	E
Olympia Gate Munich Verwaltungs GmbH	DE	EUR	Grünwald	0.00000	50.00000	E	0.00000	50.00000	E
Radmer Bau Kieswerke GmbH	DE	EUR	Leipzig	0.00000	50.00000	U	0.00000	50.00000	U
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG	DE	EUR	Schkeuditz	0.00000	50.00000	E	0.00000	50.00000	E
M6 Dunaújváros-Szekszárd Építési Közkereseti Társaság	HU	HUF	Budapest	0.00000	50.00000	E	0.00000	50.00000	E
M6-Autópálya Építési Kkt.	HU	HUF	Budapest	0.00000	33.33330	U	0.00000	33.33330	U
JV BB CLC S.c.a.r.l.	IT	EUR	Vicenza	0.00000	50.00000	E			
JV MACC NAVY	IT	EUR	Vicenza	0.00000	95.00000	E			
JOINT VENTURE FARRIS BRU ANS	NO	NOK	Larvik	0.00000	65.00000	E	0.00000	65.00000	E
JOINT VENTURE HARPE BRU ANS	NO	NOK	Larvik	0.00000	65.00000	E	0.00000	65.00000	E
"Modzelewski & Rodek" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	50.00000	E	0.00000	50.00000	E
Berlin Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	26.00000	E	0.00000	26.00000	E
Poleczki Amsterdam Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	26.00000	E	0.00000	26.00000	E
Poleczki Vienna Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	26.00000	E	0.00000	26.00000	E

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Warsaw Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warschau	0.00000	26.00000	E	0.00000	26.00000	E
AUCC Precast Factory LLC	QA	QAR	Doha	0.00000	40.00000	E	0.00000	40.00000	E
EQCC PORR W.L.L.	QA	QAR	Doha	0.00000	49.00000	E	0.00000	49.00000	E
Hamad Bin Khalid Contracting - PORR Qatar Construction JV W.L.L.	QA	QAR	Doha	0.00000	45.00000	E	0.00000	45.00000	E
SEVER-JUG AUTOPUT DRUSTVO SA OGRANICENOM ODGOVORNOSCU ZA IZGRADNJU, KORISCENJE I ODRZAVANJE AUTOPUTA u likvidaciji	RS	RSD	Belgrad	0.00000	50.00000	U	0.00000	50.00000	U
Asfalt Belusa s.r.o.	SK	EUR	Bratislava - mestská cast´ Ruzinov	0.00000	50.00000	E			
D4R7 Construction s.r.o.	SK	EUR	Bratislava	0.00000	35.00000	E	0.00000	35.00000	E
Slovenské Asfalty s.r.o.	SK	EUR	Bratislava - mestská cast´ Ruzinov	0.00000	50.00000	E			
Other equity interests									
Grimming Therme GmbH	AT	EUR	Bad Mitterndorf				0.00000	17.00000	U
KAB Straßensanierung GmbH	AT	EUR	Spittal an der Drau	0.00000	19.98800	U	0.00000	19.98800	U
PPP Campus Bednar Park Errichtungs- und Betriebs GmbH	AT	EUR	Wien	0.00000	1.00000	U	0.00000	1.00000	U
Pumpspeicherkraftwerk Koralm GmbH	AT	EUR	Garanas, politische Gemeinde Schwanberg	0.00000	1.00000	U	0.00000	1.00000	U
Schaberreiter GmbH	AT	EUR	Kindberg	0.00000	6.80000	U	0.00000	6.80000	U
Senuin Beteiligungsverwaltungs GmbH	AT	EUR	Wien	0.00000	1.00000	U	0.00000	1.00000	U
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	AT	EUR	Zistersdorf	0.00000	16.66667	U	0.00000	16.66667	U
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	AT	EUR	Zistersdorf	0.00000	16.66667	U	0.00000	16.66667	U
Vystavba hotelu PRAHA - ZVONARKA, spol. s.r.o. v likvidaci	CZ	CZK	Prag	0.00000	11.11111	U	0.00000	11.11111	U
Arena Boulevard GmbH & Co. KG	DE	EUR	Berlin	0.00000	6.00000	U	0.00000	6.00000	U
BTM BAUSTOFF-TECHNIK + MISCHWERKE Gesellschaft mit beschränkter Haftung	DE	EUR	Bielefeld	0.00000	15.00000	U	0.00000	15.00000	U
Forum am Bahnhof Quickborn GmbH & Co. KG	DE	EUR	Hamburg	0.00000	6.00000	U	0.00000	6.00000	U
German Hotel Verwaltungs GmbH	DE	EUR	Grünwald	0.00000	3.00000	U	0.00000	3.00000	U
Hotel Invest Hansa FT2 GmbH & Co. KG	DE	EUR	Hamburg	0.00000	3.00000	U	0.00000	3.00000	U
SONUS City GmbH & Co. KG	DE	EUR	Berlin	0.00000	6.00000	U	0.00000	6.00000	U
UBM Development Deutschland GmbH	DE	EUR	München	0.00000	6.00000	U	0.00000	6.00000	U
Zero Bypass (Holdings) Limited	GB	GBP	London	0.00000	10.00000	U	10.00000	10.00000	U
AQUASYSTEMS gospodarjenje z vodami d.o.o.	SI	EUR	Maribor	0.00000	10.00033	U	0.00000	10.00033	U

Key:
F = Fully consolidated companies
E = Companies consolidated under the equity method
M = Companies of minor significance

Auditor’s Report

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of PORR AG, Vienna, and of its subsidiaries (the Group) comprising the consolidated balance sheet as of December 31, 2018, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2018 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB.

Basis for opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following “EU regulation”) and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

1. Accounting for revenues from construction contracts
2. Accounting for consortiums

1. Accounting for revenues from construction contracts

Situation and reference to further information

A large part of revenue and profits of the PORR group result from revenues from construction contracts, which are accounted in accordance with IFRS 15 Revenue from contracts with customers. In 2018 this accounted for approximately 95% of revenue.

In general, revenue is realised over the period of the service rendered under application of the output method. Revenue and proportional profits are recorded on the basis of the stage of completion. If it is probable that total contract costs exceed the corresponding contract revenues an onerous contract provision is recorded for the expected total loss. Warranty obligations exist in relation to completed construction projects handed over to the client. For certain construction contracts PORR and its customers and/or suppliers have different views regarding contractual claims

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and/or obligations of the PORR group. These differences are solved in negotiations with the contract partners, as well as in legal and extrajudicial (arbitration) proceedings. Claims are recognised when there is a contractual entitlement to the amount of consideration and they can be reliably assessed. Provisions for buildings are recognised for warranty claims, impending and claimed penalties and damages.

The assessment of contracts with customers until completion depends to a large extent on assumptions and expectations about future developments and completion of the projects and the outcome of negotiations and procedures with contract parties and is therefore, to a large extent, dependent on estimates. This is particularly the case with regard to the accounting for claims, the amount of the estimated total contract costs and corresponding profits as well as the amount of the contract revenues which have to be recognised in accordance with the PoC-method and the estimated expenses and obligations for penalties, damages and warranties.

The risk for the consolidated statements consists of the uncertainty of the accounting for contracts with customers and the related items in the consolidated statement of financial position and the consolidated income statement due to necessary assumptions and estimates and the misrepresentation of these items.

Reference to further information:
Information on accounting and measurement methods for the first-time application of IFRS 15 Revenue from contracts with customers can be found in chapter 3 (New accounting standards) of the notes to the consolidated financial statements. Chapter 6 (Key assumptions and key sources of estimation uncertainty) contains information on substantial estimation uncertainty. Chapter 7 (Revenues) shows the share of revenues from construction contracts of total sales. The Trade receivables section (24) contains information on the carrying amounts of contract assets, related contract profits and the prepayments received, which have been measured in accordance with the POC method. Construction contracts which form a liability are shown as contract liabilities in disclosure note: Other liabilities (39.). Chapter 34 (Provisions) provides details on the composition and development of provisions for buildings.

Audit response
In the course of our audit, we have gained an understanding of the processes relevant to the accounting of revenues from construction contracts and tested the effectiveness of selected internal controls. These controls mainly addressed the technical, legal and commercial review and approval of new contracts as well as the calculation and recognition process of contract revenue and contract cost. We also tested internal controls which relate to the internal monitoring and assessment of ongoing projects and calculations up to the completion after the end of the warranty period.

On the basis of the results of these control tests, we have drawn a sample of contracts with customers from constructions contracts for a more in-depth analysis. With focus on high estimation uncertainties and error risks, we have selected our sample considering various relevant parameters, e.g. margin and profit development, contract value, carrying amount, asserted and capitalized claims, disputed claims and internal reporting of risk management.

The audit procedures performed on the selected sample consisted primarily of:

- Analytical procedures, comparing the actual results to the estimates/forecasts made in the past.
- Reconciliation of the key assumptions and estimates with contracts, budgets and comparable construction contracts.
- Critical analysis and discussions of key project assumptions with the responsible commercial and operational project managers.
- Critical assessment of internal and external technical, legal and commercial opinions.
- Review of the correspondence and minutes concerning discussions and negotiations with contract partners.
- Obtaining and critically assessing opinions on legal and extrajudicial (arbitration) proceedings.
- Testing of the financial entries and computational accuracy of the contract costs, results and carrying amounts related to the selected construction contracts.

2. Accounting for consortiums

Situation and reference to further information
Large-scale infrastructure projects are often carried out in consortiums.

The majority of these consortiums are classified as joint ventures on the basis of standard con-tracts pursuant to IFRS 11 and are accounted for using the equity method. The group's share of profit or loss of these consortiums are reported under the 'Share of profit/loss of companies accounted for under the equity method'. Revenue resulting from services provided to consortiums is presented under revenues from construction contracts. In 2018 services provided to consortiums amounted to approx. MEUR 195, approximately 70 % of the 'Share of profit/loss of companies accounted for under the equity method' account for proportional profits from consortiums.

In general consortiums are separate vehicles with an independent financial administration and organizational structure. The accounting for the consortium is partly performed by the PORR Group and partly by another partner. The profit determination within the consortium is carried out in accordance with the stipulations of the consortium/joint venture agreement and in order for these profits to be included in the PORR consolidated financial statements, they have to be adjusted to IFRS regulations, in particular IFRS 15 Revenue from contracts with customers.

The accounting of the profit and loss shares and the resulting receivables and liabilities against consortiums is therefore not only dependent on the accounting for the contracts with customers and the associated uncertainties and risks, but also on the monitoring, adjusting and transferring of the consortium accounts to the IFRS consolidated financial statements of PORR.

Apart from the uncertainties arising from necessary estimations for the contracts with customers (refer to point 1. Accounting for construction contracts), the risk for the consolidated financial statements consists of errors resulting from transferring or adjusting the profits of the consortium.

Reference to further information:
Information on the accounting and measurement methods of the consortiums can be found in chapter 3 (New accounting standards) and chapter 5 (Accounting and measurement methods) of the notes to the consolidated financial statements. Chapter 20. (Shares in companies accounted for under the equity method) provides information on the revenues, results, assets and liabilities of significant consortiums, as well as the earnings from non-essential consortiums. In section 24 (Trade receivables), receivables are shown and liabilities against consortiums are disclosed in chapter 37. (Trade payables). Section 45 (Related Party Transactions) provides an overview of the transactions and the resulting balances with consortiums.

Audit response
In the course of our audit, we have gained an understanding of the processes related to the accounting of consortiums and tested the effectiveness of selected internal controls. These controls mainly concerned the acceptance of con-struction contracts, conclusion of consortium agreements, involvement into the accounting of the consortiums and the monitoring and systematic recording and adjustment of the accounts of the consortiums into the PORR Group.

On the basis of the results of these control tests, we have drawn a sample from the contracts with customers handled by the consortiums and the related at-equity results, receivables and payables for a more in-depth analysis. With focus on high estimation uncertainties and error risks, we have selected our sample similar to the criteria for revenues from construction contracts considering various relevant parameters such as margin and profit development, contract value, asserted and capitalized claims, disputed claims and the amount of advance profits. In addition, the knowledge and experience gained from the monitoring and cooperation with various partners was taken into account.

For the selected sample, similar audit procedures were carried out to those for the testing of revenues from construction contracts (refer to point 1). In addition, our audit procedures relating to consortiums accounted for using the equity method included:

- Critical assessment of profit statements provided by consortium partners.
- Analysis and discussion of alternative project assessments and adjustment requirements with the responsible project managers.
- Reconciliation of the consortium partner accounts to the accounting of the consortium.
- Testing of the IFRS adjustments to the results transferred from the consortiums.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB, for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group
Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion
In our opinion, the management report for the group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

Statement
Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Other Information
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor’s report thereon.

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

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

Additional information in accordance with article 10 of the EU regulation
We were elected as auditor by the ordinary general meeting at May 29, 2018. We were appointed by the Supervisory Board on June 12, 2018. We are auditors without cease since 2002.

We confirm that the audit opinion in the section “Report on the consolidated financial statements” is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

We provided no services, in addition to the statutory audit, to the audited company and its controlled undertakings, which have not been disclosed in the Group's management report or in the consolidated financial statements.

Responsible Austrian Certified Public Accountant
The engagement partner on the audit resulting in this independent auditor’s report is Mr. Mag. Klemens Eiter, Certified Public Accountant.

Vienna, April 18, 2019

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Klemens Eiter
Certified Public Accountant

ppa. Mag. Gerhard Fremgen
Certified Public Accountant

Publication or sharing with third parties of the financial statements together with our auditor’s opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Consolidated Financial Statements 2019

together with the respective auditors‘ report

This is a translation of the German language original

Consolidated Income Statement

in TEUR	Notes	2019	2018
Revenue	(7)	4,880,414	4,959,109
Own work capitalised in non-current assets		4,105	5,186
Income from companies accounted for under the equity method	(20)	87,448	86,551
Other operating income	(8)	178,733	183,923
Cost of materials and other related production services	(9)	-3,286,674	-3,462,635
Staff expenses	(10)	-1,243,180	-1,178,798
Other operating expenses	(12)	-398,530	-373,869
EBITDA		**222,316**	**219,467**
Depreciation, amortisation and impairment expense	(11)	-167,594	-127,143
EBIT		**54,722**	**92,324**
Income from financial investments and other current financial assets	(13)	15,396	18,466
Finance costs	(14)	-32,709	-22,659
EBT		**37,409**	**88,131**
Income tax expense	(15)	-9,576	-21,936
Profit/loss for the year		**27,833**	**66,195**
of which attributable to shareholders of parent		14,314	54,163
of which attributable to holders of profit-participation rights/hybrid capital		11,227	11,227
of which attributable to non-controlling interests		2,292	805
Basic (diluted) earnings per share, total (in EUR)	(16)	0.50	1.88

Statement of Comprehensive Income

in TEUR	Notes	2019	2018
Profit/loss for the year		**27,833**	**66,195**
Other comprehensive income			
Gains/losses from revaluation of property, plant and equipment	(18)	4,430	-230
Remeasurement from defined benefit obligations	(34)	-20,477	-4,506
Measurement of equity instruments		716	-1,306
Income tax expense (income) on other comprehensive income		3,951	1,278
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)		**-11,380**	**-4,764**
Exchange differences		2,738	3,259
Gains/losses from cash flow hedges			
in the year under review		-104	-546
Income tax expense (income) on other comprehensive income		26	136
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)		**2,660**	**2,849**
Other comprehensive income		**-8,720**	**-1,915**
Total income		**19,113**	**64,280**
of which attributable to non-controlling interests		3,256	760
Share attributable to shareholders of the parent and holders of profit-participation rights/hybrid capital		**15,857**	**63,520**
of which attributable to holders of profit-participation rights/hybrid capital		11,227	11,227
Share attributable to shareholders of the parent		**4,630**	**52,293**

Consolidated Cash Flow Statement

in TEUR **Notes (42)**	**2019**	**2018**
Profit/loss for the year	27,833	66,195
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	167,717	124,239
Interest income/expense	21,645	7,946
Income from companies accounted for under the equity method	-34,774	-26,272
Dividends from companies accounted for under the equity method	23,368	18,882
Profits from the disposal of fixed assets	-23,513	-18,842
Decrease in long-term provisions	-5,980	-4,884
Deferred income tax	-7,883	1,406
Operating cash flow	**168,413**	**168,670**
Increase/decrease in short-term provisions	36,467	-5,007
Decrease/increase in tax liabilities	-9,176	14,849
Decrease/increase in inventories	7,021	-7,728
Increase in receivables	-13,693	-177,791
Increase in payables (excluding banks)	78,807	189,012
Interest received	9,359	16,736
Interest paid	-26,189	-17,892
Other non-cash transactions	-1,159	5,443
Cash flow from operating activities	**249,850**	**186,292**
Proceeds from the disposal of intangible assets	346	45
Proceeds from sale of property, plant and equipment and disposal of investment property	40,542	40,725
Proceeds from the sale of financial assets	21,347	2,535
Proceeds from repayment of loans	3,377	867
Investments in intangible assets	-9,052	-4,193
Investments in property, plant and equipment and investment property	-152,322	-118,014
Investment in financial assets	-2,233	-17,519
Investment in loans	-4,192	-23,414
Repayment of other financial assets	-	50,000
Payouts/proceeds from the sale of consolidated companies	-4,082	1,404
Payouts for the purchase of subsidiaries less cash and cash equivalents	-4,461	-1,128
Cash flow from investing activities	**-110,730**	**-68,692**
Dividends	-42,993	-42,992
Payouts to non-controlling interests	-3,757	-1,160
Proceeds from Schuldscheindarlehen	240,000	40,000
Repayment of Schuldscheindarlehen	-41,000	-63,000
Repayment of bonds	-55,353	-46,946
Obtaining loans and other financing	508,875	445,080
Redeeming loans and other financing	-487,260	-485,694
Capital increase of which attributable to non-controlling interests	3,250	-
Acquisition on non-controlling interests	-	-115
Cash flow from financing activities	**121,762**	**-154,827**
Cash flow from operating activities	**249,850**	**186,292**
Cash flow from investing activities	**-110,730**	**-68,692**
Cash flow from financing activities	**121,762**	**-154,827**
Change to cash and cash equivalents	**260,882**	**-37,227**
Cash and cash equivalents as of 1 Jan	319,674	358,707
Currency differences	1,334	-1,749
Changes to cash and cash equivalents resulting from changes to the consolidated group	-	-57
Cash and cash equivalents as of 31 Dec	**581,890**	**319,674**
Tax paid	26,635	5,681

Consolidated Statement of Financial Position

in TEUR	Notes	31.12.2019	31.12.2018
Assets			
Non-current assets			
Intangible assets	(17)	148,522	148,212
Property, plant and equipment	(18)	940,899	666,758
Investment property	(19)	54,091	65,971
Shareholdings in companies accounted for under the equity method	(20)	86,081	93,200
Loans	(21)	83,334	48,802
Other financial assets	(22)	37,003	41,576
Other non-current financial assets	(25)	26,952	25,026
Deferred tax assets	(29)	15,520	14,557
		1,392,402	**1,104,102**
Current assets			
Inventories	(23)	76,030	82,798
Trade receivables	(24)	1,480,911	1,461,729
Other financial assets	(25)	86,183	97,188
Other receivables and current assets	(26)	47,513	49,220
Cash and cash equivalents	(27)	581,890	319,674
Assets held for sale	(28)	-	25
		2,272,527	**2,010,634**
Total assets		**3,664,929**	**3,114,736**
Equity and liabilities			
Equity			
Share capital	(30)	29,095	29,095
Capital reserve	(31)	251,287	251,287
Profit-participation rights/hybrid capital	(31)	195,250	155,290
Other reserves	(31)	111,449	135,974
Equity attributable to shareholders of parent		**587,081**	**571,646**
Profit-participation rights	(32)	-	42,624
Non-controlling interests	(33)	11,957	3,964
		599,038	**618,234**
Non-current liabilities			
Bonds and Schuldscheindarlehen	(35)	346,384	175,586
Provisions	(34)	169,029	149,150
Non-current financial liabilities	(36)	441,295	188,142
Other non-current financial liabilities	(38)	3,924	3,079
Deferred tax liabilities	(29)	46,061	57,688
		1,006,693	**573,645**
Current liabilities			
Bonds and Schuldscheindarlehen	(35)	28,981	56,290
Provisions	(34)	170,312	133,757
Current financial liabilities	(36)	110,919	49,840
Trade payables	(37)	1,138,825	1,154,351
Other current financial liabilities	(38)	60,314	41,257
Other current liabilities	(39)	520,509	449,098
Tax payables		29,338	38,264
		2,059,198	**1,922,857**
Total equity and liabilities		**3,664,929**	**3,114,736**

Statement of Changes in Group Equity

in TEUR **Notes (30–33)**	**Share capital**	**Capital reserve**	**Revaluation reserve**	**Remeasurement from defined benefit obligations**	**Measurement of equity instruments**	**Foreign currency translation reserves**
Balance as of 31 Dec 2017	**29,095**	**251,287**	**7,723**	**-27,286**	**-**	**1,240**
Restatement from the first-time application of IFRS 9	-	-	-	-	-	-
Restatement from the first-time application of IFRS 15	-	-	-	-	-	-
Balance as of 1 Jan 2018	**29,095**	**251,287**	**7,723**	**-27,286**	**-**	**1,240**
Total profit/loss for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-987	-3,551	-29	3,069
Total income for the year	**-**	**-**	**-987**	**-3,551**	**-29**	**3,069**
Dividend payout	-	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-	-
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	-	-	605	-15,288	537	2,822
Total income for the year	**-**	**-**	**605**	**-15,288**	**537**	**2,822**
Dividend payout	-	-	-	-	-	-
Profit-participation rights	-	-	-	-	-	-
Income tax on interest of 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 31 Dec 2019	**29,095**	**251,287**	**7,341**	**-46,125**	**508**	**7,131**

Debt securities available for sale – fair value reserve	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
1,737	**-629**	**155,318**	**132,681**	**551,166**	**42,624**	**3,248**	**597,038**
-1,737	-	-	1,737	-	-	-	-
-	-	-	-2,613	-2,613	-	-	-2,613
0	**-629**	**155,318**	**131,805**	**548,553**	**42,624**	**3,248**	**594,425**
-	-	8,534	54,192	62,726	2,664	805	66,195
	-410	-	38	-1,870	-	-45	-1,915
0	**-410**	**8,534**	**54,230**	**60,856**	**2,664**	**760**	**64,280**
-	-	-8,562	-31,766	-40,328	-2,664	-1,160	-44,152
-	-	-	2,807	2,807	-	-	2,807
-	-	-	-	0	-	1,194	1,194
-	-	-	-242	-242	-	-78	-320
0	**-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**
-	-	11,227	14,314	25,541	-	2,292	27,833
-	-78	-	1,718	-9,684	-	964	-8,720
-	**-78**	**11,227**	**16,032**	**15,857**	**-**	**3,256**	**19,113**
-	-	-8,563	-31,766	-40,329	-2,664	-3,757	-46,750
-	-	39,960	-	39,960	-39,960	-	-
-	-	-	2,807	2,807	-	-	2,807
-	-	-	-	-	-	3,250	3,250
-	-	-		0	-	5,254	5,254
-	**-1,117**	**197,914**	**141,047**	**587,081**	**-**	**11,957**	**599,038**

Notes to the Consolidated Financial Statements

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 building construction activities.

The consolidated financial statements have been prepared pursuant to Art. 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

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

The consolidated financial statements were prepared with the closing date of 31 December and relate to the business year from 1 January to 31 December. Results preceded by the abbreviation TEUR are in euro thousand. The majority of numerical entries are rounded up or down to the nearest thousand (TEUR) and may result in rounding differences.

2. Consolidated group

In addition to PORR AG, 69 (previous year: 77) domestic subsidiaries and 64 (previous year: 69) foreign subsidiaries are included in the consolidated financial statements. For one company the Group only holds 49% of the shares, however, the remainder of the shares are held in trust for PORR and the company is therefore included in the consolidated group. 23 (previous year: 9) companies are no longer included in the consolidated group, whereby eleven companies were eliminated through intragroup mergers.

For two companies the number of shares sold meant that only significant influence remains and these were accounted for under the equity method. Four companies were liquidated, while one company was sold off in full. The purchase price of TEUR 3,762 was settled in cash. The assets and liabilities where control was lost break down as follows:

in TEUR	2019
Non-current assets	
Property, plant and equipment	270
Investment property	20,127
Deferred tax assets	542
Current assets	
Inventories	11
Trade receivables	1,004
Other financial assets	1,024
Other receivables and current assets	165
Cash and cash equivalents	7,471
Non-current liabilities	
Provisions	-18
Non-current financial liabilities	-179
Deferred tax liabilities	-798
Current liabilities	
Current financial liabilities	-48
Trade payables	-805
Other current financial liabilities	-19,442
Other current liabilities	-7,127
Tax payables	-8

Gains on sale amounting to TEUR 946 were recognised in income/expenses from financial assets. The fair value measurement of the remaining equity stake led to a gain of TEUR 62 and is recognised in companies accounted for under the equity method.

2.1. First-time consolidations

In these consolidated financial statements the following ten companies were consolidated for the first time:

Because of new foundations	Date of initial consol-idation
JV PORR - GATES R150	1.7.2019
PORR Construction Pte. Ltd	12.7.2019
PORR Mischanlagen GmbH	9.8.2019
Kröll Pflasterbau GmbH	3.12.2019

No significant assets and liabilities were included as a result of these consolidations.

Because of aquisitions and first-time consolidation	Date of initial consol-idation
Rumpelnig Immobilien GmbH	1.1.2019
ISHAP Gebäudedokumentations GmbH	5.3.2019
Reisinger Gesellschaft mbH	9.4.2019
Spenglerei Hangl Christof GmbH	8.5.2019
Alea GmbH	14.5.2019
"hospitals" Projektentwicklungsges.m.b.H.	26.11.2019

TEUR 109 was used to purchase a 100% stake in Rumpelnig Immobilien GmbH. The purchase price was settled in cash and provisionally allocated to the Group's liabilities and assets as follows:

in TEUR	2019
Non-current assets	
Deferred tax assets	5
Current assets	
Trade receivables	123
Other receivables and current assets	2
Cash and cash equivalents	16
Non-current liabilities	
Deferred tax liabilities	-31
Current liabilities	
Trade payables	-2
Other current liabilities	-4
Purchase price	**109**

TEUR 1,112 was used to purchase 100% in Reisinger Gesellschaft mbH. The company is active in the fields of well drilling, exploratory drilling and geothermal drilling. The purchase price was allocated to the Group's liabilities and assets as follows:

in TEUR	2019
Non-current assets	
Other intangible assets	3
Property, plant and equipment	1,359
Other financial assets	2
Deferred tax assets	150
Current assets	
Inventories	206
Trade receivables	529
Other financial assets	13
Other receivables and current assets	10
Cash and cash equivalents	30
Non-current liabilities	
Provisions	-37
Deferred tax liabilities	-174
Current liabilities	
Provisions	-71
Current financial liabilities	-401
Trade payables	-49
Other current liabilities	-225
Tax payables	-8
Lucky buy	-225
Purchase price	**1,112**

The acquisition contributed TEUR 225, which was recognised in other operating income. A reassessment was carried out prior to recognising the bargain purchase.

TEUR 40 was used to purchase 100% in Spenglerei Hangl Christof GmbH. The company provides tradesmen services including tinsmiths and roof sealing. The purchase price was settled in cash and allocated to the Group's assets and liabilities as follows:

in TEUR	2019
Non-current assets	
Goodwill	41
Other intangible assets	1
Property, plant and equipment	90
Other financial assets	5
Deferred tax assets	7
Current assets	
Inventories	56
Trade receivables	481
Other financial assets	81
Other receivables and current assets	19
Non-current liabilities	
Non-current financial liabilities	-105
Deferred tax liabilities	-7
Current liabilities	
Current financial liabilities	-97
Trade payables	-289
Other current financial liabilities	-148
Other current liabilities	-95
Purchase price	**40**

The acquisition of Spenglerei Hangl Christof GmbH led to the application of goodwill not deductible for tax purposes, as the purchase price includes the benefits of synergic effects.

TEUR 3,109 was used to purchase 100% in Alea GmbH. The company operates in the field of cleaning services for buildings. The purchase price was settled in cash and allocated to the Group's assets and liabilities as follows:

in TEUR	2019
Non-current assets	
Goodwill	1,256
Other intangible assets	9
Property, plant and equipment	128
Other financial assets	197
Other non-current financial assets	34
Deferred tax assets	32
Current assets	
Inventories	2
Trade receivables	1,725
Other financial assets	26
Other receivables and current assets	14
Cash and cash equivalents	1,112
Non-current liabilities	
Provisions	-142
Non-current financial liabilities	-39
Deferred tax liabilities	-274
Current liabilities	
Current financial liabilities	-38
Trade payables	-114
Other current liabilities	-819
Purchase price	**3,109**

The acquisition of Alea GmbH led to the application of goodwill not deductible for tax purposes, as the purchase price includes the benefits of synergic effects.

TEUR 4,000 was used to purchase another 50% in ISHAP Gebäudedokumentations GmbH. The company deals in building inspections, monitoring and documenting the state of buildings, and producing the relevant documents and logs. The purchase price was settled in cash and allocated to the Group's assets and liabilities as follows:

in TEUR	2019
Non-current assets	
Other intangible assets	9,776
Property, plant and equipment	28
Current assets	
Trade receivables	198
Other financial assets	2
Cash and cash equivalents	791
Non-current liabilities	
Deferred tax liabilities	-2,444
Current liabilities	
Provisions	-16
Trade payables	-10
Other current financial liabilities	-75
Other current liabilities	-65
Tax payables	-185
Fair value of the equity interest already held	-3,000
Non-controlling interests	-1,000
Purchase price	**4,000**

The acquisition contributed TEUR 2,544, which was recognised in income from companies accounted for under the equity method.

For "hospitals" Projektentwicklungsges.m.b.H., the articles of association were amended as of 26 November 2019 to state that all of the resolutions at shareholder meetings shall be passed by simple majority, whereby control has been gained over the group. The control premium amounted to TEUR 1,294. The "hospitals" group mainly realises PPP projects in cooperation with the Social Insurance Authority for Self-Employed Persons and operates multiple clinics in Austria.

in TEUR	2019
Non-current assets	
Goodwill	1,175
Shareholdings in companies accounted for under the equity method	28,099
Loans	9,714
Current assets	
Trade receivables	470
Other financial assets	340
Other receivables and current assets	204
Cash and cash equivalents	1,967
Non-current liabilities	
Other non-current financial liabilities	-1,159
Current liabilities	
Trade payables	-3
Other current financial liabilities	-3,856
Tax payables	-110
Fair value of the equity interest already held	-31,260
Non-controlling interests	-4,287
Purchase price	**1,294**

The acquisition of "hospitals" Projektentwicklungsges.m.b.H. 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 14,655 was recognised in companies accounted for under the equity method.

The first-time consolidation of these companies contributed TEUR -598 to EBT for the period and TEUR 11,901 to revenue. Assuming a notional date of first-time consolidation of 1 January 2019, Group revenue and earnings would change as follows:

in TEUR	Revenue	EBT
Reisinger Gesellschaft mbH	2,839	-521
Spenglerei Hangl Christof GmbH	1,234	-118
Alea GmbH	9,395	267
Kröll Pflasterbau GmbH	-	-35
"hospitals" Projektentwicklungsges.m.b.H.	1,468	3,249
ISHAP Gebäudedokumentations GmbH	1,880	-63
Total	**16,816**	**2,779**

Furthermore, 48 (previous year: 44) domestic and 35 (previous year: 35) foreign associates and joint ventures were included under application of the equity method. The consolidated subsidiaries and companies accounted for under the equity method are shown in the list of shareholdings (see appendix). Companies that are of minor significance for the consolidated financial statements are not included. Nine (previous year: nine) subsidiaries and 26 (previous year: 28) shareholdings in associates and joint ventures were therefore not included in the consolidation or accounted for under the equity method; this primarily relates to general partner companies.

3. New accounting standards

3.1. Standards adopted for the first time in the year under review

The Group applied the following standards for the first time as of 1 January 2019, whereby only the first-time application of IFRS 16 Leases had a significant impact.

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
IFRS 16 Leases	13.1.2016	31.10.2017	1.1.2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation	12.10.2017	22.3.2018	1.1.2019
IFRIC 23 Uncertainty over Income Tax Treatments	7.6.2017	23.10.2018	1.1.2019
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	12.1.2017	8.2.2019	1.1.2019
Annual Improvements to IFRSs 2015 - 2017 Cycle	12.12.2017	14.3.2019	1.1.2019
Amendments to IAS 19 Plan Amendments, Curtailments or Settlements	7.2.2018	13.3.2019	1.1.2019

IFRS 16 Leases

The standard specifies how to recognise, measure, present and disclose leases. IFRS 16 replaces the previous standard IAS 17 and three interpretations related to leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value (option to choose). On initial recognition the liability is discounted and in subsequent years it decreases through lease payments, while also increasing through unwinding. At the same time, a right of use (ROU) in the amount of the present value of future lease payments is capitalised and subsequently written down using the straight-line method. The previous differentiation between operating leases and finance leases is thereby no longer applicable. The standard was published in January 2016 and its application is obligatory for reporting periods beginning on or after 1 January 2019. IFRS 16 features different transition options. PORR decided against early adoption and chose the modified retrospective approach, whereby for leases related to property, it has applied the method pursuant to IFRS 16.C8b (ii) and for all other leases it has applied the method specified in IFRS 16.C8b (i).

When applying IFRS 16 for the first time, PORR exercised its right to apply the expedients in accordance with IFRS 16.C10:

- Portfolio application could be applied to discount rates for leases with similar assets, similar remaining terms and similar economic conditions.
- No onerous leases were identified as of the changeover date and therefore no adjustment to ROU assets was required.
- Initial direct costs were not considered.
- Options for extension or cancellation were assessed at the point in time IFRS 16 was first applied.
- The expedients of IFRS 16.C3 were not exercised.

In addition, the requisite disclosures in the notes were added.

The following tables shows the impact as of 1 January 2019 on the items in the statement of financial position from the first-time application of IFRS 16 as well as on the consolidated income statement and the statement of cash flows for the period 1 January 2019 to 31 December 2019:

in TEUR	Consolidated statement of financial position as of 1.1.2019	Adjustments from first-time application of IFRS 16	Consolidated statement of financial position as of 31.12.2018 without adjustments for IFRS 16
Assets			
Property, plant and equipment	862,819	196,061	666,758
Non-current assets	1,300,073	196,061	1,104,012
Total assets	**3,310,797**	**196,061**	**3,114,736**
Equity and liabilities			
Other reserves	133,089	-2,885	135,974
Equity	**615,349**	**-2,885**	**618,234**
Non-current financial liabilities	361,672	173,530	188,142
Non-current liabilities	**744,290**	**170,645**	**573,645**
Current financial liabilities	75,256	25,416	49,840
Current financial liabilities	**1,948,273**	**25,416**	**1,922,857**
Total equity and liabilities	**3,310,797**	**196,061**	**3,114,736**

in TEUR	Consolidated income statement 1-12/2019	Adjustments	Consolidated income statement 1-12/2019 without adjustments IFRS 16
Other operating expenses	-398,530	-40,073	-438,603
EBITDA	**222,316**	**-40,073**	**182,243**
Depreciation, amortisation and impairment expense	-167,594	33,357	-134,237
EBIT	**54,722**	**-6,716**	**48,006**
Finance costs	-32,709	7,787	-24,922
EBT	**37,409**	**1,071**	**38,480**
Income tax expense	-9,576	-274	-9,850
Profit/loss for the year	**27,833**	**797**	**28,630**

in TEUR	Consolidated cash flow statement 1-12/2019	Adjustments	Consolidated cash flow statement 1-12/2019 without adjustments IFRS 16
Cash flow from operating activities	249,850	-32,286	217,564
Cash flow from investing activities	-110,730	-4,255	-114,985
Cash flow from financing activities	121,762	36,541	158,303

Reconciliation of liabilities from operating leases as of 31 December 2018 to lease obligations as of the date of first-time application:

in TEUR	
Liabilities from operating leases as of 31.12.2018 in acc. with IAS 17	266,590
Less interest	-68,744
Liabilities from operating leases as of 31.12.2018 in acc. with note 18	197,846
Change in conditions as of 1.1.2019	1,100
Lease liabilities as of 1.1.2019 resutling from first-time application of IFRS 16	198,946

3.2. New accounting standards which have not yet been applied

The following standards and interpretations were not mandatory in reporting periods beginning on or after 1 January 2019 and the option to apply them early was not applied.

Standards and interpretations already adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
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 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

Standards and interpretations not yet adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of initial application
IFRS 17 Insurance Contracts	18.5.2017	1.1.2021
Amendments to IFRS 3 Definition of a Business	22.10.2018	1.1.2020
Changes to IAS 1 Classification of Liabilities as Current or Non-Current	23.1.2020	1.1.2022

4. Consolidation principles

Business combinations are accounted for in accordance with the acquisition method. According to this method, the assets acquired and liabilities assumed as well as contingent liabilities are measured on the acquisition date at their fair values attributable at this date. Where the difference between the acquisition costs and the attributable proportion of net assets valued at fair value shows an excess, this item is recognised as goodwill, which is not written off or amortised in regular amounts but is subjected to an annual test for impairment. Where any difference relates to a bargain purchase, its effect on net income is recognised immediately and presented in other operating income.

All accounts receivable and payable between consolidated companies are eliminated during debt consolidation. Intragroup income and expense are offset within the course of consolidation of income and expense. Intragroup profits or losses from intragroup deliveries are eliminated if these relate to significant amounts and the relevant assets are still recognised in the consolidated financial statements.

Shares in net assets of subsidiaries not attributable to PORR AG are presented separately within equity capital under the item “non-controlling interests”.

5. Accounting and measurement methods

5.1. Measurement principles

The annual financial statements of all companies included in the consolidated financial statements are prepared according to standard accounting and measurement methods.

Currency translation: The companies included in the consolidated financial statements prepare their annual financial statements in their respective functional currencies, whereby the functional currency is the relevant currency for the commercial activities of the company concerned. The functional currency for all of the companies included is the currency of the country in which the company concerned is domiciled.

The following key exchange rates were applied for the inclusion and currency translation of foreign subsidiaries:

	Mean exchange rate as of 31 Dec 2019	Average annual exchange rate 2019
CHF	1.08540	1.11114
CZK	25.41000	25.65892
NOK	9.86380	9.84438
QAR	4.08248	4.07226
PLN	4.25850	4.30176
RON	4.77930	4.75086

	Mean exchange rate as of 31 Dec 2018	Average annual exchange rate 2018
CHF	1.12690	1.15158
CZK	25.72500	25.67667
NOK	9.94830	9.62390
QAR	4.16833	4.29401
PLN	4.30000	4.26692
RON	4.66390	4.65579

Items in the consolidated statement of financial position are translated at the mean rate of exchange at the end of the reporting period and income statement items are translated at the annual mean rate of exchange for the business year as an arithmetic mean of all end-of-month quotations. Differences resulting from the currency translation are reported in other comprehensive income. These translation differences are recognised in the income statement at the date of disposal of the business activities.

In the event of company acquisitions, adjustments of the carrying amounts of the acquired assets and assumed liabilities to the fair value at the date of acquisition or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidated group in a currency other than the functional currency are recognised in profit or loss for the period. Monetary items not denominated in the functional currency held by companies included in the consolidated group are translated at the mean rate applicable at the end of the reporting period. Exchange gains or losses resulting from this translation are also recognised in profit or loss.

Intangible assets are capitalised at acquisition cost and amortisation is recognised on a straight-line basis over the probable useful life.

	Rates of amortisation	
	2019	2018
Rental rights	1.22–50.0	1.22–50.0
Licences, software	8.33–50.0	8.33–50.0
Mining rights	depends on assets	depends on assets
Customer relations	14.3	14.3

The amortisation apportionable to the business year is shown in the income statement under the item "Depreciation, amortisation and impairment expense".

If impairment is established, the relevant intangible assets are recognised at the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the carrying amount that would have been determined had the impairment loss not been accrued.

Goodwill is recorded as an asset. In order to assess any impairment demand, goodwill of the cash-generating unit or groups of cash-generating units are assigned, which benefit from the synergies of the business combination. This cash-generating unit or groups of cash-generating units are tested once a year for impairment, as well as at any other time where circumstances exist that indicate there may be possible impairment.

Property, plant and equipment, with the exception of real estate, is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and was subject to the previously accumulated and regularly applied straight-line depreciation during the year under review, whereby the following rates of depreciation were applied:

	Rates of depreciation	
	2019	2018
Technical plants and machinery	10.0–50.0	10.0–50.0
Other plants, factory and business equipment	10.0–50.0	10.0–50.0

The depreciation rates are based on the probable useful life of the facilities. If impairment is determined, the relevant tangible assets are impaired to the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, an impairment reversal is recognised equivalent to the carrying amount that would have been determined had the impairment expense not been accrued. Fundamental rebuilding work is recognised in the statement of financial position, while ongoing maintenance work, repairs and minor rebuilding work are recognised in profit or loss at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. The external assessments are held at periodic intervals of maximum five years; in the interim period assessments from internal experts are used to update the expert opinions. Revaluations are performed on a regular basis so that the carrying amounts do not deviate significantly from the fair values attributable at the end of the reporting period. The date for the revaluation for the end of the reporting period generally falls in the fourth quarter of the reporting year. The carrying amount is adjusted to the respective fair value by using a revaluation reserve in other comprehensive income. The revaluation reserve is reduced by the applicable deferred tax liability. Regular depreciation of revalued buildings is carried out pursuant to the straight-line method, where the depreciation rates essentially range from 1.0% to 4.0% (previous year: 1.0% to 4.0%), and is recognised in the income statement. On a subsequent sale or decommissioning of revalued land or buildings, the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred to retained earnings.

Rights of use in property, plant and equipment and real estate used for operational purposes conferred under lease agreements are recognised as future lease payments in the amount of their present value and written down on a straight-line basis over the term of the lease and/or under application of the specified rates of depreciation.

Assets under construction, including buildings under construction, which are intended for operational purposes or whose type of use has not yet been determined, are accounted for at acquisition cost or manufacturing cost less impairment. Depreciation or impairment of these assets commences upon their completion or attainment of operational status.

Investment property is real estate that is held for the purpose of generating rental income and/or for the purpose of its growth in value. This includes office and commercial premises, residential buildings and unimproved land. These are recognised at their fair values. Gains or losses from changes in value are reflected in profit or loss for the period in which the change in value occurred.

The fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

Rights of use in investment property conferred under lease agreements are recognised as future lease payments in the amount of their present value and measured at fair value in the subsequent periods.

Shares in associates and in joint ventures are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired at fair value and, if applicable, goodwill. The carrying amount is increased or decreased annually by the proportionate annual profit or loss, dividends received and other changes to equity capital. Goodwill is not subject to planned amortisation, rather it is assessed for impairment as a part of the relevant shareholding when circumstances exist that indicate there may be possible impairment.

Shares in consortiums (joint ventures): Group shares in profits and losses from consortiums classified as joint ventures are presented in the consolidated income statement under profit/loss from companies accounted for under the equity method. Group revenues from goods and services to consortiums are presented in the consolidated income statement under revenue. Capital paid into a consortium is entered under trade receivables (see note 24), together with profit shares and trade receivables for the relevant consortium and after deductions for withdrawals and general losses. If there is on balance a passive entry, this is included under trade payables (see note 37).

Shares in joint operations: The consolidated financial statements recognise the proportionate assets and liabilities and the proportionate expenses and income attributable to the PORR Group.

Raw materials and supplies are valued at the lower of acquisition cost and net realisable value.

Recorded under inventories, **real estate intended for sale** is valued at the lower of acquisition cost, manufacturing cost and net realisable value.

Acquisitions and sales of **financial assets** common to the market (spot transactions) are presented in the statement of financial position as of the settlement date.

Deferred tax items are recognised where there are temporary differences between the values of assets and liabilities in the consolidated financial statements on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax expense or tax relief. In addition, a deferred tax asset for future asset advantage resulting from tax loss carryforwards is recognised if there is sufficient certainty of realisation. Temporary differences arising from the first-time recognition of goodwill constitute exceptions to this comprehensive tax deferral.

The determination of deferred taxes involves the tax rate applicable in the specific region, which is 25% for Austrian companies.

If a Group company purchases **treasury shares** in PORR AG, the value of the consideration paid, including directly attributable additional costs (net of income tax), will be deducted from the equity of PORR AG until the shares are retired or re-issued. If these shares are subsequently re-issued, the consideration paid (less deductions for directly attributable additional costs and related income taxes) will be recognised in the equity of PORR AG.

T**he provisions for severance payments, pensions and anniversary bonuses** are determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed by a recognised actuary on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 0.65% p.a. (previous year: 1.9%) was applied with increases of 2.0% (previous year: 2.0%) for pensions, 2.15% (previous year: 2.0%) for severance, and 2.15% (previous year: 2.0%) for anniversary bonuses. When determining provisions for severance payments and anniversary bonuses for Austria, deductions are made for fluctuations based on statistical data within a range of 0.4% to 10.5% (previous year: 0.4% to 10.5%) and for anniversary bonuses in Germany a range of 0.0% to 16.0% (previous year: 0.0% to 16.0%) was applied, while for severance payments in Poland a range of 0.0% to 9.25% was applied (previous year: 0.0% to 9.25%). When determining provisions for pensions, a pension increase of 2.0% p.a. (previous year: 2.0% p.a.) was applied in Austria and Germany. For Austrian companies the assumed retirement age is the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), taking into account all transitional arrangements; for German companies the legal retirement age is used. The life table AVÖ 2018-P was used for calculating provisions in Austria (previous year: life table AVÖ 2018-P), while for Germany the life table Richttafeln 2018 G by Heubeck was used (previous year: life table Richttafeln 2018 G by Heubeck).

Actuarial gains and losses for severance payments and pensions are recognised in full in other comprehensive income, while anniversary bonuses are shown under profit or loss for the period. Service costs are shown and charged under staff expense. Interest paid is recorded under finance costs.

Other provisions take account of all currently discernible risks and contingent liabilities from past events whereby an outflow of resources is judged to be probable. They are recognised with the best estimate of the expenditure required to settle the present obligation if a reliable estimate exists. Provisions related to impending losses and damages and penalties from contracts are recorded in other provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

Lease obligations are measured at the present value of future lease payments. Interest charges are based on the interest rate on which the lease agreement is based. Should it not be possible to determine this rate, the Group's incremental borrowing rate of interest for the respective term is applied.

Financial instruments

Every financial instrument that falls under the scope of IFRS 9 is classified into measurement categories based on the business model underpinning it and the contractually agreed cash flow characteristics. Financial assets and liabilities are measured at fair value when they are initially recognised. In the subsequent period they are measured at amortised cost or fair value depending on the respective measurement category.

For financial instruments measured at amortised cost or at fair value through other comprehensive income, the expected credit loss model is applied for any impairment. Here a risk provision is formed on the date of acquisition in the amount of the twelve-month expected credit loss (stage 1). Should a significant increase in the credit risk occur, then the lifetime expected credit loss is recognised (stage 2). If there is objective evidence of actual impairment, then stage 3 applies.

For trade receivables, contract assets and lease receivables, the PORR Group uses the simplified approach pursuant to IFRS 9.5.15 and recognises the lifetime expected loss when calculating impairment. The Group draws on all available information when estimating the expected credit loss. This includes historic data and future-oriented information. As a general rule, no external creditworthiness assessments are available for financial instruments. The expected credit loss is calculated on the basis of the product from the expected net of the financial instrument, the probability of default for the period and the amount lost in the case of an actual loss.

The general impairment model is applied for loans (project financing) for companies accounted for under the equity method and other equity interests. Should no external creditworthiness assessments be available, then the credit risk is monitored using key performance indicators (KPIs) such as the day sales outstanding (DSO) and equity ratio for each equity interest.

Trade receivables and other financial receivables are measured at amortised cost, in the year under review allowances for expected credit losses were formed on the basis of historic default rates and forecast data.

Loans that exclusively have pre-agreed interest and redemption payments are recognised at amortised cost, all other loans are measured at fair value through profit or loss. No allowances for expected credit losses were formed in the business years as neither the historic data nor the forecast data resulted in loss rates.

Shares in GmbHs, non-consolidated companies and other shareholdings presented under **other financial assets** are valued at fair value through other comprehensive income, whereby they are mostly determined using measurement methods such as the discounted cash flow method. The limited shares also presented under other financial assets are measured at fair value through profit or loss.

Securities (shown under other financial assets and other non-current financial assets) are classified as being in the category FVTPL and measured at fair value.

Liabilities are measured at amortised cost according to the effective interest method.

Derivative financial instruments are measured at fair value through profit or loss. Hedge transactions are conducted in line with interest risk management and are measured in accordance with IFRS 9.

Revenues from contracts with customers

Revenue is recognised after deductions for sales tax, discounts and other reductions as well as other taxes related to sale. The point in time the revenue is realised depends on the type of revenue, described as follows:

For revenues from construction contracts, the revenue is realised over the period of the service rendered under application of the POC method. The probable contract revenue is shown under revenue in accordance with the respective percentage of completion. The basis for determining the percentage of completion is the services rendered to date relative to the overall services estimated. This also applies to revenues from contracts with customers that are realised in consortiums. Should appropriate conditions be met, multiple contracts are aggregated and measured together from across the Group. Variable purchase price components – especially supplements – shall be applied when it is highly probable that they will not lead to a reversal of the revenues already recognised. Invoices for advance payments are provided in line with a predefined payment plan that broadly corresponds to progress made on the construction project. In individual cases, the payment plans include a financing component that is recognised separately in the financing result as interest income.

Following the deduction of customer payments, the service rendered is recognised as a contract asset under trade receivables or as a contract liability under other liabilities if the payments received exceed the services rendered so far. If it is probable that the total contract costs will exceed the contract revenue, the expected loss is immediately recognised in full in the amount necessary to fulfil the contract. Contract-fulfilment costs are recognised and written down over the duration of the project as long as they would not have been incurred had the contract not been fulfilled.

Revenue from landfills and from the sale of raw materials are mostly realised at a point in time following transfer of the key opportunities and risks. Revenue from services arising from the management of real estate (property management) are realised over a period of time.

Interest income is defined in accordance with the effective interest method. The effective interest rate is any interest rate where the present value of future cash flow from the financial asset value corresponds to the carrying amount of the asset.

Dividend income from financial investments is recognised when legal title arises.

Borrowing costs resulting directly from the acquisition or production of qualifying assets, even those whose acquisition or manufacture takes up a considerable time period until the intended use or sale, form part of the cost of the asset and are therefore capitalised. Other borrowing costs are recorded as an expense in the period in which they were incurred.

In the prior period, 2018, leases were measured in accordance with IAS 17 as follows:

Leases were classified as finance leases when, according to the lease contract, all the risks and rewards relating to the ownership are essentially transferred to the lessee. All other leases were classified as operating leases.

The Group as lessor
The only lease agreements in use were classified as operating leases. The rental income from these contracts was recognised in net income on a straight-line basis over the term of the corresponding lease.

The Group as lessee
Assets held under finance leases were recorded as Group assets at their fair values or at the present value of the minimum lease payments if lower, at the beginning of the lease. The minimum lease payments were those amounts payable during the non-terminable term of the lease, including a guaranteed residual value. The corresponding liability owed to the lessor was recorded in the statement of financial position as obligations under finance leases. The lease payments were apportioned between interest paid and the reduction of the lease obligation in such a way as to achieve a constant rate of interest on the remaining liability. Interest expense was recognised in the income statement.

Rental payments on operating leases were recognised in profit or loss for the period on a straight-line basis over the term of the corresponding lease.

6. Key assumptions and key sources of estimation uncertainty

6.1. Key sources of estimation uncertainty

The following presents significant assumptions related to the future and other key sources of estimation uncertainty which could lead to significant adjustments in the consolidated financial statements for the following business year of results reported:

Provisions for severance and pensions

The valuation of existing pension and severance obligations relies on assumptions and estimates which could have a significant impact on the amounts recognised.

For pension provisions, the following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/-0.25 PP, Pension trend +/-0.25 PP, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in life expectancy for the total candidates of the respective plan.

The differences to the values disclosed in the statement of financial position (see note 34) are shown in the tables below as relative deviations:

2019	**Interest +0.25 PP**				**Interest -0.25 PP**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	-5.50%	-3.50%	-2.30%	-2.60%	5.90%	3.70%	2.40%	2.80%

	Pension trend +0.25 PP				**Pension trend -0.25 PP**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	5.80%	3.70%	2.40%	2.70%	-5.40%	-3.50%	-2.30%	-2.60%

	Life expectancy +1 year				**Life expectancy -1 year**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	4.50%	4.50%	7.10%	6.80%	-4.40%	-4.40%	-6.80%	-6.50%

2018	**Interest +0.25 PP**				**Interest -0.25 PP**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	-5.10%	-4.40%	-2.20%	-2.60%	5.50%	4.70%	2.20%	2.70%

	Pension trend +0.25 PP				**Pension trend -0.25 PP**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	5.50%	4.70%	2.20%	2.70%	-5.10%	-4.40%	-2.20%	-2.60%

	Life expectancy +1 year				**Life expectancy -1 year**			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	4.10%	4.40%	6.50%	6.10%	-4.10%	-4.40%	-6.30%	-5.90%

For provisions for severance payments, the following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/-0.25 PP, Salary trend +/-0.25 PP, Fluctuation +/-0.5 PP up to 25th year of work, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in average life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position (see note 34) is shown in the tables below as relative deviations:

2019	Interest +0.25 PP	Interest -0.25 PP	Salary trend +0.25 PP	Salary trend -0.25 PP
Severance DBO	-2.01%	2.08%	2.03%	-1.97%

	Fluctuation +0,5 PP up to 25th year of work	Fluctuation -0,5 PP up to 25th year of work	Life expectancy +1 year	Life expectancy -1 year
Severance DBO	-0.30%	0.31%	0.09%	-0.10%

2018	Interest +0.25 PP	Interest -0.25 PP	Salary trend +0.25 PP	Salary trend -0.25 PP
Severance DBO	-1.89%	1.96%	1.93%	-1.87%

	Fluctuation +0.5 PP up to 25th year of work	Fluctuation -0.5 PP up to 25th year of work	Life expectancy +1 year	Life expectancy -1 year
Severance DBO	-0.18%	0.18%	0.08%	-0.09%

Contract assets

The evaluation of client contracts under the POC method until project completion, in particular with a view to the accounting of claims, the contract revenue using the POC method, and the estimate of the probable operating profit from the contract, is based on expectations of the future development of the relevant construction contracts. A change in these estimates, particularly as regards contract costs to complete the contract, percentage of completion, the estimated operating profit and the final claims accepted, can have a significant impact on the Group's financial position and financial performance (see note 24). The following sensitivity analysis shows the effect of changes to the key parameters on the carrying amounts:

in TEUR	Carrying amount 31.12.2019	Significant valuation assumptions	Change	Effect on carrying amounts
Contract assets	3,644,885	EBT margin	+/-0.5 PP	+/-18,224
Provisions for onerous contracts	8,336	Provision/order value	+/-0.5 PP	+/-959
Provisions for damages and penalties	78,616	Provision/order value	+/-0.5 PP	+/-15,320
Provisions for guarantees	82,377	Provision/order value	+/-0,5 PP	+/-25,600

in TEUR	Carrying amount 31.12.2018	Significant valuation assumptions	Change	Effect on carrying amounts
Contract assets	3,262,707	EBT margin	+/-0.5 PP	+/-16,314
Provisions for onerous contracts	12,260	Provision/order value	+/-0.5 PP	+/-511
Provisions for damages and penalties	37,927	Provision/order value	+/-0.5 PP	+/-12,819
Provisions for guarantees	76,765	Provision/order value	+/-0.5 PP	+/-23,858

Impairment
Impairment tests on goodwill, other intangible assets and property, plant and equipment are primarily based on estimated future cash flows which are expected from the continuous use of an asset and its disposal at the end of its useful life. Factors such as lower revenues or rising expenditure and the resulting lower cash flows as well as changes to the discount factors used can lead to impairment due to a reduction in value or, as far as allowed, to a reversal of impairment due to an increase in value. The carrying amounts and the valuation assumptions applied to key impairment tests on goodwill are as follows:

2019	Goodwill in TEUR	Fair Value hierarchy	Method used	Business plan assumptions	Growth rate %	Discount rate after taxes %	Effective date
Road construction	7,704	-	Value in use	Revenue p.a. -6.3 - 10.0%	1	6.40	31.12.
PPI	11,056	-	Value in use	Revenue p.a. -8.06 - 2.0%	1	6.61	31.12.
Oevermann	44,170	-	Value in use	Revenue p.a. 0.0 - 6.5%	1	6.22	31.12.
BB Government	13,157	-	Value in use	Revenue p.a. 1.8 - 7.0%	1	6.20	31.12.
Hinteregger	20,180	-	Value in use	Revenue p.a. -18.0 - 21.1%	1	6.40	31.12.
PORR a.s.	12,363	-	Value in use	Revenue p.a. 1.1 - 11.5%	1	6.61	31.12.

2018	Goodwill in TEUR	Fair Value hierarchy	Method used	Business plan assumptions	Growth rate %	Discount rate after taxes %	Effective date
Road construction	7,704	-	Value in use	Revenue p.a. -4.0 - 3.6%	1	9.45	31.12.
PPI	10,949	-	Value in use	Revenue p.a. -12.2 - 6.9%	1	8.13	31.12.
Oevermann	44,170	-	Value in use	Revenue p.a. 0.0 - 2.1%	1	6.02	31.12.
BB Government	13,157	-	Value in use	Revenue p.a. 2.0 - 15.6%	1	5.99	31.12.
Hinteregger	23,388	-	Value in use	Revenue p.a. -31.6 - 19.9%	1	6.64	31.12.

The following shows the changes in parameters that would lead to impairment for the cash-generating unit of the Hinteregger Group.

2019 in TEUR	Discount rate +0.5%	EBITDA margin -10%
Hinteregger	-3,415	-4,896

Management assumes that there will not be any significant changes which could lead to impairment for the cash-generating unit of road construction, Porr Polska Infrastructure (PPI), the Oevermann Group, the BB Government Group and PORR a.s.

7. Revenues

The gross revenues of TEUR 4,880,414 (previous year: TEUR 4,959,109) include the construction work of own construction sites, goods and services to consortiums, and other revenues from operating activities.

The following table shows total Group output by business area, in which the output from contracts carried out by consortiums is recognised in the amount of the proportion attributable to the company included in the consolidated financial statements, and then attributed to revenue.

2019 in TEUR	**BU 1 – Austria, Switzerland**	**BU 2 – Germany**	**BU 3 – International**	**Holding**	**Group**
Revenue					
Building construction					
Commercial/office construction	216,399	31,566	71,826	-	319,791
Industrial engineering	140,461	1,019	12,048	-	153,528
Miscellaneous building construction	124,187	141,404	70,885	5,024	341,500
Residential construction	427,971	110,294	46,853	-	585,118
Civil engineering					
Railway construction	81,430	28	161,183	-	242,641
Bridge/overpass construction	105,056	78,412	134,190	-	317,658
Miscellaneous civil engineering	240,809	251,482	55,975	6,897	555,163
Road construction	407,316	125,492	332,789	-	865,597
Tunnelling	60	155,708	368,053	-	523,821
Other sectors	718,519	76,685	121,313	59,080	975,597
Revenue	**2,462,208**	**972,090**	**1,375,115**	**71,001**	**4,880,414**
Revenue recognised over time	2,321,459	965,948	1,374,665	63,759	4,725,831
Revenue recognised at a point of time	140,749	6,142	450	7,242	154,583

2018 in TEUR	**BU 1 – Austria, Switzerland**	**BU 2 – Germany**	**BU 3 – International**	**Holding**	**Group**
Revenue					
Building construction					
Commercial/office construction	190,911	106,277	112,938	-	410,126
Industrial engineering	178,696	12,434	21,011	-	212,141
Miscellaneous building construction	171,164	120,784	73,095	8,372	373,415
Residential construction	481,599	71,976	30,059	-	583,634
Civil engineering					
Railway construction	93,719	-	198,799	-	292,518
Bridge/overpass construction	78,569	66,826	157,015	-	302,410
Miscellaneous civil engineering	196,012	187,815	55,589	6,126	445,542
Road construction	378,301	151,053	323,919	-	853,273
Tunnelling	-	54,148	461,201	-	515,349
Other sectors	663,511	84,408	145,067	77,715	970,701
Revenue	**2,432,482**	**855,721**	**1,578,693**	**92,213**	**4,959,109**
Revenue recognised over time	2,292,316	848,203	1,578,693	89,434	4,808,646
Revenue recognised at a point of time	140,166	7,518	-	2,779	150,463

The revenues can be subdivided as follows:

in TEUR	2019	2018
Revenues from construction contracts	4,587,380	4,655,427
Revenues from sales of raw materials and other services	293,034	303,682
Total	**4,880,414**	**4,959,109**

Revenue exclusively comprises revenue from customer contracts. Promised goods or services in the amount of TEUR 5,694,698 (previous year: TEUR 5,314,711) resulted in revenue of TEUR 3,179,413 (previous year: TEUR 2,848,392) in the following year and TEUR 2,515,285 (previous year: TEUR 2,466,319) in the subsequent periods.

8. Other operating income

in TEUR	2019	2018
Income from releases of provisions	29,661	33,394
Income from the sale of property, plant and equipment	23,076	17,887
Revenue from the provision of staff	18,955	26,189
Insurance payments	14,737	12,938
Exchange gains	17,614	14,437
Revenue from charging materials	7,153	10,144
Revenue from other charges passed on	20,324	19,979
Rent from space and land	6,307	4,996
Other income related to staff	1,725	6,380
Other	39,181	37,579
Total	**178,733**	**183,923**

Miscellaneous other operating income largely comprises deductions for the private use of company cars, compensation for damages in the course of realising tenders and additional services rendered.

9. Cost of materials and other related production services

in TEUR	2019	2018
Expenditure on raw materials and supplies and for goods received	-1,081,698	-1,068,261
Expenditure on services received	-2,204,976	-2,394,374
Total	**-3,286,674**	**-3,462,635**

10. Staff expense

in TEUR	2019	2018
Wages and salaries	-993,471	-952,294
Social welfare expenses	-235,797	-218,062
Expenditure on severance payments and pensions	-13,912	-8,442
Total	**-1,243,180**	**-1,178,798**

Expenditure on severance payments and pensions includes the prior service costs and contributions to the staff provision fund for employees who commenced employment with an Austrian group company after 31 December 2002 and voluntary severance payments. The interest expense arising from severance payments and pension obligations is presented under the item finance costs.

11. Depreciation, amortisation and impairment expense

Amortisation of TEUR 11,412 (previous year: 12,371) was applied to intangible assets and depreciation of TEUR 156,182 (previous year: TEUR 114,772) to property, plant and equipment, of which TEUR 3,208 (previous year: TEUR 2,727) relates to impairment. For further explanation see notes 17 and 18.

12. Other operating expenses

in TEUR	2019	2018
Legal and consultancy services, insurance	-65,553	-57,733
Buildings and land	-47,090	-66,654
Exchange losses	-15,960	-13,618
Fleet	-20,916	-36,145
Advertising	-17,730	-13,245
Office operations	-37,072	-32,214
Commission on bank guarantees	-18,885	-19,662
Other taxes	-15,844	-12,866
Contributions and fees	-8,294	-8,341
Training	-5,552	-4,525
Travel expenses	-37,493	-40,198
Other	-108,141	-68,668
Total	**-398,530**	**-373,869**

Other operating expenses essentially comprise taxes and duties, third party services and general administrative costs. Miscellaneous operating expenses from the previous year also included other rental payments from rental and leasing contracts of TEUR 32,975.

13. Income from financial investments and current financial assets

in TEUR	2019	2018
Income from shareholdings	2,640	3,191
of which from affiliated companies	(-)	(-)
Expenditure from shareholdings	-316	-489
of which from affiliated companies	(-77)	(-74)
Income/expenditure from current financial assets	2,008	1,051
Interest	11,064	14,713
of which from affiliated companies	(128)	(-)
Total	**15,396**	**18,466**

Under the item interest, interest of TEUR 1,520 (previous year: TEUR 2,339) (see note 45) to the UBM Group is included. This interest relates to financial assets measured at fair value through other comprehensive income.

14. Finance costs

in TEUR	2019	2018
Interest and similar expenditure relating to bonds and Schuldscheindarlehen	-8,594	-9,404
Other interest and similar expenses	-24,115	-13,255
of which from affiliated companies	(-5)	(-5)
of which interest expenditure from social overhead capital provisions	(-2,667)	(-2,627)
Total	**-32,709**	**-22,659**

As in the previous year, no borrowing costs were capitalised in the year under review. The capitalisation rate was between 0.01% and 7.44% (previous year: 0.2% and 6.4%).

15. Income tax

Income tax comprises the taxes on income and earnings paid or owed in the individual countries for the year under review and deferred taxes.

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in TEUR	2019	2018
Actual tax expense	17,460	20,530
Deferred tax expense (+)/income (-)	-7,884	1,406
Tax expense (+)/income (-)	**9,576**	**21,936**

The tax expense resulting from the application of the Austrian Corporation Tax rate of 25% can be reconciled to the tax expense as reported in the income statement as follows:

in TEUR	2019	2018
EBT	**37,409**	**88,131**
Theoretical tax expense (+)/income (-)	9,352	22,033
Differences in rates of taxation	3,635	-1,661
Tax effect of non-deductible expenditure and tax-exempt income	-398	-3,565
Income/expenditure from companies accounted for under the equity method	-3,361	-1,552
Changes in deferred tax assets not applied in relation to loss carryforwards and temporary differences	3,311	952
Effect from taxation changes	-388	-629
Tax expense (+)/income (-) related to other periods	-2,224	6,506
Other	-351	-148
Taxes on income	**9,576**	**21,936**

In addition to the tax expense recognised in the consolidated income statement, the tax effect of expenses and income charged to other comprehensive income was also recognised in other comprehensive income. The income recognised in other comprehensive income amounted to TEUR 3,977 (previous year: TEUR 1,414). Payouts from hybrid capital, profit-participation rights and costs of capital increase, each designated as equity capital, are tax deductible. The resulting tax of TEUR 2,807 (previous year: TEUR 2,807) was recognised directly in equity.

Summary of tax effects in other comprehensive income:

in TEUR	2019	2018
Revaluation reserve	-1,014	61
Remeasurement from defined benefit obligations	5,136	925
Remeasurement of equity instruments	-179	285
Reserve for cash flow hedges	26	136
Equity attributable to shareholders of parent	**3,969**	**1,407**
Equity attributable to non-controlling interests	8	7
Total	**3,977**	**1,414**

16. Earnings per share

Earnings per share are calculated by dividing the proportion of the annual profit relating to the shareholders of the parent company by the weighted average number of issued shares.

in TEUR	2019	2018
Profit/loss for the year attributable to shareholders of parent and holders of profit-participation rights/hybrid capital	25,541	62,726
Less shares attributable to holders of profit-participation rights/hybrid capital	-11,227	-8,563
Profit/loss for the year attributable to shareholders of parent	14,314	54,163
Weighted average number of issued shares	28,878,505	28,878,505
Prior basic earnings per share = diluted earnings per share in EUR	**0.88**	**2.17**
New basic earnings per share = diluted earnings per share in EUR	**0.50**	**1.88**

As there were no potential diluted transactions for the business years 2018 and 2019, the diluted earnings per share correspond to the basic earnings per share. The accounting method for calculating earnings per share was amended in 2019. The specifications of IAS 33 have been interpreted differently on the market in the past with regard to the presentation of hybrid financing shown in equity. In the course of acquiring the profit-participation rights in PORR Construction Holding GmbH, the presentation of the two instruments has been harmonised. From the business year 2019 the interest due on profit-participation rights and hybrid capital is allocated directly to the holders of profit-participation rights and hybrid capital. This has resulted in a corresponding decrease in earnings attributable to shareholders of the parent.

Reconciliation statement for the weighted number of shares:

	2019	2018
Issued shares as of 1 Jan	29,095,000	29,095,000
Less treasury shares	-216,495	-216,495
Issued shares less treasury shares as of 1 Jan	28,878,505	28,878,505
Weighted average of ordinary shares as of 31 Dec	**28,878,505**	**28,878,505**

17. Intangible assets

in TEUR	Concessions, licences and similar rights	Software	Goodwill	Other intangible assets	Payments on account and assets under construction	Total
Acquisition costs and manufacturing costs						
Balance as of 1 Jan 2018	33,156	56,257	108,176	12,928	-	210,517
Reclassification pursuant to IFRS 3.49	-	-	1,742	-	-	1,742
Additions/disposals due to changes in the consolidated group	-	492	12,220	-	-	12,712
Additions	972	3,221	-	-	-	4,193
Disposals	-56	-3,953	-3,957	-	-	-7,966
Reclassifications	20	2,714	-	-	-	2,734
Currency adjustments	29	-33	-343	-	-	-347
Balance as of 31 Dec 2018	**34,121**	**58,698**	**117,838**	**12,928**	**-**	**223,585**
Additions/disposals due to changes in the consolidated group	-2	9,859	2,240	-	-	12,097
Additions	-	3,371	-	-	5,681	9,052
Disposals	-886	-9,747	-3,806	-12,928	-291	-27,658
Reclassifications	-33,233	2,970	4,252	-	962	-25,049
Currency adjustments	-	23	255	-	-	278
Balance as of 31 Dec 2019	**-**	**65,174**	**120,779**	**-**	**6,352**	**192,305**
Accumulated amortisation and impairment						
Balance as of 1 Jan 2018	18,224	38,575	2,800	11,002	-	70,601
Additions/disposals due to changes in the consolidated group	-	320	-	-	-	320
Additions (planned amortisation)	2,144	5,858	-	1,642	-	9,644
Additions (impairment)	-	-	2,727	-	-	2,727
Disposals	-34	-3,930	-3,956	-	-	-7,920
Currency adjustments	23	-22	-	-	-	1
Balance as of 31 Dec 2018	**20,357**	**40,801**	**1,571**	**12,644**	**-**	**75,373**
Additions/disposals due to changes in the consolidated group	-2	69	-	-	-	67
Additions (planned amortisation)	530	7,390	-	284	-	8,204
Additions (impairment)	-	-	3,208	-	-	3,208
Disposals	-866	-9,710	-3,806	-12,928	-	-27,310
Reclassifications	-20,019	-10	4,252	-	-	-15,777
Currency adjustments	-	18	-	-	-	18
Balance as of 31 Dec 2019	**-**	**38,558**	**5,225**	**-**	**-**	**43,783**
Carrying amounts as of 31 Dec 2018	**13,764**	**17,897**	**116,267**	**284**	**-**	**148,212**
Carrying amounts as of 31 Dec 2019	**-**	**26,616**	**115,554**	**-**	**6,352**	**148,522**

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the cash-generating unit or groups of cash-generating units to which it belongs in each particular case.

This applies to the segments as shown below:

in TEUR	Balance as of 1 Jan 2019	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance as of 31 Dec 2019
BU 1 - Austria, Switzerland	11,396	-	41	-	-	11,437
BU 2 - Germany	57,328	-	-	-	-	57,328
BU 3 - International	47,290	254	-	-	-3,208	44,336
Holding	253	-	2,431	-231	-	2,453
Total	**116,267**	**254**	**2,472**	**-231**	**-3,208**	**115,554**

in TEUR	Balance as of 1 Jan 2018	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance as of 31 Dec 2018
BU 1 - Austria, Switzerland	13,814	-	-	-	-2,418	11,396
BU 2 - Germany	57,328	-	-	-	-	57,328
BU 3 - International	33,672	-344	13,962	-	-	47,290
Holding	562	-	-	-	-309	253
Total	**105,376**	**-344**	**13,962**	**-**	**-2,727**	**116,267**

In the segment Business Unit 1 – Austria, Switzerland, goodwill of TEUR 7,704 is allocated to the cash-generating unit of road construction. In the segment Business Unit 2 – Germany, goodwill totalling TEUR 44,170 is allocated to the cash-generating unit of the Oevermann Group. In the segment Business Unit 3 – International, goodwill of TEUR 11,056 is allocated to the cash-generating unit Porr Polska Infrastructure. Further goodwill totalling TEUR 23,388 is allocated to the cash-generating unit of the Hinteregger Group, whereby impairment of TEUR 3,208 has been recognised. Goodwill of TEUR 12,363 has been recognised in the segment Business Unit 3 – International to the cash-generating unit of PORR a.s.

The impairment test involves comparing the total of the carrying amounts of the assets of the cash-generating unit to which goodwill was allocated in addition to the carrying amount of the goodwill allocated to this cash-generating unit, with the recoverable amount of the same assets. The recoverable amount of the cash-generating unit corresponds to the fair value less sale costs or the value in use, if this is higher. The fair value is determined on the basis of a DCF calculation. In cases where no fair value can be determined, the value in use, i.e. the present value of probable future cash flows generated by the segment, is laid down as the recoverable amount. The cash flows were derived from budgets for three to five years approved by the Executive Board and current as of the time the impairment tests were applied. More details on the parameters and sensitivity analyses used in impairment tests are given in note 6.1.

The comments under accounting and measurement methods explain the useful lives and methods of amortisation, depreciation and impairment.

The consolidated income statement contains impairment related to goodwill of TEUR 3,208 (previous year: TEUR 2,727), recognised under the item "Depreciation, amortisation and impairment expense", as well as amortisation on other intangible assets. Impairment related to goodwill was applied due to a downturn in the market environment.

18. Property, plant and equipment

in TEUR	Land, land rights and buildings on land owned by others and assets under construction	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets under construction	Right of use – land and buildings	Right of use – technical equipment, machinery and other plant, factory and business equipment	Total
Acquisition costs, manufacturing costs and revaluations							
Balance as of 1 Jan 2018	464,049	413,640	150,773	18,067	14,014	155,567	1,216,110
Reclassification pursuant to IFRS 3.49	-	-1,197	3	-	-	-	-1,194
Additions/disposals due to changes in the consolidated group	3,985	3,159	1,731	1	-	5,016	13,892
Additions	27,805	31,942	44,163	13,551	736	53,591	171,788
Disposals	-8,710	-38,040	-34,426	-4,928	-320	-26,341	-112,765
Reclassifications	1,796	7,445	4,937	-11,605	2,524	-3,256	1,841
Currency adjustments	-544	-879	-213	-38	-	-94	-1,768
Revision arising from revaluation	-231	-	-	-	-	-	-231
Balance as of 31 Dec 2018	**488,150**	**416,070**	**166,968**	**15,048**	**16,954**	**184,483**	**1,287,673**
Adjustments due to first-time application of IFRS 16	-	-	-	-	158,615	37,446	196,061
Additions/disposals due to changes in the consolidated group	621	639	2,254	-	-	-180	3,334
Additions	41,946	52,261	40,085	10,095	25,375	67,370	237,132
Disposals	-19,115	-21,315	-30,581	-3,757	-1,557	-21,317	-97,642
Reclassifications	31,251	25,290	-196	-5,815	-	-23,437	27,093
Currency adjustments	789	693	405	16	131	252	2,286
Revision arising from revaluation	4,330	-	-	-	-	-	4,330
Balance as of 31 Dec 2018	**547,972**	**473,638**	**178,935**	**15,587**	**199,518**	**244,617**	**1,660,267**
Accumulated depreciation and impairment							
Balance as of 1 Jan 2018	203,921	254,128	80,054	177	6,240	58,830	603,350
Additions/disposals due to changes in the consolidated group	299	1,432	1,504	-	-	-	3,235
Additions (planned depreciation)	14,352	40,052	31,944	-	564	27,860	114,772
Disposals	-3,758	-43,096	-30,531	-177	-272	-22,678	-100,512
Reclassifications	842	-747	3,588	-	86	-2,841	928
Currency adjustments	-139	-561	-114	-	-	-44	-858
Balance as of 31 Dec 2018	**215,517**	**251,208**	**86,445**	**-**	**6,618**	**61,127**	**620,915**
Additions/disposals due to changes in the consolidated group	482	305	1,223	-	-	-12	1,998
Additions (planned depreciation)	16,993	43,378	34,030	-	15,131	46,650	156,182
Disposals	-13,217	-19,745	-27,455	-	-235	-18,384	-79,036
Reclassifications	19,097	20,192	58	-	-	-21,061	18,286
Currency adjustments	290	446	242	-	16	30	1,024
Balance as of 31 Dec 2019	**239,162**	**295,784**	**94,543**	**-**	**21,530**	**68,350**	**719,369**
Carrying amounts as of 31 Dec 2018	**272,633**	**164,862**	**80,523**	**15,048**	**10,336**	**123,356**	**666,758**
Carrying amounts as of 31 Dec 2019	**308,810**	**177,854**	**84,392**	**15,587**	**177,988**	**176,267**	**940,898**

Land, land rights and buildings, including buildings on land owned by others, includes reserves for raw materials amounting to TEUR 51,238 (previous year: TEUR 52,648), which is written off based on performance.

Scheduled depreciation is shown under "Depreciation, amortisation and impairment expense".

The value of property under property, plant and equipment that was valued by an external expert at the end of the reporting period amounts to TEUR 27,174 (previous year: TEUR 27,294).

The carrying amount for property, plant and equipment pledged for security at the end of the reporting period is TEUR 36,022 (previous year: TEUR 36,247).

The carrying amount for land, land rights and buildings, including buildings on land owned by others and usage rights shown under intangible assets would have amounted to TEUR 294,267 (previous year: TEUR 263,852) under application of the cost model as of 31 December 2019.

Fair value of land and buildings

Determining the fair value of properties is carried out by way of a revolving cycle. Fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement. An internal valuation team determines the market value of any property that has not undergone an external valuation. Discussions related to the parameters that need to be applied to determine fair value (Level 3) are led by operational project developers, the Executive Board and the valuation team.

The various levels are defined as follows:
– Quoted (non-adjusted) prices in active markets for identical assets or liabilities (Level 1)
– Inputs which differ from the quoted market prices in Level 1, which are either indirectly observable (i.e. as a price) or directly observable (i.e. derived from the price) (Level 2).
– Inputs which are based on unobservable market data for the assets or liabilities (Level 3)

in TEUR	Fair value as of 31 Dec 2019		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Other key unobservable inputs Level 3
Operating premises/storage	-	-	184,774
Gravel pit/stone quarry	-	-	69,092
Mix plant	-	-	12,533
Landfill	-	-	42,411

in TEUR	Fair value as of 31 Dec 2018		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Other key unobservable inputs Level 3
Operating premises/storage	-	-	153,357
Gravel pit/stone quarry	-	-	62,700
Mix plant	-	-	11,430
Landfill	-	-	45,146

Range of unobservable inputs 2019

	Property type			
	Operating premises/storage	Gravel pit/ stone quarry	Landfill	Mix plants
Valuation method	CE, CV	CE, CV	CE	CV
Capitalisation rate in %	4.70 - 10.00	4.50		
Rent in EUR/m²	2.16 - 17.54			
Maintenance in % [1]	0.50 - 1.50			
Maintenance in % [2]	3.00 - 14.00			
Vacancy rate in % [1]	7.50 - 10.00			
Vacancy rate in % [2]	2.50 - 13.00			
Income in EUR/t		6.73 - 47.00	8.00 - 135.00	
Expenses in EUR/t		4.92 - 15.38		
Land value in EUR/m²				15.00 - 45.00
Construction time in EUR/m²				1,000.00 - 1,650.00

Range of unobservable inputs 2018

	Property type			
	Operating premises/storage	Gravel pit/ stone quarry	Landfill	Mix plants
Valuation method	CE, CV	CE, CV	CE	CV
Capitalisation rate in %	5.00 - 7.50	4.50		
Rent in EUR/m²	2.25 - 14.00			
Maintenance in %[1]	0.50 - 2.00			
Maintenance in %[2]	4.00 - 5.00			
Vacancy rate in %[1]	3.00 - 10.00			
Vacancy rate in %[2]	8.00 - 12.00			
Income in EUR/t		6.73 - 42.00	7.50 - 88.00	
Expenses in EUR/t		4.72 - 14.12		
Land value in EUR/m²				15.30 - 45.40
Construction time in EUR/m²				1,000.00 - 1,650.00

CE = capitalised earnings
CV = comparative value
[1] Discount from value of new construction
[2] Discount from value of gross annual income

The impact of unobservable inputs on fair value

– Capitalisation rate: the lower the capitalisation rate, the higher the fair value
– Rent: the higher the price per m², the higher the fair value
– Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
– Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value

Fair value is determined using internationally recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows that are commonly generated on the market by this type of property under a rental agreement.

Reconciliation of Level 3 valuations

in TEUR	Property type Operating premises/storage	 Gravel pit/ stone quarry	 Mix plants	 Landfill
Balance as of 1 Jan 2019	**153,357**	**62,700**	**11,430**	**45,146**
Additions/disposals due to changes in the consolidated group	139	-	-	-
Additions	36,125	1,014	1,469	3,338
Disposals	-4,170	-998	-163	-567
Reclassifications	2,507	9,875	-100	-128
Currency adjustments	392	-1	53	55
Revision arising from revaluation	4,330	-	-	-
Planned depreciation	-7,906	-3,498	-156	-5,433
Balance as of 31 Dec 2019	**184,774**	**69,092**	**12,533**	**42,411**

in TEUR	Property type Operating premises/storage	 Gravel pit/ stone quarry	 Mix plants	 Landfill
Balance as of 1 Jan 2018	**134,466**	**66,729**	**10,845**	**48,088**
Additions/disposals due to changes in the consolidated group	3,686	-	-	-
Additions	21,221	1,551	1,016	4,017
Disposals	-1,349	-2,938	-	-665
Reclassifications	1,037	-83	-	-
Currency adjustments	-388	-	-43	26
Revision arising from revaluation	-228	-	-3	-
Planned depreciation	-5,088	-2,559	-385	-6,320
Balance as of 31 Dec 2018	**153,357**	**62,700**	**11,430**	**45,146**

Leases

The following amounts arising from leases were recognised:

in TEUR	**2019**
Interest expense on lease liabilities	9,803
Short-term lease expense	46,677
Low-value lease expense	694
Total cash outflows from leases	75,526

The terms of the leases for property are between two and 65 years and for movable assets between two and 15 years.

Lease agreements for both property and movables sometimes include extension options that are only applied in the calculation of the lease liability if there is sufficient certainty that the option will actually be exercised.

Exercise prices for options to acquire an asset at the end of the lease term are only capitalised if there is sufficient certainty that the purchase option will actually be exercised. Variable lease payments, which are linked to an index, are measured at the applicable index on the date the asset is rendered. A revaluation is carried out if a significant event occurs or there is a material change in conditions. In case of a non-lease component, this is separated and not included in the rate.

The maturity profile of leases is presented in note 43.4.

19. Investment property

in TEUR	Investment property	Rights of use investment property	Total
Fair value			
Balance as of 1 Jan 2018	68,194	2,065	70,259
Additions for purchases	407	-	407
Additions for manufacturing costs	147	-	147
Disposals	-2,456	-	-2,456
Reclassifications	-3,627	-	-3,627
Adjustments to fair value	1,241	-	1,241
Balance as of 31 Dec 2018	**63,906**	**2,065**	**65,971**
Additions/disposals due to changes in the consolidated group	-20,128	-	-20,128
Additions for purchases	1,498	-	1,498
Additions for manufacturing costs	6,547	-	6,547
Reclassifications	2,192	-1,715	477
Adjustments to fair value	-274	-	-274
Balance as of 31 Dec 2019	**53,741**	**350**	**54,091**

The value of investment property, which was assessed by an external expert as of the reporting date, amounted to TEUR 1,324 (previous year: TEUR 7,140).

The rental income from investment property amounted to TEUR 556 in the year under review (previous year: TEUR 591). Operating expenses related to investment property for which there was no rental income in the year under review amounted to TEUR 170 (previous year: TEUR 99).

Investment property with a carrying amount of TEUR 1,170 (previous year: TEUR 1,715) is pledged as collateral for liabilities.

Reclassifications of TEUR 0 (previous year: TEUR 3,627) relate to the reclassification of properties into property, plant and equipment; properties of TEUR 477 (previous year TEUR 0) were reclassified out of property, plant and equipment.

Fair value of land and buildings

The fair value is determined according to recognised measurement methods, namely by being inferred from a current market price, by being inferred from a price attained in a transaction with similar items of real estate in the recent past – in the absence of suitable market data – by discounting estimated future cash flows that are usually generated in the market by this type of real estate in the course of letting.

in TEUR	Fair value as of 31 Dec 2019		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Other key unobservable inputs Level 3
Office/commercial	-	-	10,844
Undeveloped properties	-	40,795	-
Other	-	-	2,102

in TEUR	Fair value as of 31 Dec 2018		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Level 3
Office/commercial	-	-	9,379
Undeveloped properties	-	52,400	-
Other	-	-	2,126

Range of observable inputs 2019

Property type	Valuation method	Land value[1] in EUR/m²
Undeveloped properties	CV	5.00 - 132.00

Range of observable inputs 2018

Property type	Valuation method	Land value[1] in EUR/m²
Undeveloped properties	CV	22.00 - 150.00

CV = comparative value
[1] Without construction plans

Range of unobservable inputs 2019

Property type	Valuation method	Capitalisation rate in %	Rent in EUR/m²	Maintenance in %[2]	Vacancy rate in %[2]
Office/commercial	CE, CV	5.00 - 7.50	2.00 - 15.00	15.00	10.00

Range of unobservable inputs 2018

Property type	Valuation method	Capitalisation rate in %	Rent in EUR/m²	Maintenance in %[1]	Vacancy rate in %[1]
Office/commercial	CE, CV	5.00 - 7.50	3.00 - 8.50	0.75	3.00 - 5.00

CE = capitalised earnings
CV = comparative value
[1] Discount from value of new construction
[2] Discount from value of gross annual income

The impact of unobservable inputs on fair value

- Capitalisation rate: the lower the capitalisation rate, the higher the fair value.
- Rent: the higher the price per m², the higher the fair value.
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value.
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value.

Reconciliation of Level 3 valuations

	Property type	
in TEUR	Office/commercial	Other
Balance as of 1 Jan 2019	**9,379**	**2,126**
Reclassifications	1,715	-
Adjustments to fair value	-250	-24
Balance as of 31 Dec 2019	**10,844**	**2,102**

	Property type	
in TEUR	Office/commercial	Other
Balance as of 1 Jan 2018	**13,738**	**2,501**
Disposals	-2,243	-
Adjustments to fair value	-401	-25
Balance as of 31 Dec 2018	**11,094**	**2,476**

20. Shares in companies accounted for under the equity method

The requisite disclosures pursuant to IFRS 12 have been made for associates and joint ventures that are designated as significant by the PORR Group for reasons of quality or quantity. For seven companies the Group holds the majority of shares, however there is no control due to a shareholder agreement and so the companies are accounted for under the equity method.

Associated companies

The following associate is “Joint Venture Al Wakrah Stadium & Precinct Main Works & Masterplan”, in which the PORR Group holds 33.3% (previous year: 33.3%). The purpose of the company is to build the Al Wakrah Stadium, the main venue for the 2022 FIFA World Cup in Qatar.

in TEUR	2019	2018
Revenue	81,234	260,012
Profit for the year	18,760	29,374
Other comprehensive income	483	869
Total comprehensive income	**19,243**	**30,243**
Current assets	55,982	84,716
Current liabilities	-36,276	-62,152
Net assets	**19,706**	**22,564**
Group share of net assets as of 1 Jan	7,521	4,427
Group share of total comprehensive income	6,415	10,080
Dividends received	-7,367	-6,986
Group share of net assets as of 31 Dec	**6,569**	**7,521**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**6,569**	**7,521**

Disclosures on associated companies of minor significance

in TEUR	2019	2018
Carrying amount of companies accounted for under the equity method as of 31 Dec	19,133	25,034
Group share of		
profit/loss for the year	4,527	4,184
other comprehensive income	109	295
Total comprehensive income	**4,636**	**4,479**

The accumulated amount of non-recognised shares of losses of associates as of 31 December 2019 is TEUR 0 (previous year: TEUR 4).

Joint ventures

The following joint venture is KMG – Klinikum Management Gesellschaft mbH and its subsidiary Klinikum Austria Gesundheitsgruppe GmbH (KMG Group), both domiciled in Austria. In 2019 the PORR Group gained control over the former material joint venture “hospitals” Projektentwicklungsges.m.b.H. and thereby now directly holds 50% (previous year: 0%) of shares in the KMG Group. The company works in developing and preparing hospital projects.

in TEUR	2019
Revenue	56,604
Tax expense	-2,240
Profit/loss for the year	4,937
Total comprehensive income	**4,937**
Non-current assets	43,233
Current assets	15,304
of which cash and cash equivalents	(7,144)
Non-current liabilities	-14,380
of which non-current financial liabilities	(-14,380)
Current liabilities	-12,829
of which current financial liabilities	(-2,000)
Net assets	**31,328**
Net assets of non-controlling interests	-7,952
Net assets of controlling shareholder	**23,376**
Group share of net assets as of 1 Jan	-
Addition of share of net assets	11,688
Goodwill	15,655
Group share of net assets as of 31 Dec	**27,343**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**27,343**

Another significant joint venture is Hamad Bin Khalid Contracting – PORR Qatar Construction JV W.L.L., based in Qatar, in which the PORR Group holds a direct interest of 45% (previous year: 45%). The purpose of the company is the design and build of the Musaimeer pump station as an extension of the Abu Hamour Tunnel including the outflow tunnel and diffusor field south of Doha.

in TEUR	2019	2018
Revenue	67,962	30,814
Tax expense	-144	-
Profit/loss for the year	6,814	2,928
Other comprehensive income	47	89
Total comprehensive income	**6,861**	**3,017**
Current assets	30,714	8,515
of which cash and cash equivalents	(-)	(8,515)
Current liabilities	-20,813	-5,475
of which current financial liabilities	(-2,849)	(-)
Net assets	**9,901**	**3,040**
Group share of net assets as of 1 Jan	1,368	-
Founding capital	-	10
Group share of total comprehensive income	3,087	1,358
Group share of net assets as of 31 Dec	**4,455**	**1,368**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**4,455**	**1,368**

Disclosures on joint ventures of minor significance

in TEUR	2019	2018
Carrying amount of companies accounted for under the equity method as of 31 Dec	28,581	59,277
Group share of		
profit/loss for the year	55,028	57,385
other comprehensive income	132	-136
Total comprehensive income	**55,160**	**57,249**

The share of the Group in the annual profit also includes the pro-rata earnings from non-significant consortiums amounting to TEUR 34,100 (previous year: TEUR 46,406), which is recognised under trade receivables and payables (see note 5.1).

As of 31 December 2019, the accumulated amount of non-recognised shares of losses of joint ventures for the business year 2019 is TEUR 431 (previous year: TEUR 1,808).

The joint ventures listed below represent the ten largest consortiums measured by proportionate annual revenue; the disclosures on financial information represent 100%.

Consortium	Share in consortium in % 2019	Share in consortium in % 2018	Activity	Location
ATCOST21	61	61	Construction of Filder, Obertürkheim and Untertürkheim tunnels	Germany
H51 Pfons-Brenner	55	55	Main lot of the Brenner Base Tunnel	Austria
Albaufstieg Tunnel	58	58	Tunnelling lots 1, 2 and 3	Germany
CE Mur power plant Graz	60	60	Construction of a Mur power plant	Austria
Reconstruction Albulatunnel II	40	40	Construction of a 6 km long replacement tunnel from Albulatal to Engadin	Switzerland
ARGE Bau Rotholz	60	60	Construction of an educational and research facility in Tyrol	Austria
ARGE Parlament	50	50	Renovation and adaptation of the Austrian Parliament building	Austria
GKI Triebwasserweg Maria Stein	33.33	33.33	Construction services for the Inn joint venture hydropower plant, lot MSBC "Triebwasserweg Maria Stein"	Austria
ARGE S31 SAB	50	-	Expansion of a section of the S31 motorway	Austria
ARGE CPC	37.5	37.5	Planning and installation of overhead conductor rails and overhead lines for the Ceneri Base Tunnel / lot 2	Switzerland

2019 in TEUR	ATCOST21	H51 Pfons-Brenner	Albaufstieg Tunnel	CE Mur power plant Graz	Reconstr. Albulatunnel II	ARGE Bau Rotholz	ARGE Parlament	GKI Triebwasserweg Maria Stein	ARGE S31 SAB	ARGE CPC
Revenue	191,697	88,257	54,820	44,454	19,103	21,878	24,216	32,818	31,232	40,844
Depreciation, amortisation and impairment	-4,069	-1,898	-493	-106	-1,293	-	-231	-580	-24	-309
Interest expense	-	-	-	-	-104	-	-	-	-	-1
Non-current assets	3,146	2,726	296	432	-	-	496	-	37	11
Current assets	237,456	32,211	79,257	20,801	31,996	6,734	21,342	3,402	12,847	46,315
of which cash and cash equivalents	(17,284)	(13,549)	(12,240)	(1,236)	(1,352)	(3,067)	(5,788)	(799)	(707)	(1,035)
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
of which non-current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Current liabilities	-240,602	-34,937	-79,553	-21,233	-31,996	-6,734	-21,838	-3,402	-12,884	-46,326
of which current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2018 in TEUR	ATCOST21	H51 Pfons-Brenner	Albaufstieg Tunnel	CE Mur power plant Graz	Reconstr. Albulatunnel II	ARGE Bau Rotholz	ARGE Parlament	GKI Triebwasserweg Maria Stein	ARGE S31 SAB	ARGE CPC
Revenue	161,912	6,429	110,859	35,509	29,869	6,810	12,461	44,890	-	88,489
Depreciation, amortisation and impairment	-5,725	-186	-781	-294	-1,420	-137	-148	-3,798	-	-197
Interest expense	-	-	-	-	-122	-	-	-	-	-26
Non-current assets	5,094	288	777	655	1,170	-	425	-	-	297
Current assets	188,720	23,173	89,075	57,672	25,575	1,819	11,969	95,932	-	72,400
of which cash and cash equivalents	(9,241)	(18,757)	(21,455)	(2)	(1,537)	(1,385)	(1,915)	(1,671)	(-)	(2,984)
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
of which non-current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Current liabilities	-193,814	-23,461	-89,852	-58,327	-26,745	-1,819	-12,394	-95,932	-	-72,697
of which current financial liabilities	(-)	(-)	(-)	(-65)	(-)	(-)	(-)	(-)	(-)	(-)
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Group's share of the profit for the period of these significant consortiums amounts to TEUR 18,574 (previous year: TEUR 13,872) and is allocated to trade receivables and payables (see note 5.1).

21. Loans

in TEUR	2019	2018
Loans to companies accounted for under the equity method	29,219	17,231
Loans to companies in which an equity interest is held	30,654	31,002
Other loans	23,461	569
Total	**83,334**	**48,802**

22. Other financial assets

in TEUR	2019	2018
Shareholdings in non-consolidated subsidiaries	238	266
Other shareholdings	5,301	5,335
Other equity interests/debt instruments	31,464	35,975
Total	**37,003**	**41,576**

The other equity interests relate to granting perpetual hybrid capital of TEUR 25,330 with an interest rate of 6.0% to UBM Development AG. Ordinary termination by PORR AG is excluded. Interest payments are dependent on whether UBM Development AG resolves to pay out a dividend from the annual surplus. If there is a year in which no payout of dividends from the annual surplus is passed by UBM Development AG, then UBM Development AG is not obliged to pay any interest in the same year, whereby in this instance the interest is not cancelled but remains due. The carrying amount stood at TEUR 25,895 as of the reporting date (previous year: TEUR 25,179).

The remaining debt instruments of TEUR 5,569 (previous year: TEUR 10,796) mainly comprise fixed-interest items. They are not subject to any restrictions on disposal.

23. Inventories

Inventories comprise the following items:

in TEUR	2019	2018
Finished and unfinished products and merchandise	5,737	5,584
Raw materials and supplies	68,607	66,408
Payments on account	1,686	10,806
Total	**76,030**	**82,798**

Allowances of TEUR -603 (previous year: TEUR -548) were recognised on products and merchandise in the year under review. No inventories were pledged as collateral for liabilities.

24. Trade receivables

Contract assets

The client contracts valued in accordance with the POC method at the end of the reporting period are stated as follows:

in TEUR	2019	Recorded as a receivable	Recorded as a liability
Contract assets	3,644,885	2,335,114	1,309,771
of which unrealised partial gains	(122,658)	(92,118)	(30,540)
Less attributable payments on account	-3,281,597	-1,687,155	-1,594,442
Net	**363,288**	**647,959**	**-284,671**

in TEUR	2018	Recorded as a receivable	Recorded as a liability
Contract values defined according to POC method	3,262,707	2,506,643	756,064
of which unrealised partial gains	(104,750)	(87,985)	(16,765)
Less attributable payments on account	-2,865,821	-1,898,390	-967,431
Net	**396,886**	**608,253**	**-211,367**

Proportional contract values capitalised according to the percentage of completion of the contract as of 31 December 2019 are balanced by contract costs valued at TEUR 3,522,227 (previous year: TEUR 3,157,957), so that the recognised profit for these contracts amounts to TEUR 122,658 (previous year: TEUR 104,750).

Changes to the contract assets were as follows in the period under review:

Increase caused by:
– Newly started construction service contracts or progress made on projects
Decrease caused by:
– Completed construction service contracts and those for which a final invoice has been issued
– Advance payments received

Shares of the profits from consortiums are allocated to receivables from consortiums. Advances received, including preliminary payments on invoices for partial delivery, are allocated to liabilities, where these exceed proportional contract values capitalised according to the percentage of completion of the contract. Impending losses and damages and penalties from contracts are recorded in provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

Composition and maturity terms of trade receivables

in TEUR	31.12.2019	Remaining term > 1 year	31.12.2018	Remaining term > 1 year
Trade receivables	680,085	62,424	723,085	63,190
Contract assets	647,959	-	608,253	-
Receivables from consortiums	152,867	7,934	130,391	8,476
Total	**1,480,911**	**70,358**	**1,461,729**	**71,666**

Trade receivables are classified as current in accordance with IAS 1 as they are to be settled within the entity's normal operating cycle. The significant payment terms from contracts with customers under which revenue is realised over a period of time specify payment 30 days after the review period of the issue of a monthly invoice. In individual cases, payments follow a specific payment schedule based on the project. Contracts with customers under which revenue is realised at a point in time specify payment 30 days after the service has been rendered and/or the invoice has been issued.

Trade receivables include contractual retentions of TEUR 53,356 (previous year: TEUR 55,743).

in TEUR	2019	2018
Trade receivables before allowances	**834,478**	**892,675**
Impairment allowances as of 1 Jan	**169,590**	**106,203**
Additions	50,571	98,940
Appropriation	-60,257	-29,877
Reversal	-5,511	-5,676
Balance as of 31 Dec	**154,393**	**169,590**
Carrying amount of trade receivables	**680,085**	**723,085**

Maturity structure of receivables

in TEUR	2019	2018
Carrying amount as of 31 Dec	**680,085**	**723,085**
of which not overdue at closing date	453,731	471,972
of which overdue at closing date in the following time periods		
less than 30 days	32,461	37,327
between 30 and 60 days	12,442	18,608
between 60 and 180 days	20,886	23,798
between 180 and 360 days	25,429	54,320
more than 360 days	135,136	117,060

In the above-mentioned overdues, amounts of ongoing invoice checks are also included, which could take up to 120 days to settle. Allowances for impairment were included at reasonable amounts.

25. Other financial assets

in TEUR	31.12.2019	Remaining term > 1 year	31.12.2018	Remaining term > 1 year
Loans	23,000	-	87	-
Receivables from companies accounted for under the equity method	22,674	17,250	37,112	12,590
Receivables from other shareholdings	9,691	-	9,691	-
Receivables from insurance	225	-	170	-
Other	57,545	9,702	75,153	12,436
Total	**113,135**	**26,952**	**122,213**	**25,026**

Forward contracts at fair value amounting to TEUR 1,763 (previous year: TEUR 2,424) are included in other financial assets (see note 43). In addition, this item contains TEUR 5,078 (previous year: TEUR 4,287) of receivables from deposits, as well as receivables from the UBM Group totalling TEUR 4,620 (previous year: TEUR 14,473) (see note 45).

Contractual retentions amounting to TEUR 168 (previous year: TEUR 1,223) are included in receivables from non-consolidated subsidiaries, companies accounted for under the equity method and other shareholdings.

26. Other receivables and assets

in TEUR	31.12.2019	Remaining term > 1 year	31.12.2018	Remaining term > 1 year
Tax receivables	11,148	-	23,001	-
Receivables from supplier payments	33,990	-	24,582	-
Other	2,375	-	1,637	-
Total	**47,513**	**-**	**49,220**	**-**

27. Cash and cash equivalents

The cash and cash equivalents include cash at banks amounting to TEUR 581,665 (previous year: TEUR 319,320) and cash in hand of TEUR 225 (previous year: TEUR 354).

28. Non-current assets held for sale

In 2018 the non-current assets held for sale related to one property in the segment Business Unit 3 – International for which the sale was concluded in the 2019 business year. As of 31 December 2019, there were no non-current assets held for sale.

29. Deferred tax assets

The following tax deferments presented in the statement of financial position arise from temporary differences between the valuations in the IFRS consolidated financial statements and the respective valuations for tax purposes as well as from utilisable loss carryforwards:

	2019		2018	
in TEUR	Assets	Liabilities	Assets	Liabilities
Non-current assets, lease obligations	158,497	130,799	85,307	74,580
POC method	-	113,181	-	97,104
Untaxed reserves	-	3,020	-	3,135
Provisions	27,779	8,091	21,767	9,118
Others	152	-	-	-
Tax loss carryforwards	38,122	-	33,732	-
Off-setting	-209,030	-209,030	-126,249	-126,249
Deferred taxes	**15,520**	**46,061**	**14,557**	**57,688**

Deferred tax assets based on loss carryforwards are recognised to the extent that these can probably be offset against future taxable profits.

Non-capitalised deferred tax assets derived from loss carryforwards amount to TEUR 64,061 (previous year: TEUR 68,017), of which losses of TEUR 57,514 can be carried forward without restriction, while TEUR 6,547 can be carried forward for the next five years.

30. Share capital

	No. 2019	EUR 2019	No. 2018	EUR 2018
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**

The shares are ordinary no-par shares. Each ordinary share has a pro-rata interest of EUR 1.00 in the share capital of EUR 29,095,000 and participates in profits to the same extent and each share entitles the bearer to one vote at the Annual General Meeting (AGM). The shares are no-par bearer shares.

As of 31 December 2019, the company held a total of 216,495 treasury shares (previous year: 216,495 shares), respectively 0.74% of the share capital. In accordance with Section 65 Paragraph 5 of the Stock Corporation Act, the company does not have any rights, particularly voting rights, from the treasury shares.

Authorised capital

The Executive Board is authorised, in accordance with Section 169 of the Stock Corporation Act, to increase the share capital of the company within five years of entry of the authorisation of the Annual General Meeting granted on 29 May 2018 being entered in the Commercial Register, with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 4,364,250 by issuing up to 4,364,250 no-par value shares for cash or consideration in kind – in either case also in multiple tranches, also in the course of direct subscription rights in accordance with Section 153, Paragraph 6 Stock Corporation Act – (authorised capital), whereby the issue price, which may not be lower than the pro rata share of share capital, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in full or in part:

i) if the capital increase is in exchange for consideration 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% of the company's share capital at the time the authorisation is exercised,
B) the capital increase is in exchange for cash contributions for the purpose of servicing a greenshoe option,
C) or is used to balance out uneven amounts.

The Supervisory Board is authorised to rule on changes to the statutes which result from the Executive Board exercising this entitlement.

31. Reserves

The capital reserves result largely from the capital increases, adjustments and statute-barred dividend claims arising from previous years and the current year, less the costs for the capital increase. The capital reserves include an amount of TEUR 192,764 (previous year: TEUR 192,764), the release of which is restricted. It may only be released to compensate for a loss which would otherwise be presented in the annual financial statements of PORR AG, to the extent that free reserves are not available to cover this.

The other reserves comprise the revaluation reserves in accordance with IAS 16, the currency translation reserves for the annual financial statements of subsidiaries in foreign currencies, the reserves for cash flow hedges, reserves for remeasurement from benefit obligations and reserves for equity instruments, retained earnings of PORR AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained post-acquisition profits from subsidiaries and the effects of adjusting the annual financial statements of companies included in the consolidated financial statements to the accounting and measurement methods used in the consolidated financial statements. Treasury shares as of 31 December 2019 were deducted from reserves and amounted to 216,495 shares as of the reporting date. Due to disposal of assets, an amount of TEUR 2,810 was reclassified from the revaluation reserve into retained earnings.

In the year under review, the shareholders of PORR AG received a dividend of EUR 1.10 per share entitled to dividends, with the remaining balance carried forward to new account.

Net earnings amounting to TEUR 11,742 are available for distribution to shareholders in PORR AG. From the unrestricted retained earnings of PORR AG, totalling TEUR 183,898 as of 31 December 2019, an amount of TEUR 18,192 is restricted from distribution in accordance with Section 235 Paragraph 2 of the Austrian Commercial Code. The residual amount of TEUR 165,706 may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 458 (previous year: TEUR 458) may only be released to compensate for an accumulated loss which would otherwise be incurred, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss. From the net retained profits recognised in the statement of financial position of EUR 11,741,894.48, the Executive Board proposes to pay a dividend of EUR 0.40 per share entitled to dividends, with the remaining balance to be carried forward to new account.

Hybrid capital

As part of a PORR AG bond emission programme, a bond exchange was carried out in October 2014, in which holders of bonds issued by PORR AG in the years 2009 and 2010 were publicly invited to exchange these bonds. Included here was the issue of a subordinated hybrid bond with a total nominal value of EUR 17,054,500. The hybrid bond was increased in the business year 2015 to EUR 25,000,000 in the course of a private placement. The partial debentures of this hybrid bond were issued with a denomination of EUR 500 and are fixed at 6.75% p.a. until 27 October 2021 during an unlimited term, after which they are subject to variable interest as of 28 October 2021 (3-month EURIBOR plus a premium of 8.5% p. a.). In February 2017 PORR AG issued another subordinated hybrid bond with a total nominal value of EUR 125,000,000. The partial debentures of this hybrid bond, which is a perpetual bond, were issued with a denomination of EUR 1,000 and are subject to fixed interest of 5.5% p.a. until 6 February 2022 and subject to variable interest from 7 February 2022 (5-year ISDAFIX2 swap rate plus margin of 10.312% p.a.). As payments of interest and capital redemption are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment permanently, this hybrid capital is categorised as an equity instrument. Interest of TEUR 8,562, which is paid on the hybrid capital, less any tax effect, is recorded directly in equity as a deduction.

32. Equity from profit-participation rights

The profit-participation rights were issued by PORR Construction Holding GmbH, a subsidiary 100% of whose nominal capital is held by PORR AG. The outstanding profit-participation rights with a total nominal value of TEUR 40,000, whose issuance conditions are in accordance with debentures, have been issued for an unspecified length of time. In the course of a change in issuer, in November 2019 PORR AG assumed the entire contractual relationship relating to the profit-participation rights in PORR Construction Holding GmbH including all related rights and obligations. Consequently, the profit-participation rights were reclassified out of the item non-controlling interests and into earnings attributable to shareholders of the parent.

From 1 January 2016 up to and including 31 December 2020 the interest amounts to 6.66% p.a. of the nominal capital of the profit-participation rights. From 1 January 2021 until 31 December 2025 inclusive, the annual interest will be 6.0% p.a. of the nominal capital of the profit-participation rights. From 1 January 2026 the annual interest will be 13.0% p.a. of the nominal capital of the profit-participation rights.

PORR AG is only obliged to pay interest if it decides to pay shareholders a dividend from the annual surplus. PORR AG is not obliged to pay the due interest for one year in the absence of a profit payout, and if it utilises its right not to pay, then this unpaid interest is kept in arrears which must be paid as soon as PORR AG decides to pay a dividend from the annual surplus to its shareholders. In the case of dismissal by the issuer or the extraordinary notice of dismissal by the bearers of profit-participation rights, the capital from profit-participation rights becomes due to the bearers, in addition to the valid interest accrued by this date and outstanding interest.

As payments on the profit-participation rights – interest as well as capital redemption – are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment on this part of the profit participation rights permanently, these profit-participation rights are categorised as equity instruments. Interest in the amount of TEUR 2,664, which is paid on these profit-participation rights, less any tax, is recorded directly in equity as a deduction.

33. Non-controlling interests

The shares in equity of subsidiaries which are not owned by PORR AG or a shareholder of the Group are presented in equity under non-controlling interests. The share of non-controlling interests in subsidiaries is of minor significance

34. Provisions

in TEUR	Severance	Pensions	Anniversary bonuses	Indemnities	Construc-tions/ Other	Recultiva-tion	Total
Balance as of 1 Jan 2019	**73,247**	**40,289**	**19,811**	**3,671**	**133,757**	**12,132**	**282,907**
Additions/disposals from changes to the consolidated group	118	20	-5	-	37	-	170
Transfer	4,911	991	6,250	114	99,501	2,936	114,703
OCI changes							
from changes to demographic assumptions	-146	-	-	-	-	-	-146
from changes to financial assumptions	8,351	7,537	-	-	-	-	15,888
from changes to experience based adjustments	4,591	145	-	-	-	-	4,736
Appropriation	-9,938	-2,732	-1,568	-519	-33,470	-970	-49,197
Reversal	-	-58		-	-29,513	-148	-29,719
Balance as of 31 Dec 2019	**81,134**	**46,192**	**24,488**	**3,266**	**170,312**	**13,950**	**339,342**
of which non-current	81,134	46,192	24,488	3,266	-	13,950	169,030
of which current	-	-	-	-	170,312	-	170,312

PORR AG and its subsidiaries must pay their employees in Austria and Germany anniversary bonuses on certain anniversaries in accordance with collective agreements. The provision for anniversary bonuses was determined in accordance with the provisions of IAS 19 on other long-term benefits. Please refer to the notes on accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

At TEUR 8,336 (previous year: TEUR 12,260), provisions for constructions contain provisions for impending losses arising from the order backlog and, at TEUR 82,377 (previous year: TEUR 76,765), provisions for guarantees and TEUR 78,616 (previous year: TEUR 37,927) for provisions for damages and penalties. Provisions for damages and penalties contain provisions for potential penalty payments from ongoing antitrust proceedings. Provisions for impending losses are based on current contract calculations. Provisions for guarantees and other contract risks are determined on the basis of an individual assessment of the risks. Claims arising against the Group from these risks are deemed to be probable; the recognised amount corresponds to the best possible estimate of the amount of the claim. As construction contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the time of the claim is uncertain but will, as a rule, lie within the relevant operating cycle. Provisions for rehabilitation that also contain aftercare obligations are mainly formed for the landfill business of BU 1 – Austria, Switzerland. The provisions are allocated on the basis of the amounts of landfill over the operating life in instalments and are used across the term of the rehabilitation and/or the aftercare on the basis of the area rehabilitated.

Pension plans

Defined benefit plans

Provisions for severance pay have been recognised for salaried employees and waged workers who have claims to severance payments pursuant to the Employee Act, the Wage Earners' Severance Pay Act or works agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to 1 January 2003 and has been ongoing for at least ten years without interruption, have a claim to severance pay where the employment is terminated upon the employee's reaching the statutory age of retirement, even if the employment is terminated by the employee. The amount of the severance pay depends on the amount of pay at the time of termination and of the length of employment. These employee claims should therefore be treated as claims under defined benefit pension plans, in which case plan assets do not exist to cover these claims. Similar considerations apply to waged workers to whom severance pay is due pursuant to the Wage Earners' Severance Pay Act and for severance pay payable pursuant to works agreements.

The Construction Workers' Leave and Severance Pay Act 1987 applies to the majority of waged workers, according to which their claims are directed towards the holiday pay and severance pay fund to be financed by the employer's contributions. This is a state plan, for which a severance pay provision does not need to be created.

Pension commitments are, as a rule, defined individual benefit commitments for senior staff that are not covered by plan assets. The amount of the pension claim depends on the number of years of service in each case.

Changes within provisions for severance pay were as follows:

in TEUR	2019	2018
Present value of severance obligations (DBO) as of 1 Jan	73,247	72,173
Changes to the consolidated group	118	-
Service cost (entitlements)	3,638	3,682
Interest paid	1,273	1,266
Severance payments	-9,938	-6,786
Actuarial profits (-)/losses (+)	12,796	2,912
Present value of severance obligations (DBO) as of 31 Dec	**81,134**	**73,247**

in TEUR	2019	2018
Service cost (entitlements)	3,638	3,682
Net interest expense	1,273	1,266
Severance costs (recognised in profit and loss for the period)	**4,911**	**4,948**
Severance costs (recognised in other comprehensive income)	**12,796**	**2,912**

For the year 2020, an interest expense of TEUR 482 and a current service cost of TEUR 3,954 are planned. Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

Pension provisions

Pension obligations transferred to provisions

in TEUR	2019	2018
Present value of the obligations covered by plan assets	23,477	21,697
Fair value of the plan assets	-12,507	-13,187
Net value of the obligations covered by plan assets	10,970	8,510
Present value of the obligations not covered by plan assets	35,221	31,779
Carrying amount of provisions as of 31 Dec	**46,191**	**40,289**

Pension costs

in TEUR	2019	2018
Service cost (entitlements)	254	205
Settlement	-58	-
Interest expense	983	989
Interest income	-246	-250
Pension costs (recognised in profit and loss for the period)	**933**	**944**
Pension costs (recognised in other comprehensive income)	**7,636**	**1,594**

Description of pension plans
Claims – Austria: as part of the defined benefit plans relating to pensions, the company is obliged to grant the promised benefits both to current and former employees.

The employee claims to defined benefit pension plans are defined as follows:

Group A (service contract, version dated 1 July 1991):
The pension allowance involves an agreed percentage of the basis of assessment (salary and overtime rate) for cases of retirement after reaching the age of 63 and is reduced by a defined percentage for every full year of retirement before reaching the age of 63.

Group B (service contract dated 5 August 1991) and Group C/D (service contract dated 6 August 1991):
The pension allowance is determined as an agreed amount due upon retirement after reaching the age of 63 and is reduced by a defined amount for every full year of retirement before reaching the age of 63.

Group E/F (service contract dated 29 August 1991):
The pension allowance involves an agreed amount for retirement upon reaching the age of 60; this amount increases by a fixed annual amount for every year up to 63, whereby the maximum contribution is reached after reaching the age of 63.

Claims – Germany: there are multiple pension plans with defined benefits for current and former employees.

Employee claims to these defined benefit pension plans are tied to the number of eligible calendar years and the class of pension which was determined for the pension candidate when the claim was agreed.

In addition, there are individual commitments involving defined benefit obligations.

Pension obligations

in TEUR	2019	2018
Present value of pension obligations (DBO) as of 1 Jan	53,476	54,860
Changes to the consolidated group	217	-867
Service cost (entitlements)	254	205
Interest paid	983	989
Pension payments	-3,634	-3,509
Settlement	-234	-
Actuarial profits (-)/losses (+)	7,636	1,798
Present value of pension obligations (DBO) as of 31 Dec	**58,698**	**53,476**

The obligations from the direct pension benefits in Austria are covered by insurance contracts concluded with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group. In Germany the obligations from direct pension benefits are covered by insurance contracts concluded with Nürnberger Lebensversicherung AG, Condor Lebensversicherung AG, Generali Lebensversicherung AG and Essener Verband. In order to secure the pension rights of the employees insured from the corporate pension benefits, the rights from the insurance agreements are pledged in favour of the employees insured. The insurance of the old-age pension is entitled to share in profits in line with Section 16 of the General Terms and Conditions Governing Endowment and Pension Insurance. The insurance for the disability pension and widows' pension is also entitled to share in profits. To this end, a cash accounting statement is produced at the end of every insurance year. In the case of a profit, 50% of the balance of income and expenditure is refunded to the insurance policyholder. In the case of a loss, this is carried forward to the next insurance year. Profits can only be paid out again once the loss carryforward has been settled. The amount of the annual insurance premiums is determined by the insurance company's rates and is stated in the registry of members. The premiums must be paid annually in advance. The final annual premium must be paid in the year in which the policyholder reaches retirement age. The pension plan reinsurance is held in an independent department of the cover pool for life insurance as laid down in Section 20 Paragraph 2 Line 1 in connection with Section 78 of the Insurance Supervision Law.

Endowment life insurance policies have been concluded, e.g. with Nürnberger Lebensversicherung AG, for the pension benefits of the German companies. The insurance involves individual endowment policies which are ring-fenced. The policyholder is the employer, while the insured party/beneficiary is the employee who can choose between a lump sum or an annuity of equal value. The amount of the annuity is determined by the rates valid at the time of choosing and the corresponding insurance conditions. The contributions must be paid until the end of the insurance year in which the claim becomes valid (death or retirement). At the end of every insurance year the current profit participation (risk and interest surplus) is credited and converted into a bonus.

Development of plan assets

in TEUR	2019	2018
Fair value of the plan assets as of 1 Jan	13,187	13,640
Changes to the consolidated group	197	-
Contribution payments	121	106
Interest income	246	250
Payouts (lease payments)	-1,023	-1,012
Settlement	-175	-
Actuarial profits (+)/losses (-)	-46	203
Present value of plan assets as of 31 Dec	**12,507**	**13,187**

For the year 2020, an interest payment of TEUR 369 and a current service cost of TEUR 270 are planned. Please refer to the notes on the accounting and measurement methods for the actuarial assumptions underlying the calculation.

Part of the plan assets amounting to TEUR 10,806 has been invested as follows with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group:

Structure of investments in classic cover pool

in %	2019	2018
Fixed-income securities	60.89	63.76
Shares, supplementary capital, profit-participation rights, non-ownership capital	2.27	2.38
Investment funds	22.48	22.03
Affiliates and shareholdings	3.49	2.77
Loans	6.86	5.87
Properties	2.03	2.00
Cash in bank	1.98	1.19
Total	**100.00**	**100.00**

Sparkassen Versicherungs AG was consolidated into WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group in 2019.

The following table shows the average duration of the respective obligations:

	Maturity profile – DBO			DBO	Maturity profile – cash			Cash
2019	**1 - 5 years**	**6 - 10 years**	**10+ years**	**Duration**	**1 - 5 years**	**6 - 10 years**	**10+ years**	**Duration**
Pensions	17,244	13,769	27,685	11.69	17,551	14,580	35,607	13.87
Severance	32,637	18,985	29,512	8.24	35,338	26,696	76,905	12.22

	Maturity profile – DBO			DBO	Maturity profile – cash			Cash
2018	**1 - 5 years**	**6 - 10 years**	**10+ years**	**Duration**	**1 - 5 years**	**6 - 10 years**	**10+ years**	**Duration**
Pensions	16,955	12,983	23,538	10.86	17,780	15,044	38,217	14.10
Severance	32,300	16,400	24,547	7.85	35,982	25,415	82,644	12.90

Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after 31 December 2002, and workers to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, do not acquire any severance pay claims in respect of their respective employer. For these employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, contributions of 1.53% of the wage or salary must be paid to an employee welfare fund; this amounted to TEUR 3,316 (previous year: TEUR 2,703) in 2019, of which TEUR 62 (previous year: TEUR 42) related to managers in key positions.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of those employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act. At the present time, around 37% of the wage of relevant employees is payable to the holiday pay fund for 2019, amounting to TEUR 55,578 (previous year: TEUR 50,591) and 4.6% of the wage of relevant employees is payable to the severance pay fund, amounting to TEUR 8,039 in 2019 (previous year: TEUR 7,309). This contribution covers employee severance pay claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This state plan covers all the companies in the building sector. The benefits are financed on a pay-as-you-earn basis, i.e. the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. The companies are not legally or actually obliged to pay these future benefits. The companies are only obliged to pay the prescribed contributions as long as they employ workers whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

Payments to external employee provision funds are recognised under the item staff expense.

In addition, the employees of the PORR Group belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide future benefits.

35. Bonds and Schuldscheindarlehen

The bond issued by PORR AG with the value date 28 October 2014 and totalling TEUR 56,262 was redeemed in full on 28 October 2019.

Schuldscheindarlehen (SSD)

On 12 August 2015 PORR AG placed a Schuldscheindarlehen totalling TEUR 185,500. The issue consists of four tranches with terms of three and five years and with a choice of interest at fixed or variable rates.

In August 2016 investors were offered the option of a premature extension of the terms for three, five and seven years. In addition, the volume was increased from TEUR 185,500 to a total of TEUR 200,000.

In February 2017 tranches totalling TEUR 58,000 and subject to variable interest rates were prematurely extended as follows: TEUR 18,000 to August 2020, TEUR 30,000 to August 2022 and TEUR 10,000 to August 2024. In August 2018, in addition to the contractually fixed repayment of the tranches subject to fixed rates totalling TEUR 21,000, tranches subject to variable rates totalling TEUR 40,000 were prematurely extended with a new end date of 14 August 2023.

In February 2019 tranches of TEUR 20,000 subject to interest at variable rates were prematurely extended to 16 February 2026. In addition, TEUR 183,000 was newly placed with terms of four, five and seven years. Of the total, TEUR 31,500 meets the "Eligible Green Principles" criteria and was placed as a Green Schuldscheindarlehen. A second-party opinion by the independent ratings agency Sustainalytics was provided to confirm that these principles are upheld. Under this scheme, environmentally friendly and sustainable investments in PORR office buildings are being refinanced along with investments related to PORR activities in environmental engineering. In May 2019 TEUR 20,000 of the total was paid back, in July the amount was increased by TEUR 22,000 and in October by TEUR 15,000. In August 2019 a tranche of TEUR 1,000 subject to interest at fixed rates fell due and was thereby redeemed. As of 31 December 2019, the Schuldscheindarlehen totalled TEUR 376,000.

Tenor	Nominal amount in TEUR SSD without Green SSD	Green SSD	Total	in %
August 2020	29,000		29,000	7.71
August 2021	42,000		42,000	11.17
February 2022	30,000		30,000	7.98
February 2023	11,000	5,500	16,500	4.39
August 2023	60,000		60,000	15.96
February 2024	10,000		10,000	2.66
February 2024	102,000	25,500	127,500	33.91
July 2024	22,000		22,000	5.85
February 2026	38,500	500	39,000	10.37
Total	**344,500**	**31,500**	**376,000**	**100.00**
Carrying amount as of 31.12.2019			**375,365**	

All tranches issued prior to the end of 2018 and subject to variable interest have been hedged using interest rate swaps (IRS) (swapping variable rates for fixed rates), classified as a cash flow hedge.

in TEUR	Nominal amount SSD	Average interest rate
at fixed interest rates	101,000	1.73%
at variable interest rates	275,000	1.60%
of which hedged using IRS	103,000	
Total	**376,000**	

36. Financial liabilities

in TEUR	2019	2018
Bank loans		
at variable interest rates	155,519	76,749
at fixed interest rates	55,875	46,026
Lease obligations		
at variable interest rates	337,835	113,160
Derivative financial instruments	2,214	2,002
Other financial liabilities		
at fixed interest rates	771	45
Total	**552,214**	**237,982**

Bank loans subject to variable rates of interest are mainly charged interest at the 3-month EURIBOR rate or the 6-month EURIBOR rate plus differing margins. In the year under review the 3-month EURIBOR rate averaged -0.36% and the 6-month EURIBOR rate averaged -0.30%. The margins for newly acquired funds with a maximum 3-month term averaged 1.25 PP in 2019.

The interest rates for lease obligations range from 0.01% to 7.44%. The interest component of the lease payments is continuously adjusted to the market interest rate in accordance with the contractual stipulations.

Derivative financial instruments include forward contracts and interest rate hedges, which are measured at fair value at the end of the reporting period (see note 43).

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Bank loans	211,394	49,506	115,781	46,107	156
Lease obligations	337,835	59,052	141,788	136,995	337,835
Derivative financial instruments	2,214	2,214	-	-	-
Other financial liabilities	771	147	543	81	-
Total	**552,214**	**110,919**	**258,112**	**183,183**	**337,991**

in TEUR	31.12.2018	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Bank loans	122,775	20,040	80,605	22,130	244
Lease obligations	113,160	27,798	62,696	22,666	113,160
Derivative financial instruments	2,002	2,002	-	-	-
Other financial liabilities	45	-	45	-	-
	237,982	**49,840**	**143,346**	**44,796**	**113,404**

Bank loans which are secured by collateral relate to real estate. The Group's obligations under finance leases are secured by the leased assets with a carrying amount of TEUR 354,605 (previous year: TEUR 135,756) which are the property of the lessor under civil law.

in TEUR	31.12.2019	31.12.2018
With a remaining period up to one year	68,026	29,503
With a remaining period of more than one year and less than five years	166,063	66,388
With a remaining period of more than five years	181,850	25,100
Total	**415,939**	**120,991**
Future financing costs	-78,104	-7,831
Present value of minimum lease payments	**337,835**	**113,160**

37. Trade payables

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Trade payables	1,056,099	1,004,413	34,490	17,196	-
Payables to consortiums	82,726	82,556	170	-	-
Total	**1,138,825**	**1,086,969**	**34,660**	**17,196**	**-**

in TEUR	31.12.2018	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Trade payables	1,112,123	1,066,580	29,121	16,422	-
Payables to consortiums	42,228	41,728	500	-	-
Total	**1,154,351**	**1,108,308**	**29,621**	**16,422**	**-**

Trade payables are classified as current as they are to be settled within the entity's normal operating cycle.

38. Other financial liabilities

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	206	206	-	-	-
Payables to companies accounted for under the equity method	9,525	9,470	55	-	-
Payables to other shareholdings	659	659	-	-	-
Other	53,848	49,979	3,248	621	-
Total	**64,238**	**60,314**	**3,303**	**621**	**-**

in TEUR	31.12.2018	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	206	206	-	-	-
Payables to companies accounted for under the equity method	7,981	7,943	38	-	-
Payables to other shareholdings	2,164	2,164	-	-	-
Other	33,985	30,944	2,421	620	-
Total	**44,336**	**41,257**	**2,459**	**620**	**-**

39. Other liabilities

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Tax liabilities	74,530	74,530	-	-	-
Social security liabilities	22,439	22,439	-	-	-
Contract liabilities	284,671	284,671	-	-	-
Payables to staff	134,451	134,451	-	-	-
Other	4,418	4,418	-	-	-
Total	**520,509**	**520,509**	**-**	**-**	**-**

in TEUR	31.12.2018	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Tax liabilities	85,101	85,101	-	-	-
Social security liabilities	19,630	19,630	-	-	-
Contract liabilities	211,367	211,367	-	-	-
Payables to staff	130,666	130,666	-	-	-
Other	2,334	2,334	-	-	-
Total	**449,098**	**449,098**	**-**	**-**	**-**

40. Contingent liabilities and guarantees

in TEUR	2019	2018
Guarantees, guarantee bonds and other contingent liabilities	9,151	6,217
of which for companies accounted for under the equity method	(4,688)	(233)

The guarantees primarily relate to securing bank loans of non-consolidated subsidiaries, companies accounted for under the equity method and other companies in which the Group holds a stake, as well as other liabilities from the operational business whose drawdown is theoretically possible, but considered improbable.

Other financial liabilities

The operational construction business requires various types of guarantees in order to safeguard contractual obligations. This generally relates to guarantees for tenders, contract fulfilment, advance payment and warranty. Apart from this, the Group is jointly and severally liable for all consortiums in which it participates. Claims arising from these liabilities are not likely.

The Group has access to European credit lines totalling TEUR 3,241,840 (previous year: TEUR 3,031,674). Of these credit lines, TEUR 1,143,000 (previous year: TEUR 1,095,000) was concluded with a three-year term. The remainder of TEUR 2,098,840 (previous year: TEUR 1,936,674) generally run for a one-year term. Furthermore, there were credit lines in several Arabic countries of TEUR 643,200 (previous year: TEUR 670,318). As of 31 December 2019, around 60% (previous year: 58%) of the European credit lines had been drawn on and around 61% (previous year: 52%) of the lines in Arabic countries.

The three-year credit lines of TEUR 1,143,000 (previous year: TEUR 1,095,000) include harmonised financial covenants. The majority of these relate to the ratio between net debt and EBITDA or to the equity ratio. All triggers had been met as of 31 December 2019.

41. Notes on segment reporting

The segment report has been adjusted in line with the new internal reporting structure and management of the PORR Group. Comparative figures have been retrospectively amended to the new structure.

The following changes relating to allocation have occurred:
Segment BU 4 – Environmental Engineering, Healthcare & Services has been split. PORR Umwelttechnik GmbH, Prajo, TKDZ, Thorn, PWW and ALU-SOMMER are now part of BU 1 – Austria, Switzerland. The equity interests PORREAL, STRAUSS Property Management and hospitals have become part of the holding, as have activities in the PPP sector. Railway construction with the Slab Track Austria System – within Europe – has moved from BU 3 – International to BU 1 – Austria, Switzerland. The Czech Republic has moved from BU 1 – Austria, Switzerland to BU 3 – International.

IFRS are the accounting standards applied for all business transactions between segments subject to mandatory reporting. The following segments are presented:

Segment Business Unit 1 – Austria, Switzerland: This segment covers the PORR Group's operating business on the home markets of Austria and Switzerland as well as some individual projects in building construction in Germany and railway construction with the Slab Track Austria system – within Europe. All products and services are offered.

Segment Business Unit 2 – Germany: This segment covers the PORR Group's operating business on the home market of Germany. All products and services are offered.

Segment Business Unit 3 – International: This segment contains the project-driven business activities in Poland, the Czech Republic, the Nordic region, Qatar, UAE, Slovakia, Romania, UK and other future target countries. It also includes the competencies in tunnelling and railway construction for the whole Group.

Holding: This segment consists of Group services, PORR Design & Engineering GmbH, PORR Design & Engineering Deutschland GmbH, hospitals, PORREAL, STRAUSS Property Management and activities in PPP.

Information on the commercial segments summarised in the business units can be found in the Group management report.

Segment report 2019

in TEUR	BU 1 – Austria, Switzerland	BU 2 – Germany	BU 3 – International	Holding	Group
Production output (Group)	2,827,947	1,003,821	1,626,475	112,026	5,570,269
Segment revenue	2,462,208	972,090	1,375,115	71,001	4,880,414
Intersegment revenue	20,459	4,711	4,358	130,787	
EBT (Earnings before tax = segment earnings)	73,704	5,027	-44,983	3,661	37,409
Share of profit/loss of companies accounted for under the equity method	24,113	726	43,374	19,235	87,448
Depreciation, amortisation and impairment	-87,569	-30,487	-27,140	-22,398	-167,594
of which impairment	(-)	(-)	(-3,208)	(-)	(-3,208)
Interest income	978	1,861	4,364	3,861	11,064
Interest expense	-8,966	-3,632	-2,187	-17,924	-32,709

Segment report 2018

in TEUR	BU 1 – Austria, Switzerland	BU 2 – Germany	BU 3 – International	Holding	Group
Production output (Group)	2,803,902	939,777	1,725,493	123,742	5,592,914
Segment revenue	2,432,482	855,721	1,578,693	92,213	4,959,109
Intersegment revenue	34,982	8,127	183	110,836	
EBT (Earnings before tax = segment earnings)	78,503	2,170	6,571	887	88,131
Share of profit/loss of companies accounted for under the equity method	27,398	10,250	45,958	2,945	86,551
Depreciation, amortisation and impairment	-79,849	-19,138	-13,077	-15,079	-127,143
of which impairment	(-2,418)	(-309)	(-)	(-)	(-2,727)
Interest income	1,982	8,053	478	4,200	14,713
Interest expense	-6,491	-2,204	-1,444	-12,520	-22,659

The following information relates to geographic business areas in which the Group is active:

in TEUR	Production output by customer base 2019	Non-current assets by company base 2019	Production output by customer base 2018	Non-current assets by company base 2018
Domestic	**2,461,524**	**725,446**	**2,331,616**	**539,809**
Germany	1,470,209	254,322	1,503,468	193,979
Poland	586,691	61,726	646,767	58,283
Czech Republic	252,230	49,509	203,963	47,668
Qatar	100,565	684	302,635	496
Italy	18,432	345	15,295	220
Romania	104,663	14,986	99,930	6,397
Bulgaria	508	726	1,037	988
Switzerland	232,159	13,187	225,466	7,847
Serbia	8,915	16,911	8,153	17,657
UK	13,789	38	20,905	-
Slovakia	149,099	2,700	91,258	3,033
Norway	94,595	1,853	84,879	3,005
Croatia	3,466	917	3,186	1,522
United Arab Emirates	66,304	-	48,948	-
Other foreign	7,120	162	5,408	37
Total foreign	**3,108,745**	**418,066**	**3,261,298**	**341,132**
Segment total	**5,570,269**	**1,143,512**	**5,592,914**	**880,941**

42. Notes of the cash flow statement

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, whereby the cash flow from operating activities is derived according to the indirect method. The financial fund exclusively comprises cash in hand and cash in banks and corresponds to the value shown in the statement of financial position for cash and cash equivalents.

The reconciliation of the changes in cash flow from financing activities is as follows:

in TEUR	Financial liabilities	Leases	Derivatives	Bonds and Schuldschein-darlehen	Total debts from financing activities
Balance as of 31 Dec 2018	**122,820**	**113,160**	**2,002**	**231,876**	**469,858**
Restatement from the first-time application of IFRS 16	-	198,946	-	-	198,946
Balance as of 1 Jan 2019	122,820	312,106	2,002	231,876	668,804
Cash flows (cash changes)	88,739	-67,231	107	143,647	165,262
Non-cash changes					
Corporate acquisitions	603	-151	-	-	452
Additions	-	92,795	104	-	92,899
Exchange differences	3	316	1	-	320
Accrued interest	-	-	-	-158	-158
Balance as of 31 Dec 2019	**212,165**	**337,835**	**2,214**	**375,365**	**927,579**

in TEUR	Financial liabilities	Leases	Derivatives	Bonds and Schuldschein-darlehen	Total debts from financing activities
Balance as of 1 Jan 2018	**117,892**	**85,120**	**1,822**	**301,302**	**506,136**
Cash flows (cash changes)	-3,717	-36,531	-366	-69,946	-110,560
Non-cash changes					
Corporate acquisitions	8,646	4,361	-	-	13,007
Additions	-	60,271	-	-	60,271
Exchange differences	-1	-61	-	-	-62
Accrued interest	-	-	-	520	520
Changes in fair value	-	-	546	-	546
Balance as of 31 Dec 2018	**122,820**	**113,160**	**2,002**	**231,876**	**469,858**

43. Notes on financial instruments

43.1. Capital risk management

The aim of the Group's capital management is to substantially increase equity and to keep debt low.

In the year under review, equity decreased by around TEUR 19,196. The reduction in the equity ratio from 19.9% to 16.4% was mainly caused by the increase in total assets by TEUR 550,193. Of this total, around 36% resulted simply from applying IFRS 16 for the first time. If the effect of IFRS 16 is neutralised, an equity ratio of 17.4% results as of 31 December 2019.

As of 31 December 2019, net debt, defined as the balance of cash and cash equivalents, bonds and current and non-current financial liabilities, totalled TEUR 345,689 (previous year: TEUR 150,184) and was thereby TEUR 3,441 below the level of the previous year once the impact of applying IFRS 16 of TEUR 198,946 as of 1 January 2019 is taken into account.

The net gearing ratio is applied for the control of capital management. This is defined as net debt divided by equity. In 2019 net gearing stood at 0.58 (previous year 0.24). Consideration of the effect of IFRS 16 leads to improved net gearing of 0.19 as of 31 December 2019.

43.2. Categories on financial instruments

43.2.1. Carrying amounts, measurement rates and fair values

in TEUR	Meas-urement category	Carrying amount as of 31.12.2019	Measured at amortised cost	Fair value other comprehensive 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		353	Level 2	353
Derivatives (with hedges)		1,861	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				

The carrying amount of the financial instruments not measured at fair value corresponds to an appropriate approximation of the fair value in accordance with IFRS 7.29. The exception is bonds subject to fixed interest rates (fair value hierarchy level 1), deposits from banks subject to fixed interest rates (fair value hierarchy level 3), and Schuldscheindarlehen subject to fixed interest rates (fair value hierarchy level 3).

The fair value measurement for derivatives is determined in accordance with market data from information service provider REFINITIV. Loans and borrowings as well as Schuldscheindarlehen are valued using the discounted cash flow method, whereby the zero coupon yield curve published by REFINITIV as of 31 December 2019 was used for the discounting of the cash flows.

Miscellaneous financial assets, which are measured at fair value directly in equity, relate to the granting of hybrid capital to UBM Development AG (TEUR 25,895), an equity interest in UBM Development Deutschland GmbH (TEUR 1,653), as well as other insignificant interests in GmbH companies (TEUR 2,798). The option to recognise them directly in equity under other operating income was exercised to prevent distortion of operating income. Dividends of TEUR 1,620 were recognised in the period under review.

in TEUR	Meas- urement category	Carrying amount as of 31.12.2018	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 31.12.2018
Assets							
Loans	AC	26,665	26,665				
Loans	FVTPL	22,224			22,224	Level 3	22,224
Other financial assets	FVTOCI	29,692		29,692		Level 3	29,692
Other financial assets	FVTPL	1,088			1,088	Level 3	1,088
Other financial assets	FVTPL	10,796			10,796	Level 1	10,796
Trade receivables	AC	853,476	853,476				
Other financial assets	AC	119,600	119,600				
Other financial assets	FVTPL	102			102	Level 1	102
Derivatives (without hedges)	FVTPL	2,424			2,424	Level 2	2,424
Cash and cash equivalents		319,674	319,674				
Liabilities							
Bonds							
at fixed interest rates	AC	55,291	55,291			Level 1	56,614
Schuldscheindarlehen							
at fixed interest rates	AC	53,876	53,876			Level 3	54,454
at variable interest rates	AC	122,709	122,709				
Bank loans							
at fixed interest rates	AC	46,026	46,026			Level 3	49,428
at variable interest rates	AC	76,749	76,749				
Lease obligations[2]		113,160	113,160				
Other financial liabilities							
at fixed interest rates	AC	45	45			Level 3	44
Trade payables	AC	1,154,351	1,154,351				
Other financial liabilities	AC	44,336	44,336				
Derivatives (without hedges)	FVTPL	246			246	Level 2	246
Derivatives (with hedges)		1,756		1,756		Level 2	1,756
by category							
Financial assets at amortised cost	AC	999,741	999,741				
Cash and cash equivalents		319,674	319,674				
Fair value through profit & loss	FVTPL	36,388			36,388		
Fair value through OCI	FVTOCI	29,692		29,692			
Financial liabilities at amortised cost	AC	1,553,383	1,553,383				

[1] Lease obligations fall under the application of IFRS 16 and IFRS 7.
[2] Lease obligations fall under the application of IAS 17 and IFRS 7.

Details on fair value financial instruments 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 31 December 2019:

	Mid swap	Credit spread	Hybrid spread	Hybrid coupon in %
Balance as of 31 Dec 2019	-15.9	208.93	184	3.77
Balance as of 31 Dec 2018	19.6	271.57	368	6.6

	Hybrid capital
Total as of 1 Jan 2019	25,179
Surcharges/discounts	716
Total as of 31 Dec 2019	**25,895**

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 are not 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.

43.2.2. Net income by measurement category

			from subsequent measurement			
in TEUR		from interest/ income	at fair value	Allowances	from disposal	Net income 2019
Financial assets at amortised cost	AC	9,329	-	-1,310	-	8,019
Fair value through profit & loss	FVTPL	720	-406	-175	-2	137
Fair value through OCI	FVTOCI	3,606	-	-36	588	4,158
Financial liabilities at amortised cost	AC	-20,238	-	-	-	-20,238

			from subsequent measurement			
in TEUR		from interest/ income	at fair value	Allowances	from disposal	Net income 2018
Financial assets at amortised cost	AC	9,892	-	-	-	9,892
Fair value through profit & loss	FVTPL	1,266	771	-561	104	1,580
Fair value through OCI	FVTOCI	4,072	-	-	87	4,159
Financial liabilities at amortised cost	AC	-17,878	-	-	-	-17,878

43.3. Objectives of financial risk management

Managing financial risks, in particular liquidity risks and interest rate/currency risks is governed by standard Group guidelines. The management's aim is to minimise the risks as far as possible. To this end, derivative and non-derivative hedging instruments are used in line with evaluations. In general, the only risks that are anticipated are those which have consequences on the Group's cash flow. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trade or other speculative purposes.

All hedge transactions are performed centrally by the Group Treasury, unless in specific cases other Group companies are authorised to conclude transactions outside the Group Treasury. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. All Group Treasury activities are subject to strict risk/processing control, the cornerstone of which is the functional separation of commerce, processing and accounting.

43.4. Liquidity risks

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity.

Managing the liquidity risk is based on a financial plan updated once a quarter, which originates at operational level. For all projects, a designated commercial employee conducts individual and monthly planning for the current year and for the subsequent year. The operational component involves planning all cash-related financial issues such as due dates for financing, M&A and capital market transactions, interest and dividends; this is performed centrally at holding level with the person holding Group responsibility.

At year-end 2019 the Group had a liquidity level of TEUR 581,890; this liquidity is used on the one hand for the seasonal peak liquidity demand from April to November typical to the construction industry, as well as for settling loans due, Schuldscheindarlehen tranches and potential corporate acquisitions. Should additional liquidity demand arise, this could provisionally be covered by drawing on existing lines of credit.

As of 31 December 2019, net debt, defined as the balance from cash and cash equivalents, debt securities in current assets, Schuldscheindarlehen, and current and non-current financial liabilities, amounted to TEUR 345,689 (previous year: TEUR 150,184).

Current financial liabilities, defined as the current portion of Schuldscheindarlehen and de facto current financial liabilities totalled TEUR 139,900 (previous year: TEUR 106,130) and are broadly covered by cash and cash equivalents.

Of non-current financial liabilities totalling TEUR 787,679 (previous year: TEUR 363,728), TEUR 346,384 (previous year: TEUR 175,586) relate to Schuldscheindarlehen, more than half of which could be covered by cash and cash equivalents of TEUR 441,990.

As of 31 December 2019, there was TEUR 351,500 (previous year: TEUR 396,500) available in bank lines for cash loans, which could be drawn on for the immediate refinancing of current financial liabilities. See note 40 for details on the syndicated guaranteed credit line.

As of 31 December 2019, there was TEUR 920,724 (previous year: TEUR 783,963) in disposable liquidity, defined as the sum of funds available in bank accounts and confirmed, unused money market facilities.

Table of liquidity and interest rates

in TEUR	Average interest rate	Non-discounted payment flow until 3/2020	4–12/2020	2021–2024	from 2025
Schuldscheindarlehen					
at fixed interest rates	1.75%	847	11,917	86,152	8,365
at variable interest rates	1.58%	2,225	20,229	247,862	32,395
Bank loans					
at fixed interest rates	2.34%	3,427	4,943	18,855	41,676
at variable interest rates	1.07%	8,667	35,526	104,712	13,095
Lease obligations	1.92%	22,359	45,667	166,063	181,850
Other financial liabilities					
at fixed interest rates	2.49%	36	111	543	81
Trade payables	interest-free	984,799	19,614	51,686	-

in TEUR	Average interest rate	Non-discounted payment flow until 3/2019	4-12/2019	2020-2023	from 2024
Bonds					
at fixed interest rates	3.88%	-	57,533	-	-
Schuldscheindarlehen					
at fixed interest rates	1.72%	-	1,928	54,778	-
at variable interest rates	1.58%	992	977	119,024	10,097
Bank loans					
at fixed interest rates	2.36%	1,344	3,989	23,112	26,722
at variable interest rates	1.09%	6,882	9,377	61,287	586
Lease obligations	2.03%	14,184	15,319	66,388	25,100
Other financial liabilities					
at fixed interest rates	0.75%	-	-	46	-
Trade payables	interest-free	1,042,601	23,979	45,543	-

Payables to consortiums and other financial liabilities largely lead to cash outflows at the carrying amounts upon maturity.

43.5. Interest rate risk management

The Group's interest rate risk is defined as the risk from rising interest cost or falling interest income in connection with financial items. For PORR this risk results primarily from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group Treasury. At the end of the reporting period, the management of this risk was conducted with non-derivative instruments as well as three interest rate swaps totalling TEUR 103,000 and three interest rate swaps with start dates in the future totalling TEUR 107,000. All derivative hedges are designated as cash-flow hedges. The basic purpose of the interest rate swaps is to refinance Schuldscheindarlehen at the variable EURIBOR rate. The hedging ratio of the swaps is 100%. All interest rate swaps relate to swapping variable interest flows for fixed interest flows. As of 31 December 2019, the market value of the interest rate swaps had a fair value of TEUR -1,861 (previous year: TEUR -1,756).

As of 31 December 2019, the Group used the following derivative financial instruments to hedge interest rate risks:

Derivative	Start	Maturity	Reference value in TEUR	Fixed interest rate in %	Reference interest rate	Market value 31.12.2019	Market value 31.12.2018
Interest rate swap	12.8.2015	12.8.2020	57,000	0.63	6-month-EURIBOR	-221	-565
Interest rate swap	13.8.2018	12.8.2019	-	0.225	6-month-EURIBOR	-	-42
Interest rate swap[1]	13.8.2018	13.8.2020	18,000	0.384	6-month-EURIBOR	-43	-219
Interest rate swap	12.8.2019	12.8.2021	28,000	0.29	6-month-EURIBOR	-129	-95
Interest rate swap	12.8.2021	14.8.2023	40,000	0.9	6-month-EURIBOR	-617	-93
Interest rate swap[1]	12.8.2020	12.8.2021	7,000	0.58	6-month-EURIBOR	-40	-102
Interest rate swap	13.8.2020	14.2.2022	40,000	0.84	6-month-EURIBOR	-500	-344
Interest rate swap	12.8.2020	12.8.2021	10,000	0.815	6-month-EURIBOR	-82	-193
Interest rate swap	14.2.2022	13.2.2024	10,000	1.342	6-month-EURIBOR	-229	-105

1 Positions have been reduced (from TEUR 36,000 to TEUR 18,000 and from TEUR 27,000 to TEUR 7,000)

An analysis of the floating interest rate position as of 31 December 2019 amounting to around TEUR 361,172 showed the following sensitivities that would occur under the scenario of an interest rate increase of 0.01 PP. The extent of the interest rate increase is based on the average volatility of the 3-month and 6-month EURIBOR in 2019. An unchanged interest rate therefore falls statistically within a probability band of 67% and the probability of an interest rate bandwidth of 1 BP is respectively 99%. The simulated impact on interest rates is as follows:

in TEUR	Higher interest expense for the year 2020	Higher interest expense (p. a.) with straight-line extrapolation from 2021
at interest rate rise of 0.01 PP	16	37

43.6. Foreign currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge any operational foreign currency risks in full. In accordance with the respective functional currency of the Group unit that processes the order, the aim is to conduct local orders in the corresponding national currency. This happens in every instance in which the services to be rendered are locally generated. If this is not possible, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the Group Treasury exclusively uses forward contracts and first-generation currency options (see note 43.8.).

As of 31 December 2019, the following currency positions existed for the entire Group:

Reporting currency	Currency pair	VAR[1] in TEUR
EUR	EURQAR	592
EUR	USDEUR	449
EUR	EURPLN	448
EUR	EURRON	238
NOK	NOKEUR	130
QAR	QAREUR	116
PLN	PLNNOK	83
EUR	EURAED	67
various	various	247

[1] VAR = Value at Risk at a one-sided 95% confidence interval, this corresponds to a standard deviation of 1.96 over a time period of ten days.

The currency positions shown are only netted in the course of the respective reporting currency of the companies; correlations between individual currency pairs are not considered. At a confidence interval of 95% over a time period of ten days, the VAR amounts to TEUR 2,370.

VAR at Group level, when the items are netted over the reporting currencies and under inclusion of correlations between currency pairs, amounts to TEUR 918.

Reporting currency	Currency pair	VAR[1] in TEUR
EUR	EURURS	370
QAR	QAREUR	355
AED	AEDEUR	80
RON	RONEUR	62
NOK	NOKEUR	35
EUR	various	16

[1] VAR = Value at Risk at a one-sided 95% confidence interval, this corresponds to a standard deviation of 1.96 over a time period of ten days.

43.7. Hedging currency risks

The PORR Group has concluded forward exchange contracts of TEUR 158,829 (previous year: TEUR 148,787) as of 31 December 2019; of these, TEUR 81,404 were forward purchases and TEUR 77,425 were forward sales. Around TEUR 87,326 (previous year: TEUR 72,860) are used as hedges for project cash flows and the remainder of around TEUR 71,503 (previous year: TEUR 75,927) for hedging intragroup financing.

As of 31 December 2019, the market valuation of open forward exchange contracts resulted in a fair value of TEUR 1,410. In the business year 2019 total expense of TEUR 768 that resulted from changes in the fair value of forward contracts was recognised in profit or loss.

The following table shows the predicted contractual due dates for payments from forward contracts as estimated on 31 December 2019, i.e. when payments from the underlying transactions are expected:

Forward sales due date	Cash flows in TEUR CHF	PLN	NOK	USD	Total
January 2020		1,978	90	21,883	23,951
February 2020		1,891	54		1,945
March 2020	3,655	2,237	146		6,038
April 2020		2,995	89		3,084
May 2020		3,266			3,266
June 2020		3,469	62		3,531
July 2020		5,884			5,884
August 2020		2,842			2,842
September 2020		2,488			2,488
October 2020		2,171			2,171
November 2020		1,762			1,762
December 2020		904			904
January 2021		898			898
February 2021		459			459
March 2021		498			498
April 2021		498			498
May 2021		693			693
June 2021		1,620			1,620
July 2021		1,730			1,730
August 2021		2,112			2,112
September 2021		2,507			2,507
October 2021		2,362			2,362
November 2021		2,052			2,052
December 2021		1,695			1,695
January 2022		1,366			1,366
February 2022		637			637
March 2022		433			433

Forward purchases due date	Cash flows in TEUR CHF	NOK	RON	QAR	AED	PLN	Total
January 2020	400	645		10,538		2,759	14,342
February 2020	2,860	528				409	3,797
March 2020	36,371						36,371
April 2020			3,124			839	3,963
August 2020						495	495
September 2020						739	739
October 2020						495	495
November 2020						495	495
December 2020				13,319	5,956	594	19,869
January 2021						638	638
February 2021						62	62
August 2021						50	50
September 2021						89	89

43.8. Derivative financial instruments

The following table shows the fair values recognised for the different derivative instruments:

in TEUR	2019	2018
Assets		
Derivatives		
without hedges	1,763	2,424
Liabilities		
Derivatives		
without hedges	353	246
with hedges	1,861	1,756

Credit risks

The risk related to receivables from customers can be classified as low, owing to the broad dispersion and ongoing creditworthiness checks. Specific to the industry, construction contracts require an advance payment by the general contractor that will not be covered by payments until a later date. To reduce any potential default risk, an extensive creditworthiness check is carried out and adequate sureties are agreed as far as possible.

The risk of default in the case of other original financial instruments shown under assets in the statement of financial position is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The carrying amount of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing allowances for impairment. There are high levels of outstanding receivables which relate mostly to infrastructure projects for public clients or public companies. Except for these, there are no occurrences of concentration of operating risks arising from significant outstanding amounts from individual debtors.

As of 31 December 2019, the maximum credit risk amounted to TEUR 1,648,089 (previous year: TEUR 1,385,388) and relates mainly to loans, other financial investments and securities, other financial assets, trade receivables and cash and cash equivalents.

44. Average staffing levels

	2019	2018
Salaried employees		
Domestic	3,724	3,513
Foreign	5,117	5,025
Waged workers		
Domestic	6,860	6,365
Foreign	4,127	4,111
Total staff	**19,828**	**19,014**
of which fully consolidated		
Salaried employees	8,664	8,329
Waged workers	10,782	10,237
Total fully consolidated	**19,446**	**18,566**

45. Related party disclosures

In addition to subsidiaries and companies accounted for under the equity method, related parties include the UBM Group, the companies of the IGO Industries Group, as they or their controlling entity hold shares together with the Strauss Group, over which one member of the PORR AG Executive Board has significant control, as well as the Kapsch Group, as one of the members of the PORR AG Executive Board holds a key position there while at the same time exercising joint influence over PORR AG. In addition to people and related companies who have control 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.

Transactions between Group companies included in the consolidated financial statements were eliminated on consolidation and are not examined any further.

Receivables and liabilities to consortiums only include direct services charged.

Transactions between Group companies and companies accounted for under the equity method are disclosed in the following analysis:

in TEUR	Income 2019	Income 2018	Expenses 2019	Expenses 2018	Receivables 2019	Receivables 2018	Liabilities 2019	Liabilities 2018
Associates	25,237	42,130	29,416	24,345	10,188	11,117	2,938	3,493
Joint ventures	57,349	78,059	92,020	67,996	12,486	25,995	6,587	4,488
Consortiums	243,844	194,673	55,960	54,634	75,092	64,188	12,236	14,539

Transactions with members of the management in key positions and companies over which they have control were as follows:

in TEUR	Income 2019	Income 2018	Expenses 2019	Expenses 2018	Receivables 2019	Receivables 2018	Liabilities 2019	Liabilities 2018
From trade payables and receivables								
UBM Group	28,408	100,458	4,975	5,441	5,620	5,434	368	2,061
IGO Industries Group	1,835	4,658	57,656	50,915	1,117	953	12,227	6,345
Strauss Group	424	4,119	404	541	112	101	13	1
Kapsch Group	342	1,265	1,782	3,212	93	86	129	341
Other	-	2	-	2,632	-	-	-	68
From financing								
UBM Group	1,520	2,339	-	-	30,515	39,652	126	60

The sale of the shares in Sabimo Monte Laa Bauplatz 2 GmbH is a related party transaction. The purchase price of TEUR 34 was settled in cash. TEUR 872 of the control premium of TEUR 1,294 paid in the course of gaining control of “hospitals” Projektentwicklungsges.m.b.H. is a related party transaction.

Outstanding accounts receivable are not secured and are settled in cash. With the exception of guarantees taken on for companies accounted for under the equity method which totalled TEUR 4,688 (previous year: TEUR 233), and for which no fees are generally charged, no guarantees were given nor were any enforced. No allowances were made in respect of amounts owed by related companies or persons, nor were any bad debt losses booked during the year under review.

46. Events after the end of the reporting period and other information

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.

Since the start of 2020, especially since the beginning of March, there has been a significant change in the economic backdrop caused by the spread of the coronavirus (COVID-19) in Europe and on the PORR home markets. The spread of COVID-19 infections and the ensuing temporary restrictions on personal, public and economic life resulting from measures imposed by governments is currently having a material impact on the business activities of PORR. The temporary closure of construction sites in Austria in March 2020, restricted operations in several home markets, and the as yet unforeseen obstacles for the construction industry will necessitate an adjustment to the targets for 2020 and the following years. The economic consequences on the profitability of PORR will be significantly affected by the duration of the crisis, the impacts on economic performance in the affected countries and the public sector measures introduced. At present there is a high degree of uncertainty related to the actual extent of the coronavirus crisis and the economic implications of the shutdown in many countries. A serious revaluation and amendment of the objectives for 2020 is thereby not possible at the present time in light of the rapidly changing circumstances. The management of PORR AG has already approved a range of measures to safeguard liquidity and to ensure the health of staff members is protected.

The Executive Board of PORR AG approved the consolidated financial statements and handed them over to the Supervisory Board on 16 April 2020.

47. Fees paid to the Group's auditors

The following table shows the fees paid to the Group's auditors in the year under review:

	BDO Austria GmbH	
in TEUR	2019	2018
Auditing the financial statements	275	270
Other audit services	418	389
Other advisory services	96	18

48. Executive bodies

Members of the Executive Board
Karl-Heinz Strauss, CEO
Andreas Sauer
Thomas Stiegler
Josef Pein (since 1 January 2020)
J. Johannes Wenkenbach (until 31 January 2020)

Members of the Supervisory Board
Karl Pistotnik, Chairman
Klaus Ortner, Deputy Chairman
Robert Grüneis
Walter Knirsch
Iris Ortner
Bernhard Vanas
Susanne Weiss
Thomas Winischhofer

Members delegated by the Works Council
Michael Kaincz
Michael Tomitz
Gottfried Hatzenbichler
Wolfgang Ringhofer

The table below shows the remuneration paid to the managers in key positions, i.e. the members of the Executive Board and of the Supervisory Board of PORR AG, broken down according to payment categories:

in TEUR	Salary	Variable bonus	Pension fund	2019
Executive Board remuneration				
Karl-Heinz Strauss	750	308	39	1,097
J. Johannes Wenkenbach	500	355	40	895
Andreas Sauer	500	205	40	745
Thomas Stiegler	500	205	40	745
Total	**2,250**	**1,073**	**159**	**3,482**
of which current benefits due	2,250	1,073	-	3,323
of which remuneration due after termination of employment	-	-	159	159
Supervisory Board remuneration				
Current benefits due				329

in TEUR	Salary	Variable bonus	Pension fund	2018
Executive Board remuneration				
Karl-Heinz Strauss	750	616	39	1,405
J.Johannes Wenkenbach	500	515	40	1,055
Andreas Sauer	458	404	37	899
Thomas Stiegler	35	-	3	38
Total	**1,743**	**1,535**	**119**	**3,397**
of which current benefits due	1,743	1,535	-	3,278
of which remuneration due after termination of employment	-	-	119	119
Supervisory Board remuneration				
Current benefits due				197

16 April 2020, Vienna

The Executive Board
Karl-Heinz Strauss m.p.
Andreas Sauer m.p.
Thomas Stiegler m.p.
Josef Pein m.p.

Shareholdings

Company	Country code	Currency	Domicile	PORR AG share %	PORR Group share %	Type of consolidation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Subsidiaries									
"EAVG Enzersdorfer Abfallverwertungs-gesellschaft m.b.H."	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
"hospitals" Projektentwicklungsges.m.b.H.	AT	EUR	Wien	0.00000	62.90000	F	0.00000	62.90000	E
A. Niedermühlbichler Baugesellschaft m.b.H.	AT	EUR	Seeboden	0.00000	100.00000	F	0.00000	100.00000	F
ABW Abbruch, Boden- und Wasser-reinigungs-Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Alea GmbH	AT	EUR	Wien	0.00000	100.00000	F			
Allgemeine Straßenbau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
ALPINE AT GmbH in Liqu.	AT	EUR	Brunn am Gebirge	0.00000	100.00000	M	0.00000	100.00000	F
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	86.38750	F	0.00000	86.38750	F
AMF - Asphaltmischanlage Feistritz GmbH	AT	EUR	Unterpremstätten, pol. mun. Premstätten	0.00000	100.00000	M	0.00000	100.00000	M
AMF - Asphaltmischanlage Feistritz GmbH & Co KG	AT	EUR	Unterpremstätten, pol. mun. Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
AMO Asphaltmischwerk Oberland GmbH	AT	EUR	Linz	0.00000	90.00000	M	0.00000	90.00000	M
AMO Asphaltmischwerk Oberland GmbH & Co KG	AT	EUR	Linz	0.00000	90.00000	F	0.00000	90.00000	F
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.	AT	EUR	Wien				0.00000	100.00000	F
Asphaltmischwerk Greinsfurth GmbH	AT	EUR	Amstetten	0.00000	66.66750	M	0.00000	66.66750	M
Asphaltmischwerk Greinsfurth GmbH & Co OG	AT	EUR	Amstetten	0.00000	66.66750	F	0.00000	66.66750	F
Bautech Labor GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Bosch Baugesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
bpp Bautechnik GmbH	AT	EUR	Pichl bei Wels	0.00000	100.00000	F	0.00000	100.00000	F
CamBER22 GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Edos Beteiligungsverwaltungs GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Eisenschutzgesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Eisenschutzgesellschaft m.b.H. (ALT)	AT	EUR	Wien				0.00000	100.00000	F
EPS Absberggasse 47 Projektmanagement GmbH in Liqu.	AT	EUR	Wien				100.00000	100.00000	F
EPS LAA 43 GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
FEHBERGER Stahlbau GmbH	AT	EUR	Völkermarkt	0.00000	100.00000	F	0.00000	100.00000	F
Fritz & Co. Baugesellschaft m.b.H.	AT	EUR	Salzburg	0.00000	100.00000	F	0.00000	100.00000	F
G. Hinteregger & Söhne Baugesellschaft m.b.H.	AT	EUR	Salzburg	0.00000	100.00000	F	0.00000	100.00000	F
Gesellschaft für Bauwesen GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
GETINA Versicherungsvermittlung GmbH	AT	EUR	Wien				0.00000	100.00000	F
GHS Logistik GmbH in Liqu.	AT	EUR	Salzburg				0.00000	100.00000	F
Goidinger Bau GmbH	AT	EUR	Zams	0.00000	100.00000	F	0.00000	100.00000	F
Grund- Pfahl- und Sonderbau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Hinteregger Holding Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
IAT GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Ing. RADL-BAU GmbH	AT	EUR	Wien				0.00000	100.00000	F
ISHAP Gebäudedokumentations GmbH	AT	EUR	Wien	0.00000	87.50000	F	0.00000	37.50000	E
ISHAP Personaldokumentations GmbH	AT	EUR	Wien	0.00000	80.00000	F	0.00000	80.00000	F
ISHAP Software Solutions GmbH	AT	EUR	Wien	0.00000	80.00000	F	0.00000	80.00000	F
Johann Koller Deponiebetriebsges.m.b.H.	AT	EUR	Wien				0.00000	100.00000	F
KOLLER TRANSPORTE - KIES - ERDBAU GMBH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Kraft & Wärme Rohr- und Anlagentechnik GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Kratochwill Schotter & Beton GmbH	AT	EUR	Unterpremstätten, pol. mun. Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
Kröll Pflasterbau GmbH	AT	EUR	Röthis	0.00000	100.00000	F			

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LD Recycling GmbH	AT	EUR	Unterpremstätten, pol. mun. Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
Lieferasphaltgesellschaft JAUNTAL GmbH	AT	EUR	Klagenfurt	0.00000	71.99671	F	0.00000	71.99671	F
M.E.G. Mikrobiologische Erddekontamination GmbH	AT	EUR	Linz	0.00000	100.00000	F	0.00000	100.00000	F
Nägele Hoch- und Tiefbau GmbH	AT	EUR	Röthis	0.00000	100.00000	F	0.00000	100.00000	F
O.M. Meissl & Co. Bau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
ÖBA - Österreichische Betondecken Ausbau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Panitzky Gesellschaft m.b.H.	AT	EUR	Wien				0.00000	100.00000	F
PKM - Muldenzentrale GmbH	AT	EUR	Wien	0.00000	97.97021	F	0.00000	97.97021	F
PORR AUSTRIARAIL GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Bau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Bauindustrie GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Beteiligungen und Management GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Construction Holding GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Design & Engineering GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Equipment Services GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Financial Services GmbH	AT	EUR	Wien				100.00000	100.00000	F
PORR Infra GmbH	AT	EUR	Wals-Siezenheim	0.00000	100.00000	F	0.00000	100.00000	F
PORR Mischanlagen GmbH	AT	EUR	Wien	0.00000	100.00000	F			
PORR Recycling GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Umwelttechnik GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORREAL GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORRisk Solutions GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
Prajo & Co GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PRONAT Steinbruch Preg GmbH	AT	EUR	Unterpremstätten, pol. mun. Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
PWW Holding GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
RCH Recycling Center Himberg GmbH	AT	EUR	Himberg	0.00000	100.00000	F	0.00000	100.00000	F
Reisinger Gesellschaft mbH	AT	EUR	Ennsdorf	0.00000	100.00000	F			
Rumpelnig Immobilien GmbH	AT	EUR	Wien						
Sabelo Beteiligungsverwaltungs GmbH	AT	EUR	Wien	100.00000	100.00000	M	100.00000	100.00000	M
Sabimo Monte Laa Bauplatz 2 GmbH	AT	EUR	Wien				0.00000	100.00000	F
Salzburger Lieferasphalt GmbH & Co OG	AT	EUR	Sulzau, pol. mun. Werfen	0.00000	80.00000	F	0.00000	80.00000	F
SAM03 Beteiligungs GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH	AT	EUR	Wien				0.00000	100.00000	F
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	AT	EUR	Unterpremstätten, pol. mun. Premstätten	100.00000	100.00000	F	100.00000	100.00000	F
Schotterwerk GRADENBERG Gesellschaft m.b.H.	AT	EUR	Köflach	0.00000	100.00000	F	0.00000	100.00000	F
Schwarzl Transport GmbH	AT	EUR	Unterpremstätten, pol. mun. Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
Spenglerei Hangl Christof GmbH	AT	EUR	Telfs	0.00000	100.00000	F			
STRAUSS Property Management GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Tancsos und Binder Gesellschaft m.b.H.	AT	EUR	Wolfsberg				0.00000	100.00000	F
TEERAG-ASDAG Bau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
TEERAG-ASDAG GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
TEERAG-ASDAG Hochbau Burgenland GmbH	AT	EUR	Stegersbach	0.00000	100.00000	F	0.00000	100.00000	F
Wibeba Hochbau GmbH & Co. Nfg. KG	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
Wiener Betriebs- und Baugesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
BB Government Services société privée á responsabilité limitée	BE	EUR	Uccle	0.00000	100.00000	F	0.00000	100.00000	F
PORR Bulgaria EOOD	BG	BGN	Sofia	0.00000	100.00000	F	0.00000	100.00000	F
Gunimperm-Bauveg SA	CH	CHF	Bellinzona	0.00000	100.00000	F	0.00000	100.00000	F
PORR SUISSE AG	CH	CHF	Altdorf	0.00000	100.00000	F	0.00000	100.00000	F
ALPINE Bau CZ a.s.	CZ	CZK	Valasské Mezirici				0.00000	100.00000	F

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OBATECH s.r.o.	CZ	CZK	Praha	0.00000	100.00000	F	0.00000	100.00000	F
PORR a.s.	CZ	CZK	Praha	0.00000	100.00000	F	0.00000	100.00000	F
PORR Equipment Services Cesko s.r.o	CZ	CZK	Praha	0.00000	100.00000	F	0.00000	100.00000	F
PORREAL Cesko, s.r.o.	CZ	CZK	Praha				0.00000	100.00000	F
baikap Holding 180812 GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
BB Government Services GmbH	DE	EUR	Kaiserslautern	0.00000	100.00000	F	0.00000	100.00000	F
CMG Gesellschaft für Baulogistik GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Emil Mayr Hoch- und Tiefbau GmbH	DE	EUR	Ettringen/Wertach	0.00000	100.00000	F	0.00000	100.00000	F
Franki Grundbau GmbH & Co. KG	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
Franki Grundbau Verwaltungs GmbH	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
Hinteregger, Brandstetter & Co. Baugesellschaft m.b.H.	DE	EUR	Traunstein	0.00000	100.00000	F	0.00000	100.00000	F
IAT Deutschland GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
ISG Ingenieurservice Grundbau GmbH	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
ÖBA Betondecken Ausbau Deutschland GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
Oevermann Hochbau GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Oevermann Ingenieurbau GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Oevermann Verkehrswegebau GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Porr Design & Engineering Deutschland GmbH	DE	EUR	Berlin	0.00000	100.00000	F	0.00000	100.00000	F
Porr Equipment Services Deutschland GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
Porr Franki GmbH & Co. KG	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
PORR GmbH & Co. KGaA	DE	EUR	München	0.00000	94.66235	F	0.00000	94.66235	F
Porr Industriebau GmbH	DE	EUR	Passau	0.00000	100.00000	F	0.00000	100.00000	F
PORR Management GmbH	DE	EUR	München	100.00000	100.00000	F	100.00000	100.00000	F
PORR MURNAU GmbH & Co. KG	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
PORR Oevermann GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Porr Umwelttechnik Deutschland GmbH	DE	EUR	Garching bei München	0.00000	100.00000	F	0.00000	100.00000	F
PORR Vermögensverwaltung MURNAU GmbH	DE	EUR	München	0.00000	100.00000	M	0.00000	100.00000	M
Radmer Kies GmbH & Co. KG	DE	EUR	Aschheim, Landkreis München	0.00000	100.00000	F	0.00000	100.00000	F
Radmer Kiesvertrieb Verwaltungs GmbH	DE	EUR	Aschheim, Landkreis München	0.00000	100.00000	M	0.00000	100.00000	M
STRAUSS & CO. Development GmbH	DE	EUR	Berlin	0.00000	94.00000	F	0.00000	94.00000	F
Stump-Franki Spezialtiefbau GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
Thorn Abwassertechnik GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
TKDZ GmbH	DE	EUR	Wellen	0.00000	100.00000	F	0.00000	100.00000	F
Unterstützungskasse Franki Grundbau GmbH	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
Wellener Immobiliengesellschaft mbH	DE	EUR	Wellen				0.00000	100.00000	F
IAT UK Waterproofing Systems limited	GB	GBP	London	0.00000	100.00000	F	0.00000	100.00000	F
PORR SLOVAKIA LTD.	GB	GBP	London	0.00000	100.00000	F	0.00000	100.00000	F
PORR UK Ltd.	GB	GBP	London	0.00000	100.00000	F	0.00000	100.00000	F
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje, izgradnju i nadzor	HR	HRK	Zagreb	0.00000	100.00000	M	0.00000	100.00000	M
GRUNDBAU d.o.o. u likvidaciji	HR	HRK	Zagreb	0.00000	100.00000	F	0.00000	100.00000	F
Schwarzl drustvo s ogranicenom odgovornoscu za obradu betona i sljunka	HR	HRK	Glina	0.00000	100.00000	F	0.00000	100.00000	F
PORR Építési Kft.	HU	HUF	Budapest	0.00000	100.00000	F	0.00000	100.00000	F
BB GOVERNMENT SERVICES SRL	IT	EUR	Vicenza	0.00000	100.00000	F	0.00000	100.00000	F
IAT Impermeabilizzazioni Srl	IT	EUR	Bozen	0.00000	100.00000	F	0.00000	100.00000	F
PORR GRADEZNISTVO DOOEL Skopje	MK	MKD	Skopje	0.00000	100.00000	F	0.00000	100.00000	F
Loftesnesbrui PORR-AURSTAD ANS	NO	NOK	Oslo	0.00000	64.95000	F	0.00000	64.95000	F
PNC Norge AS	NO	NOK	Oslo	0.00000	100.00000	F	0.00000	100.00000	F
Porr Construction LLC under liquidation	OM	OMR	Mascat	0.00000	100.00000	F	0.00000	100.00000	F
Joint Venture Tunel Swinoujscie s.c.	PL	PLN		0.00000	40.00000	F	0.00000	40.00000	F
"Stal-Service" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	80.00000	F	0.00000	80.00000	F
BBGS Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	100.00000	F			
PORR Spólka Akcyjna	PL	PLN	Warszawa	0.00000	100.00000	F	0.00000	100.00000	F

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PORREAL Polska Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa				0.00000	100.00000	F
Stump-Hydrobudowa Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	100.00000	F	0.00000	100.00000	F
RADMER BAU PORTUGAL - CONSTRUCOES, LIMITADA	PT	EUR	Lisboa	0.00000	99.00000	M	0.00000	99.00000	M
PORR Qatar Construction W.L.L	QA	QAR	Doha	0.00000	49.00000	F	0.00000	49.00000	F
Porr Construct S.R.L.	RO	RON	Bucuresti	0.00000	100.00000	F	0.00000	100.00000	F
"PORR - WERNER & WEBER - PROKUPLJE" doo, Prokuplje	RS	RSD	Prokuplje	0.00000	80.00000	F	0.00000	80.00000	F
DRUSTVO SA OGRANICENOM ODGOVORNOSCU "PORR-WERNER & WEBER-LESKOVAC", Leskovac	RS	RSD	Leskovac	0.00000	70.00000	F	0.00000	70.00000	F
Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina	RS	RSD	Jagodina	0.00000	80.00000	F	0.00000	80.00000	F
Gradevinsko preduzece Porr d.o.o. - u likvidaciji	RS	RSD	Belgrade	0.00000	100.00000	F	0.00000	100.00000	F
PWW d.o.o. Nis	RS	RSD	Nis	0.00000	100.00000	F	0.00000	100.00000	F
PWW Deponija d.o.o. Jagodina	RS	RSD	Jagodina	0.00000	100.00000	F	0.00000	100.00000	F
PWW Deponija Dva d.o.o. Leskovac	RS	RSD	Leskovac	0.00000	100.00000	F	0.00000	100.00000	F
TRACK EXPERTS D.O.O. BEOGRAD, MILUTINA MILANKOVICA 11A – u likvidaciji	RS	RSD	Belgrade				0.00000	74.00000	F
PNC Sverige AB	SE	SEK	Stockholm	0.00000	100.00000	M	0.00000	100.00000	F
PORR - GATES R150 JV (Joint Venture)	SG	SGD		0.00000	50.00000	F			
PORR Construction Pte. Ltd.	SG	SGD	Singapore	0.00000	100.00000	F			
ALPINE SLOVAKIA, spol. s.r.o.	SK	EUR	Bratislava				0.00000	100.00000	F
PORR s.r.o.	SK	EUR	Bratislava	0.00000	100.00000	F	0.00000	100.00000	F
Associated companies									
ABO Asphalt-Bau Oeynhausen GmbH.	AT	EUR	Oeynhausen, pol. mun. Traiskirchen	0.00000	22.50000	E	0.00000	22.50000	E
ALU-SOMMER GmbH	AT	EUR	Stoob	0.00000	49.49857	E	0.00000	49.49857	E
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG	AT	EUR	Zistersdorf	0.00000	20.00000	M	0.00000	20.00000	M
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	AT	EUR	Zistersdorf-Maustrenk, pol. mun. Zistersdorf	0.00000	20.00000	M	0.00000	20.00000	M
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AT	EUR	Linz	0.00000	33.33333	M	0.00000	33.33333	M
ASA - Projektentwicklung - GmbH	AT	EUR	Wien	0.00000	49.99963	E	0.00000	49.99963	E
ASF Frästechnik GmbH & Co KG	AT	EUR	Kematen	0.00000	40.00000	E	0.00000	40.00000	E
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	AT	EUR	Rauchenwarth	0.00000	40.00000	E	0.00000	40.00000	E
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	EUR	Wien	0.00000	45.00000	M	0.00000	45.00000	M
CCG Immobilien GmbH		EUR	Wien				0.00000	50.00000	E
FMA Asphaltwerk GmbH & Co KG	AT	EUR	Feldbach	0.00000	35.00000	E	0.00000	35.00000	E
KAB Straßensanierung GmbH & Co KG	AT	EUR	Spittal an der Drau	0.00000	19.98800	M	0.00000	19.98800	M
Lavanttaler Bauschutt - Recycling GmbH	AT	EUR	Wolfsberg	0.00000	49.99999	E	0.00000	49.99999	E
MSO Mischanlagen GmbH Ilz & Co KG	AT	EUR	Ilz	0.00000	47.19200	E	0.00000	47.19200	E
MSO Mischanlagen GmbH Pinkafeld & Co KG	AT	EUR	Pinkafeld	0.00000	47.33333	E	0.00000	47.33333	E
PM2 Bauträger GesmbH	AT	EUR	Klagenfurt	0.00000	24.75000	M	0.00000	24.75000	M
RFM Asphaltmischwerk GmbH & Co KG	AT	EUR	Wienersdorf-Oeynhausen, pol. mun. Traiskirchen	0.00000	46.00000	E	0.00000	46.00000	E
RFM Asphaltmischwerk GmbH.	AT	EUR	Wienersdorf-Oeynhausen, pol. mun. Traiskirchen	0.00000	46.00000	M	0.00000	46.00000	M
Sava Most Gradevinsko Preduzece OG	AT	EUR	Wien	0.00000	27.93000	M	0.00000	27.93000	M
TB Betonwerk Zams GmbH	AT	EUR	Zams	0.00000	24.00000	E	0.00000	24.00000	E
Obalovna Boskovice, s.r.o.	CZ	CZK	Boskovice	0.00000	45.00000	E	0.00000	45.00000	E
Alexander Parkside GmbH & Co. KG	DE	EUR	Berlin	0.00000	50.00000	E	0.00000	50.00000	E
ASDAG Kavicsbánya és Építö Korlátolt Felelösségü Társaság	HU	HUF	Janossomorja	0.00000	34.88000	E	0.00000	34.88000	E
BPV-Metro 4 Építési Közkereseti Társaság	HU	HUF	Budapest	49.95000	49.95000	M	49.95000	49.95000	M

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BPV-METRO 4 NeKe Építési Közkereseti Társaság	HU	HUF	Budapest	49.95000	49.95000	M	49.95000	49.95000	M
Advanced Utility Construction and Contracting LLC	QA	QAR	Doha	0.00000	40.00000	E	0.00000	40.00000	E
Joint Venture Al Wakrah Stadium & Precinct Main Works and Masterplan (SC-14-G-171)	QA	QAR	Doha	0.00000	33.33330	E	0.00000	33.33330	E
Joint Ventures									
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
AMW Asphalt-Mischwerk GmbH	AT	EUR	Sulz	0.00000	50.00000	M	0.00000	50.00000	M
AMW Asphalt-Mischwerk GmbH & Co KG	AT	EUR	Sulz	0.00000	50.00000	E	0.00000	50.00000	E
AMW Leopoldau GmbH & Co OG	AT	EUR	Wien	0.00000	33.34000	E	0.00000	33.34000	E
ARIWA Abwasserreinigung im Waldviertel GmbH	AT	EUR	Wien	0.00000	75.00000	E	0.00000	75.00000	E
ASB Nörsach GmbH	AT	EUR	Linz	0.00000	50.00000	E	0.00000	50.00000	E
ASCI Logistik GmbH	AT	EUR	Premstätten	0.00000	55.00000	E	0.00000	100.00000	E
ASF Frästechnik GmbH	AT	EUR	Kematen	0.00000	40.00000	M	0.00000	40.00000	M
Asphaltmischwerk Betriebsgesellschaft m.b.H.	AT	EUR	Rauchenwarth	0.00000	40.00000	M	0.00000	40.00000	M
Asphaltmischwerk Roppen GmbH	AT	EUR	Roppen	0.00000	30.00000	M	0.00000	30.00000	M
Asphaltmischwerk Roppen GmbH & Co KG	AT	EUR	Roppen	0.00000	30.00000	E	0.00000	30.00000	E
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG	AT	EUR	Weißbach bei Lofer	0.00000	45.00000	E	0.00000	45.00000	E
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	AT	EUR	Bergheim	0.00000	50.00000	E	0.00000	50.00000	E
AUL Abfallumladelogistik Austria GmbH	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
CIS Beton GmbH	AT	EUR	Premstätten	0.00000	55.00000	E	0.00000	100.00000	F
FMA Asphaltwerk GmbH	AT	EUR	Feldbach	0.00000	35.00000	M	0.00000	35.00000	M
FSF Wohnanlage Finkenweg Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	40.00000	E			
FSF Wohnanlage Oberfeldstraße Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	40.00000	E			
FSF Wohnanlage WB3 Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	40.00000	E			
Gaspix Beteiligungsverwaltungs GmbH	AT	EUR	Zirl	0.00000	31.57894	M	31.57894	31.57894	M
Grazer Transportbeton GmbH	AT	EUR	Gratkorn	0.00000	50.00000	E	0.00000	50.00000	E
HD Baustoff Verwertung GmbH	AT	EUR	Berndorf	0.00000	50.00000	E	0.00000	50.00000	E
hospitals Projektentwicklungsges.m.b.H.	AT	EUR	Graz	0.00000	74.00000	E	0.00000	74.00000	E
INTERGEO Umweltmanagement GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
IP Real Estate Amraser Straße GmbH	AT	EUR	Innsbruck	0.00000	50.00000	E	0.00000	50.00000	E
KMG - Klinikum Management Gesellschaft mbH	AT	EUR	Graz	0.00000	50.00000	E	0.00000	50.00000	E
Lieferasphalt Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	50.00000	M	0.00000	50.00000	M
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	AT	EUR	Viecht, pol. mun. Desselbrunn	0.00000	33.50000	E	0.00000	33.50000	E
Lieferasphalt Gesellschaft m.b.H. & Co. OG	AT	EUR	Maria Gail, pol. mun. Villach	0.00000	40.00000	E	0.00000	40.00000	E
Lieferasphalt Gesellschaft m.b.H. & Co. OG, Zirl	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
LISAG Linzer Splitt- und Asphaltwerk GmbH.	AT	EUR	Linz	0.00000	50.00000	M	0.00000	50.00000	M
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG	AT	EUR	Linz	0.00000	50.00000	E	0.00000	50.00000	E
MSO Mischanlagen GmbH	AT	EUR	Ilz	0.00000	66.66667	M	0.00000	66.66667	M
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	EUR	Zirl	0.00000	31.57895	E	31.57895	31.57895	E
REHAMED Beteiligungsges.m.b.H.	AT	EUR	Graz	0.00000	50.00000	E	0.00000	50.00000	E
Salzburger Reststoffverwertung GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
Stöckl Schotter- und Splitterzeugung GmbH	AT	EUR	Weißbach bei Lofer	0.00000	40.00001	E	0.00000	40.00001	E
TAL Betonchemie Handel GmbH	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	EUR	Nußdorf ob der Traisen	0.00000	33.33333	M	0.00000	33.33333	M
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	EUR	Nußdorf ob der Traisen	0.00000	33.33333	E	0.00000	33.33333	E

Company	Country code	Cur-rency	Domicile	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Tauernkies GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
TB Transportbeton GmbH	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
TBT Transportbeton Tillmitsch GmbH	AT	EUR	Tillmitsch	0.00000	50.00000	M	0.00000	50.00000	M
TBT Transportbeton Tillmitsch GmbH & Co KG	AT	EUR	Tillmitsch	0.00000	50.00000	E	0.00000	50.00000	E
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	AT	EUR	Spittal an der Drau	0.00000	50.00000	M	0.00000	50.00000	M
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	AT	EUR	Spittal an der Drau	0.00000	50.00000	E	0.00000	50.00000	E
Weyerhof Steinbruch GmbH	AT	EUR	Murau	0.00000	50.00000	M	0.00000	50.00000	M
Weyerhof Steinbruch GmbH & Co KG	AT	EUR	Murau	0.00000	50.00000	E	0.00000	50.00000	E
WPS Rohstoff GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	49.00000	E	0.00000	49.00000	E
Obalovna Havlickuv Brod s.r.o.	CZ	CZK	Hradec Králové	0.00000	50.00000	E	0.00000	50.00000	E
OBALOVNA PRÍBRAM, s.r.o.	CZ	CZK	Praha	0.00000	37.50000	E	0.00000	37.50000	E
Obalovna Stredokluky s.r.o.	CZ	CZK	Praha	0.00000	50.00000	E	0.00000	50.00000	E
Obalovna Tábor s.r.o.	CZ	CZK	Ceské Budejovice	0.00000	50.00000	E	0.00000	50.00000	E
Obalovna Tyniste s.r.o.	CZ	CZK	Ceské Budejovice	0.00000	33.33333	E	0.00000	33.33333	E
SILASFALT s.r.o.	CZ	CZK	Ostrava - Kuncice	0.00000	50.00000	E	0.00000	50.00000	E
Spolecne obalovny, s.r.o.	CZ	CZK	Praha	0.00000	50.00000	E	0.00000	50.00000	E
Alexander Parkside Verwaltungs GmbH	DE	EUR	Berlin	0.00000	50.00000	M	0.00000	50.00000	M
AMW Asphaltmischwerke Westfalen GmbH	DE	EUR	Münster	0.00000	50.00000	E	0.00000	50.00000	E
AVALERIA Beteiligungsgesellschaft mbH	DE	EUR	München	0.00000	60.00000	M	0.00000	60.00000	M
AVALERIA Hotel HafenCity GmbH & Co. KG	DE	EUR	München	0.00000	56.88000	E	0.00000	56.88000	E
Beteiligungsgesellschaft Nordharz Asphalt-Mischwerke mbH	DE	EUR	Wegeleben	0.00000	50.00000	M	0.00000	50.00000	M
H + E Haustechnik und Elektro GmbH	DE	EUR	Deggendorf	0.00000	50.00000	E	0.00000	50.00000	E
Nordharz Asphalt-Mischwerke GmbH & Co. KG	DE	EUR	Wegeleben	0.00000	50.00000	E	0.00000	50.00000	E
Olympia Gate Munich Verwaltungs GmbH in Liqu.	DE	EUR	Grünwald	0.00000	50.00000	E	0.00000	50.00000	E
Radmer Bau Kieswerke GmbH	DE	EUR	Leipzig				0.00000	50.00000	M
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG	DE	EUR	Schkeuditz				0.00000	50.00000	E
M6 Dunaújváros-Szekszárd Építési Közkereseti Társaság	HU	HUF	Budapest	0.00000	50.00000	E	0.00000	50.00000	E
M6-Autópálya Építési Kkt.	HU	HUF	Budapest	0.00000	33.33330	M	0.00000	33.33330	M
JV BB CLC Società Consortile a responsabilitá limitata	IT	EUR	Vicenza	0.00000	50.00000	E	0.00000	50.00000	E
JV MACC NAVY	IT	EUR		0.00000	95.00000	E	0.00000	95.00000	E
AF Haehre/PNC ANS (Joint Venture)	NO	NOK		0.00000	50.00000	E			
JOINT VENTURE FARRIS BRU ANS	NO	NOK	Larvik	0.00000	65.00000	E	0.00000	65.00000	E
JOINT VENTURE HARPE BRU ANS	NO	NOK	Larvik	0.00000	65.00000	E	0.00000	65.00000	E
"Modzelewski & Rodek" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	50.00000	E	0.00000	50.00000	E
Berlin Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
FRANKI POLSKA Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Kraków	0.00000	70.00000	E	0.00000	70.00000	E
Poleczki Amsterdam Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
Poleczki Vienna Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
Warsaw Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
AUCC Precast Factory LLC	QA	QAR	Doha	0.00000	40.00000	E	0.00000	40.00000	E
EQCC PORR W.L.L.	QA	QAR	Doha	0.00000	49.00000	E	0.00000	49.00000	E
Hamad Bin Khalid Contracting - PORR Qatar Construction JV W.L.L.	QA	QAR	Doha	0.00000	45.00000	E	0.00000	45.00000	E
SEVER-JUG AUTOPUT DRUSTVO SA OGRANICENOM ODGOVORNOSCU ZA IZGRADNJU, KORISCENJE I ODRZAVANJE AUTOPUTA u likvidaciji	RS	RSD	Belgrade				0.00000	50.00000	M
Asfalt Belusa s.r.o.	SK	EUR	Bratislava - mestská cast´ Ruzinov	0.00000	50.00000	E	0.00000	50.00000	E

Company	Country code	Cur-rency	Domicile	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
D4R7 Construction s.r.o.	SK	EUR	Bratislava	0.00000	35.00000	E	0.00000	35.00000	E
Slovenské Asfalty s.r.o.	SK	EUR	Bratislava - mestská cast´ Ruzinov	0.00000	50.00000	E	0.00000	50.00000	E
Other equity interests									
KAB Straßensanierung GmbH	AT	EUR	Spittal an der Drau	0.00000	19.98800	M	0.00000	19.98800	M
PPP Campus Bednar Park Errichtungs- und Betriebs GmbH	AT	EUR	Wien	0.00000	1.00000	M	0.00000	1.00000	M
Pumpspeicherkraftwerk Koralm GmbH	AT	EUR	Garanas, pol. mun. Schwanberg	0.00000	1.00000	M	0.00000	1.00000	M
Schaberreiter GmbH	AT	EUR	Kindberg	0.00000	6.80000	M	0.00000	6.80000	M
Senuin Beteiligungsverwaltungs GmbH	AT	EUR	Wien	0.00000	1.00000	M	0.00000	1.00000	M
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	AT	EUR	Zistersdorf	0.00000	16.66667	M	0.00000	16.66667	M
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	AT	EUR	Zistersdorf	0.00000	16.66667	M	0.00000	16.66667	M
Arena Boulevard GmbH & Co. KG	DE	EUR	Berlin	0.00000	6.00000	M	0.00000	6.00000	M
BTM BAUSTOFF-TECHNIK + MISCHWERKE Gesellschaft mit beschränkter Haftung	DE	EUR	Bielefeld	0.00000	15.00000	M	0.00000	15.00000	M
Forum am Bahnhof Quickborn GmbH & Co. KG	DE	EUR	Hamburg	0.00000	6.00000	M	0.00000	6.00000	M
GeMoBau Gesellschaft für modernes Bauen mbH i.L.	DE	EUR	Berlin	6.00000	6.00000	M	6.00000	6.00000	M
German Hotel Verwaltungs GmbH	DE	EUR	Grünwald	0.00000	3.00000	M	0.00000	3.00000	M
Hotel Invest Hansa FT2 GmbH & Co. KG	DE	EUR	Hamburg	0.00000	3.00000	M	0.00000	3.00000	M
SONUS City GmbH & Co. KG	DE	EUR	Berlin	0.00000	6.00000	M	0.00000	6.00000	M
UBM Development Deutschland GmbH	DE	EUR	München	0.00000	6.00000	M	0.00000	6.00000	M
Zero Bypass (Holdings) Limited	GB	GBP	London	0.00000	10.00000	M	0.00000	10.00000	M
AQUASYSTEMS gospodarjenje z vodami d.o.o.	SI	EUR	Maribor	0.00000	10.00033	M	0.00000	10.00033	M

Key:
F = Fully consolidated companies
E = Companies consolidated under the equity method
M = Companies of minor significance

Auditor’s Report

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of PORR AG, Vienna, and of its subsidiaries (the Group) comprising the consolidated balance sheet as of December 31, 2019, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2019 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB.

Basis for the opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following “EU regulation”) and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Accounting for revenues from construction contracts

Accounting for revenues from construction contracts

Situation and reference to further information

A large part of revenue and profits of the PORR group result from revenues from construction contracts, which are accounted in accordance with IFRS 15 Revenue from contracts with customers. In 2019 this accounted for approximately 94% of revenue.

In general, revenue is realised over the period of the service rendered under application of the output method. Revenue and proportional profits are recorded on the basis of the stage of completion. If it is probable that total contract costs exceed the corresponding contract revenues an onerous contract provision is recorded for the expected total loss. Warranty obligations exist in relation to completed construction projects handed over to the client. For certain construction contracts PORR and its customers and/or suppliers have different views regarding contractual claims and/or obligations of the PORR group. These differences are solved in negotiations with the contract partners, as well as in legal and extrajudicial (arbitration) proceedings. Claims are recognised when there is a contractual entitlement to the amount of consideration and they can be reliably assessed. Provisions for buildings are recognised for warranty claims, impending and claimed penalties and damages.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

The assessment of contracts with customers until completion depends to a large extent on assumptions and expectations about future developments and completion of the projects and the outcome of negotiations and procedures with contract parties and is therefore, to a large extent, dependent on estimates. This is particularly the case with regard to the accounting for claims, the amount of the estimated total contract costs and corresponding profits as well as the amount of the contract revenues which have to be recognised in accordance with the PoC-method and the estimated expenses and obligations for penalties, damages and warranties.

The risk for the consolidated statements consists of the uncertainty of the accounting for contracts with customers and the related items in the consolidated statement of financial position and the consolidated income statement due to necessary assumptions and estimates and the misrepresentation of these items.

Reference to further information:
Revenue recognition from construction contracts, as well as the presentation of balance sheet items and provisions are explained in section 5 (Accounting and measurement methods). Chapter 6 (Key assumptions and key sources of estimation uncertainty) contains information on substantial estimation uncertainty. Chapter 7 (Revenues) shows the share of revenues from construction contracts of total sales. The Trade receivables section (24) contains information on the carrying amounts of contract assets, related contract profits and the prepayments received, which have been measured in accordance with the POC method. Construction contracts which form a liability are shown as contract liabilities in disclosure note: Other liabilities (39.). Chapter 34 (Provisions) provides details on the composition and development of provisions for buildings.

Audit response
In the course of our audit, we have gained an understanding of the processes relevant to the accounting of revenues from construction contracts and tested the effectiveness of selected internal controls. These controls mainly addressed the technical, legal and commercial review and approval of new contracts as well as the calculation and recognition process of contract revenue and contract cost. We also tested internal controls which relate to the internal monitoring and assessment of ongoing projects and calculations up to the completion after the end of the warranty period.

On the basis of the results of these control tests, we have drawn a sample of contracts with customers from constructions contracts for a more in-depth analysis. With focus on high estimation uncertainties and error risks, we have selected our sample considering various relevant parameters, e.g. margin and profit development, contract value, carrying amount, asserted and capitalized claims, disputed claims and internal reporting of risk management.

The audit procedures performed on the selected sample consisted primarily of:

- Analytical procedures, comparing the actual results to the estimates/forecasts made in the past.

- Reconciliation of the key assumptions and estimates with contracts, budgets and comparable construction contracts.

- Critical analysis and discussions of key project assumptions with the responsible commercial and operational project managers.

- Critical assessment of internal and external technical, legal and commercial opinions.

- Review of the correspondence and minutes concerning discussions and negotiations with contract partners.

- Obtaining and critically assessing opinions on legal and extrajudicial (arbitration) proceedings.

- Testing of the financial entries and computational accuracy of the contract costs, results and carrying amounts related to the selected construction contracts.

Responsibilities of management and of the audit committee for the consolidated financial statements
Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB, for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

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

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

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

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

Comments on the management report
Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion
In our opinion, the management report for the group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

Statement
Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Other information
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

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

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

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

Additional information in accordance with article 10 of the EU regulation
We were elected as auditor by the ordinary general meeting at May 29, 2019. We were appointed by the Supervisory Board on June 16, 2019 We are auditors without cease since 2002.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

We provided no services, in addition to the statutory audit, to the audited company and its controlled undertakings, which have not been disclosed in the Group's management report or in the consolidated financial statements.

Responsible Austrian certified public accountant
The engagement partner on the audit resulting in this independent auditor's report is Mr. Mag. Klemens Eiter, Certified Public Accountant.

Vienna, April 16, 2020

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Klemens Eiter
Certified Public Accountant

MMag. Nicole Doppelhofer
Certified Public Accountant

Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Consolidated Financial Statements 2020

together with the respective auditors‘ report

This is a translation of the German language original

Consolidated Income Statement

in TEUR	Notes	2020	2019
Revenue	(8)	4,651,842	4,880,414
Own work capitalised in non-current assets		3,787	4,105
Income from companies accounted for under the equity method	(21)	34,036	87,448
Other operating income	(9)	133,606	175,056
Cost of materials and other related production services	(10)	-3,117,518	-3,292,838
Staff expenses	(11)	-1,210,093	-1,243,180
Other operating expenses	(13)	-364,222	-394,822
EBITDA		**131,438**	**216,183**
Depreciation, amortisation and impairment expense	(12)	-168,647	-161,461
EBIT		**-37,209**	**54,722**
Income from financial investments and other current financial assets	(14)	12,771	15,396
Finance costs	(15)	-26,610	-32,709
EBT		**-51,048**	**37,409**
Income tax expense	(16)	8,681	-9,576
Loss/profit for the year		**-42,367**	**27,833**
of which attributable to shareholders of parent		-65,802	14,314
of which attributable to holders of profit-participation rights/hybrid capital		18,154	11,227
of which attributable to non-controlling interests		5,281	2,292
Basic earnings per share, total (in EUR)	(17)	-2.28	0.50
Diluted earnings per share, total (in EUR)	(17)	-2.28	0.50

Statement of Comprehensive Income

in TEUR	Notes	2020	2019
Loss/profit for the year		**-42,367**	**27,833**
Other comprehensive income			
Gains/losses from revaluation of property, plant and equipment	(19)	1,307	4,430
Remeasurement from defined benefit obligations	(35)	-2,385	-20,477
Measurement of equity instruments		-525	716
Income tax expense (income) on other comprehensive income		404	3,951
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)		**-1,199**	**-11,380**
Exchange rate differences		-14,730	2,738
Gains/losses from cash flow hedges			
in the year under review		572	-104
Income tax expense (income) on other comprehensive income		-1,026	26
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)		**-15,184**	**2,660**
Other comprehensive income		**-16,383**	**-8,720**
Total income		**-58,750**	**19,113**
of which attributable to shareholders of parent		-82,061	4,630
of which attributable to holders of profit-participation rights/hybrid capital		18,154	11,227
of which attributable to non-controlling interests		5,157	3,256

Consolidated Cash Flow Statement

in TEUR **Note (43)**	**2020**	**2019**
Loss/profit for the year	-42,367	27,833
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	166,472	167,717
Interest income/expense	18,296	21,645
Income from companies accounted for under the equity method	-1,388	-34,774
Dividends from companies accounted for under the equity method	6,114	23,368
Profits from the disposal of fixed assets	-8,824	-23,513
Decrease in long-term provisions	-1,635	-5,980
Deferred income tax	-14,455	-7,883
Operating cash flow	**122,213**	**168,413**
Increase in short-term provisions	24,897	36,467
Decrease/increase in tax liabilities	1,983	-9,176
Increase/decrease in inventories	-1,137	7,021
Decrease/increase in receivables	121,283	-13,693
Decrease/increase in payables (excluding banks)	-40,424	78,807
Increase in other short-term financial investments	-39,972	-
Interest received	3,820	9,359
Interest paid	-24,520	-26,189
Other non-cash transactions	-1,145	-1,159
Cash flow from operating activities	**166,998**	**249,850**
Proceeds from the disposal of intangible assets	1,550	346
Proceeds from sale of property, plant and equipment and disposal of investment property	46,264	40,542
Proceeds from the sale of financial assets	1,101	21,347
Proceeds from repayment of loans	5,617	3,377
Investments in intangible assets	-7,374	-9,052
Investments in property, plant and equipment and investment property	-126,101	-152,322
Investment in financial assets	-5,624	-2,233
Investment in loans	-3,405	-4,192
Payouts/proceeds from the sale of consolidated companies less cash and cash equivalents	2,731	-4,082
Payouts for the purchase of subsidiaries less cash and cash equivalents	-1,495	-4,461
Cash flow from investing activities	**-86,736**	**-110,730**
Dividends	-12,147	-42,993
Payouts to non-controlling interests	-1,652	-3,757
Proceeds from profit-participation rights/hybrid capital	150,000	-
Repayment of profit-participation rights/hybrid capital	-28,603	-
Proceeds from bonded loans (Schuldscheindarlehen)	-	240,000
Repayment of bonds and bonded loans (Schuldscheindarlehen)	-39,000	-96,353
Obtaining loans and other financing	146,192	508,875
Redeeming loans and other financing	-288,159	-487,260
Capital increases	-	3,250
Cash flow from financing activities	**-73,369**	**121,762**
Cash flow from operating activities	**166,998**	**249,850**
Cash flow from investing activities	**-86,736**	**-110,730**
Cash flow from financing activities	**-73,369**	**121,762**
Change to cash and cash equivalents	**6,893**	**260,882**
Cash and cash equivalents as of 1 Jan	581,890	319,674
Currency differences	-6,238	1,334
Cash and cash equivalents as of 31 Dec	**582,545**	**581,890**
Tax paid	3,791	26,635

Consolidated Statement of Financial Position

in TEUR	Notes	31.12.2020	31.12.2019
Assets			
Non-current assets			
Intangible assets	(18)	147,919	148,522
Property, plant and equipment	(19)	926,815	940,899
Investment property	(20)	31,357	54,091
Shareholdings in companies accounted for under the equity method	(21)	92,233	86,081
Loans	(22)	31,806	83,334
Other financial assets	(23)	36,076	37,003
Other non-current financial assets	(26)	9,107	26,952
Deferred tax assets	(30)	8,535	15,520
		1,283,848	**1,392,402**
Current assets			
Inventories	(24)	74,756	76,030
Trade receivables	(25)	1,333,327	1,480,911
Other financial assets	(26)	172,039	86,183
Other receivables and current assets	(27)	48,329	47,513
Cash and cash equivalents	(28)	582,545	581,890
Assets held for sale	(29)	14,619	-
		2,225,615	**2,272,527**
Total assets		**3,509,463**	**3,664,929**

Equity and liabilities			
Equity			
Share capital	(31)	29,095	29,095
Capital reserve	(32)	251,287	251,287
Profit-participation rights/hybrid capital	(33)	325,854	195,250
Other reserves	(32)	29,749	111,449
Equity attributable to shareholders of parent		**635,985**	**587,081**
Non-controlling interests	(34)	14,564	11,957
		650,549	**599,038**
Non-current liabilities			
Bonds and bonded loans (Schuldscheindarlehen)	(36)	294,604	346,384
Provisions	(35)	171,629	169,029
Non-current financial liabilities	(37)	327,200	441,295
Other non-current financial liabilities	(39)	3,237	3,924
Deferred tax liabilities	(30)	22,631	46,061
		819,301	**1,006,693**
Current liabilities			
Bonds and bonded loans (Schuldscheindarlehen)	(36)	41,977	28,981
Provisions	(35)	195,203	170,312
Current financial liabilities	(37)	95,534	110,919
Trade payables	(38)	973,100	1,138,825
Other current financial liabilities	(39)	46,617	60,314
Other current liabilities	(40)	655,881	520,509
Tax payables		31,301	29,338
		2,039,613	**2,059,198**
Total equity and liabilities		**3,509,463**	**3,664,929**

Statement of Changes in Group Equity

in TEUR Notes (31-34)	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	-	-	605	-15,288	537	2,822
Total income for the year	**-**	**-**	**605**	**-15,288**	**537**	**2,822**
Dividend payout	-	-	-	-	-	-
Profit-participation rights/hybrid capital	-	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-	-
Balance as of 31 Dec 2019	**29,095**	**251,287**	**7,341**	**-46,125**	**508**	**7,131**
Total profit/loss for the year	-	-	-	-	-	-
Other comprehensive income	-	-	281	-1,793	-394	-14,909
Total income for the year	**-**	**-**	**281**	**-1,793**	**-394**	**-14,909**
Dividend payout	-	-	-	-	-	-
Profit-participation rights/hybrid capital	-	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-	-
Changes to the consolidated group/ acquisition of non-controlling interests	-	-	-	-	-	-
Balance as of 31 Dec 2020	**29,095**	**251,287**	**7,622**	**-47,918**	**114**	**-7,778**

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**
-	11,227	14,314	25,541	-	2,292	27,833
-78	-	1,718	-9,684	-	964	-8,720
-78	**11,227**	**16,032**	**15,857**	**-**	**3,256**	**19,113**
-	-8,563	-31,766	-40,329	-2,664	-3,757	-46,750
-	39,960	-	39,960	-39,960	-	-
-	-	2,807	2,807	-	-	2,807
-	-	-	-	-	3,250	3,250
-	-	-	-	-	5,254	5,254
-1,117	**197,914**	**141,047**	**587,081**	**-**	**11,957**	**599,038**
-	18,154	-65,802	-47,648	-	5,281	-42,367
429	-	127	-16,259	-	-124	-16,383
429	**18,154**	**-65,675**	**-63,907**	**-**	**5,157**	**-58,750**
-	-12,147	-	-12,147	-	-1,652	-13,799
-	121,933	-82	121,851	-	-	121,851
-	-	3,037	3,037	-	-	3,037
-	-	70	70	-	-898	-828
-688	**325,854**	**78,397**	**635,985**	**-**	**14,564**	**650,549**

Notes to the Consolidated Financial Statements

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, 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 consolidated financial statements have been prepared pursuant to Art. 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union and in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

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

The consolidated financial statements were prepared with the closing date of 31 December and relate to the business year from 1 January to 31 December. Results preceded by the abbreviation TEUR are in euro thousand. The majority of numerical entries are rounded up or down to the nearest thousand (TEUR) and may result in rounding differences.

2. Consolidated group

In addition to PORR AG, 67 (previous year: 69) domestic subsidiaries and 67 (previous year: 64) foreign subsidiaries are included in the consolidated financial statements. For one company the Group only holds 49% of the shares, however, the remainder of the shares are held in trust for PORR and the company is therefore included in the consolidated group. Six (previous year: 23) companies are no longer included in the consolidated group, whereby eleven companies were eliminated through intragroup mergers.

For one company the number of shares sold meant that only significant influence remains and this was accounted for under the equity method. One company was sold off in full. The purchase price of TEUR 6,755 was settled in cash. The assets and liabilities where control was lost break down as follows:

in TEUR	2020
Non-current assets	
Intangible assets	12
Property, plant and equipment	1,628
Loans	43,234
Deferred tax assets	397
Current assets	
Inventories	2,840
Trade receivables	3,881
Other financial assets	5,096
Other receivables and current assets	37
Cash and cash equivalents	4,024
Non-current liabilities	
Provisions	-21
Non-current financial liabilities	-39,582
Other non-current financial liabilities	-4,379
Deferred tax liabilities	-315
Current liabilities	
Provisions	-6
Current financial liabilities	-1,883
Trade payables	-10,711
Other current financial liabilities	-9
Other current liabilities	-447
Tax payables	-20

Gains on sale amounting to TEUR 3,361 were recognised in income/expenses from financial assets.

2.1. First-time consolidations

In these consolidated financial statements the following seven companies were consolidated for the first time:

Because of new foundations	**Date of initial consolidation**
FBB Spezialtiefbau Rebstein AG	16.3.2020
Tunel Swinoujscie 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
AME Asphaltmischwerk Ennshafen GmbH & Co KG	20.8.2020

No significant assets and liabilities were included as a result of these consolidations.

Because of acquisitions	**Date of initial consolidation**
FRANKI POLSKA Spólka z ograniczona odpowiedzialnoscia	27.2.2020

TEUR 250 was used to purchase the remaining 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 -574 to EBT for the period and TEUR 4,058 to revenue. Assuming a notional date of first-time consolidation of 1 January 2020, Group revenue and earnings would change as follows:

in TEUR	Revenue	EBT
FRANKI POLSKA Spólka z ograniczona odpowiedzialnoscia	5,114	-525
Total	**5,114**	**-525**

Furthermore, 50 (previous year: 48) domestic and 39 (previous year: 35) foreign associates and joint ventures were included under application of the equity method. The consolidated subsidiaries and companies accounted for under the equity method are shown in the list of shareholdings (see appendix). Companies that are of minor significance for the consolidated financial statements are not included. Ten (previous year: nine) subsidiaries and 25 (previous year: 26) shareholdings in associates and joint ventures were therefore not included in the consolidation or accounted for under the equity method; this primarily relates to general partner companies.

3. New accounting standards

3.1. Standards adopted for the first time in the financial year

The Group applied the following standards for the first time as of 1 January 2020, whereby the first-time application did not have any significant impact:

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
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
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (phase 1)	26.9.2019	15.1.2020	1.1.2020

3.2. New accounting standards which have not yet been applied

The following standards and interpretations were not mandatory in reporting periods beginning on or after 1 January 2020 and the option to apply them early was not exercised. No material impact on the Group is expected.

Standards and interpretations already adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
Amendments to IFRS9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform (phase 2)	27.8.2020	13.1.2021	1.1.2021
Amendments to IFRS 4	25.6.2020	15.12.2020	1.1.2021
Amendments to IFRS 16 Covid-19-Related Rent Concessions	28.5.2020	9.10.2020	1.6.2020

Standards and interpretations not yet adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of initial application
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	1.1.2023
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
IAS 1 Disclosure of Accounting Policies	12.2.2021	1.1.2023
IAS 8 Definition of Accounting Estimates	12.2.2021	1.1.2023

4. Consolidation principles

Business combinations are accounted for in accordance with the acquisition method. According to this method, the assets acquired and liabilities assumed as well as contingent liabilities are measured on the acquisition date at their fair values attributable at this date. Where the difference between the acquisition costs and the attributable proportion of net assets valued at fair value shows an excess, this item is recognised as goodwill, which is not written off or amortised in regular amounts but is subjected to an annual test for impairment. Where any difference relates to a bargain purchase, its effect on net income is recognised immediately and presented in other operating income.

All accounts receivable and payable between consolidated companies are eliminated during debt consolidation. Intragroup income and expense are offset within the course of consolidation of income and expense. Intragroup profits or losses from intragroup deliveries are eliminated if these relate to significant amounts and the relevant assets are still recognised in the consolidated financial statements.

Shares in net assets of subsidiaries not attributable to PORR AG are presented separately within equity capital under the item "non-controlling interests".

5. Accounting and measurement methods

5.1. Measurement principles

The annual financial statements of all companies included in the consolidated financial statements are prepared according to standard accounting and measurement methods.

Currency translation: The companies included in the consolidated financial statements prepare their annual financial statements in their respective functional currencies, whereby the functional currency is the relevant currency for the commercial activities of the company concerned. The functional currency for all of the companies included is the currency of the country in which the company concerned is domiciled.

The following key exchange rates were applied for the inclusion and currency translation of foreign subsidiaries:

	Mean exchange rate as of 31 Dec 2020	Average annual exchange rate 2020
CHF	1.08020	1.07090
CZK	26.24500	26.49625
NOK	10.47030	10.77404
QAR	4.46254	4.17690
PLN	4.61480	4.47416
RON	4.86940	4.84183

	Mean exchange rate as of 31 Dec 2019	Average annual exchange rate 2019
CHF	1.08540	1.11114
CZK	25.41000	25.65892
NOK	9.86380	9.84438
QAR	4.08248	4.07226
PLN	4.25850	4.30176
RON	4.77930	4.75086

Items in the consolidated statement of financial position are translated at the mean rate of exchange at the end of the reporting period and income statement items are translated at the annual mean rate of exchange for the business year as an arithmetic mean of all end-of-month quotations. Differences resulting from the currency translation are reported in other comprehensive income. These translation differences are recognised in the income statement at the date of disposal of the business activities.

In the event of company acquisitions, adjustments of the carrying amounts of the acquired assets and assumed liabilities to the fair value at the date of acquisition or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidated group in a currency other than the functional currency are recognised in profit or loss for the period. Monetary items not denominated in the functional currency held by companies included in the consolidated group are translated at the mean rate applicable at the end of the reporting period. Exchange gains or losses resulting from this translation are also recognised in profit or loss.

Intangible assets are capitalised at acquisition cost and amortisation is recognised on a straight-line basis over the probable useful life.

	Rates of amortisation	
in %	2020	2019
Licences, software	8.33–50.0	8.33–50.0

The amortisation apportionable to the business year is shown in the income statement under the item "Depreciation, amortisation and impairment expense".

If impairment is established, the relevant intangible assets are recognised at the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the carrying amount that would have been determined had the impairment loss not been accrued.

Goodwill is recorded as an asset. In order to assess any impairment demand, goodwill of the cash-generating unit or groups of cash-generating units are assigned, which benefit from the synergies of the business combination. This cash-generating unit or groups of cash-generating units are tested once a year for impairment, as well as at any other time where circumstances exist that indicate there may be possible impairment.

Property, plant and equipment, with the exception of real estate, is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and was subject to the previously accumulated and regularly applied straight-line depreciation during the year under review, whereby the following rates of depreciation were applied:

	Rates of depreciation	
in %	2020	2019
Technical plants and machinery	10.0–50.0	10.0–50.0
Other plants, factory and business equipment	10.0–50.0	10.0–50.0

The depreciation rates are based on the probable useful life of the facilities. If impairment is determined, the relevant tangible assets are impaired to the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, an impairment reversal is recognised equivalent to the carrying amount that would have been determined had the impairment expense not been accrued. Fundamental rebuilding work is recognised in the statement of financial position, while ongoing maintenance work, repairs and minor rebuilding work are recognised in profit or loss at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. The external assessments are held at periodic intervals of maximum five years; in the interim period assessments from internal experts are used to update the expert opinions. Revaluations are performed on a regular basis so that the carrying amounts do not deviate significantly from the fair values attributable at the end of the reporting period. The date for the revaluation for the end of the reporting period generally falls in the fourth quarter of the reporting year. The carrying amount is adjusted to the respective fair value by using a revaluation reserve in other comprehensive income. The revaluation reserve is reduced by the applicable deferred tax liability. On a subsequent sale or decommissioning of revalued land or buildings, the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred to retained earnings. Regular depreciation of revalued buildings is carried out pursuant to the straight-line method and recognised in the income statement, whereby the following depreciation rates were applied:

	Rates of depreciation	
in %	2020	2019
Land rights	1.22–50.0	1.22–50.0
Mining rights	depends on assets	depends on assets
Buildings, including buildings on land owned by others	1.00–4.00	1.00–4.00

Rights of use in property, plant and equipment and real estate used for operational purposes conferred under lease agreements are recognised as future lease payments in the amount of their present value and written down on a straight-line basis over the term of the lease and/or under application of the specified rates of depreciation.

Assets under construction, including buildings under construction, which are intended for operational purposes or whose type of use has not yet been determined, are accounted for at acquisition cost or manufacturing cost less impairment. Depreciation or impairment of these assets commences upon their completion or attainment of operational status.

Investment property is real estate that is held for the purpose of generating rental income and/or for the purpose of its growth in value. This includes office and commercial premises, residential buildings and unimproved land. These are recognised at their fair values. Gains or losses from changes in value are reflected in profit or loss for the period in which the change in value occurred.

The fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

Rights of use in investment property conferred under lease agreements are recognised as future lease payments in the amount of their present value and measured at fair value in the subsequent periods.

Shares in associates and in joint ventures are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired at fair value and, if applicable, goodwill. The carrying amount is increased or decreased annually by the proportionate annual profit or loss, dividends received and other changes to equity capital. Goodwill is not subject to planned amortisation, rather it is assessed for impairment as a part of the relevant shareholding when circumstances exist that indicate there may be possible impairment.

Shares in consortiums (joint ventures): Group shares in profits and losses from consortiums classified as joint ventures are presented in the consolidated income statement under profit/loss from companies accounted for under the equity method. Group revenues from goods and services to consortiums are presented in the consolidated income statement under revenue. Capital paid into a consortium is entered under trade receivables (see note 25), together with profit shares and trade receivables for the relevant consortium and after deductions for withdrawals and general losses. If there is on balance a passive entry, this is included under trade payables (see note 38).

Shares in joint operations: The consolidated financial statements recognise the proportionate assets and liabilities and the proportionate expenses and income attributable to the PORR Group.

Raw materials and supplies are valued at the lower of acquisition cost and net realisable value.

Recorded under inventories, **real estate intended for sale** is valued at the lower of acquisition cost, manufacturing cost and net realisable value.

Acquisitions and sales of **financial assets** common to the market (spot transactions) are presented in the statement of financial position as of settlement date.

Deferred tax items are recognised where there are temporary differences between the values of assets and liabilities in the consolidated financial statements on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax expense or tax relief. In addition, a deferred tax asset for future asset advantage resulting from tax loss carryforwards is recognised if there is sufficient certainty of realisation. Temporary differences arising from the first-time recognition of goodwill constitute exceptions to this comprehensive tax deferral.

The determination of deferred taxes involves the tax rate applicable in the specific region, which is 25% for Austrian companies.

If a Group company purchases **treasury shares** in PORR AG, the value of the consideration paid, including directly attributable additional costs (net of income tax), will be deducted from the equity of PORR AG until the shares are retired or re-issued. If these shares are subsequently re-issued, the consideration paid (less deductions for directly attributable additional costs and related income taxes) will be recognised in the equity of PORR AG.

The **provisions for severance payments, pensions and anniversary bonuses** are determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed by a recognised actuary on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 0.40% p.a. (previous year: 0.65%) was applied with increases of 2.0% (previous year: 2.0%) for pensions, 2.25% (previous year: 2.15%) for severance, and 2.25% (previous year: 2.15%) for anniversary bonuses. When determining provisions for severance payments and anniversary bonuses for Austria, deductions are made for fluctuations based on statistical data within a range of 0.4% to 10.5% (previous year: 0.4% to 10.5%) and for anniversary bonuses in Germany a range of 0.0% to 16.0% (previous year: 0.0% to 16.0%) was applied, while for severance payments in Poland a range of 0.0% to 9.25% was applied (previous year: 0.0% to 9.25%) and in the Czech Republic a range of 0.0% to 7.83% was applied for severance payments and anniversary bonuses. When determining provisions for pensions, a pension increase of 2.0% p.a. (previous year: 2.0% p.a.) was applied in Austria and Germany. For Austrian companies the assumed retirement age is the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), taking into account all transitional arrangements; for German companies the legal retirement age is used. The life table AVÖ 2018-P was used for calculating provisions in Austria (previous year: life table AVÖ 2018-P), while for Germany the life table Richttafeln 2018 G by Heubeck was used (previous year: life table Richttafeln 2018 G by Heubeck).

Actuarial gains and losses for severance payments and pensions are recognised in full in other comprehensive income, while anniversary bonuses are shown under profit or loss for the period. Service costs are shown and charged under staff expense. Interest paid is recorded under finance costs.

Other provisions take account of all currently discernible risks and contingent liabilities from past events whereby an outflow of resources is judged to be probable. They are recognised with the best estimate of the expenditure required to settle the present obligation if a reliable estimate exists. Provisions related to impending losses and damages and penalties from contracts are recorded in other provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

Lease obligations are measured at the present value of future lease payments. Interest charges are based on the interest rate on which the lease agreement is based. Should it not be possible to determine this rate, the Group's incremental borrowing rate of interest for the respective term is applied.

Financial instruments
Every financial instrument that falls under the scope of IFRS 9 is classified into measurement categories based on the business model underpinning it and the contractually agreed cash flow characteristics. Financial assets and liabilities are measured at fair value when they are initially recognised. In the subsequent period they are measured at amortised cost or fair value depending on the respective measurement category.

For financial instruments measured at amortised cost or at fair value through other comprehensive income, the expected credit loss model is applied for any impairment. Here a risk provision is formed on the date of acquisition in the amount of the twelve-month expected credit loss (stage 1). Should a significant increase in the credit risk occur, then the lifetime expected credit loss is recognised (stage 2). If there is objective evidence of actual impairment, then stage 3 applies.

For trade receivables, contract assets and lease receivables, the PORR Group uses the simplified approach pursuant to IFRS 9.5.15 and recognises the lifetime expected loss when calculating impairment. The Group draws on all available information when estimating the expected credit loss. This includes historic data and future-oriented information. As a general rule, no external creditworthiness assessments are available for financial instruments. The expected credit loss is calculated on the basis of the product from the expected net of the financial instrument, the probability of default for the period and the amount lost in the case of an actual loss.

The general impairment model is applied for loans (project financing) for companies accounted for under the equity method and other equity interests. Should no external creditworthiness assessments be available, then the credit risk is monitored using key performance indicators (KPIs) such as the day sales outstanding (DSO) and equity ratio for each equity interest.

Trade receivables and other financial receivables are measured at amortised cost, in the year under review allowances for expected credit losses were formed on the basis of historic default rates and forecast data.

Loans that exclusively have pre-agreed interest and redemption payments are recognised at amortised cost, all other loans are measured at fair value through profit or loss. No allowances for expected credit losses were formed in the business years as neither the historic data nor the forecast data resulted in loss rates.

Shares in GmbHs, non-consolidated companies and other shareholdings presented under **other financial assets** are valued at fair value through other comprehensive income, whereby they are mostly determined using measurement methods such as the discounted cash flow method. The limited shares also presented under other financial assets are measured at fair value through profit or loss.

Securities (shown under other financial assets and other non-current financial assets) are classified as being in the category FVTPL and measured at fair value. If they represent debt instruments and only interest and principal payments have been agreed, they are recognised at amortised cost.

Liabilities are measured at amortised cost according to the effective interest method.

Derivative financial instruments are measured at fair value through profit or loss. Hedge transactions are conducted in line with interest risk management and are measured in accordance with IFRS 9.

Revenues from contracts with customers
Revenue is recognised after deductions for sales tax, discounts and other reductions as well as other taxes related to sale. The point in time the revenue is realised depends on the type of revenue, described as follows:

For revenues from construction contracts, the revenue is realised over the period of the service rendered under application of the POC method. The probable contract revenue is shown under revenue in accordance with the respective percentage of completion. The basis for determining the percentage of completion is the services rendered to date relative to the overall services estimated. This also applies to revenues from contracts with customers that are realised in consortiums. Should appropriate conditions be met, multiple contracts are aggregated and measured together from across the Group. Variable components of contract revenue – especially supplements – shall be applied when it is highly probable that they will not lead to a reversal of the revenues already recognised. Invoices for advance payments are provided in line with a predefined payment plan that broadly corresponds to progress made on the construction project. In individual cases, the payment plans include a financing component that is recognised separately in the financing result as interest income.

Following the deduction of customer payments, the service rendered is recognised as a contract asset under trade receivables or as a contract liability under other liabilities if the payments received exceed the services rendered so far. If it is probable that the total contract costs will exceed the contract revenue, the expected loss is immediately recognised in full in the amount necessary to fulfil the contract. Contract-fulfilment costs are recognised and written down over the duration of the project as long as they would not have been incurred had the contract not been fulfilled.

Revenue from landfills and from the sale of raw materials are mostly realised at a point in time following transfer of the key opportunities and risks. Revenue from services arising from the management of real estate (property management) are realised over a period of time.

Interest income is defined in accordance with the effective interest method. The effective interest rate is any interest rate where the present value of future cash flow from the financial asset value corresponds to the carrying amount of the asset.

Dividend income from financial investments is recognised when legal title arises.

Borrowing costs resulting directly from the acquisition or production of qualifying assets, even those whose acquisition or manufacture takes up a considerable time period until the intended use or sale, form part of the cost of the asset and are therefore capitalised. Other borrowing costs are recorded as an expense in the period in which they were incurred.

6. Key assumptions and key sources of estimation uncertainty

6.1. Key sources of estimation uncertainty

The following presents significant assumptions related to the future and other key sources of estimation uncertainty which could lead to significant adjustments in the consolidated financial statements for the following business year of results reported:

Provisions for severance and pensions
The valuation of existing pension and severance obligations relies on assumptions and estimates which could have a significant impact on the amounts recognised.

For pension provisions, the following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/-0.25 PP, Pension trend +/-0.25 PP, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in life expectancy for the total candidates of the respective plan.

The differences to the values disclosed in the statement of financial position (see note 35) are shown in the tables below as relative deviations:

2020	Interest +0.25 PP				Interest -0.25 PP			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	-7.10%	-3.40%	-2.40%	-2.60%	7.80%	3.60%	2.50%	2.80%
	Pension trend +0.25 PP				Pension trend -0.25 PP			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	7.70%	3.60%	2.50%	2.70%	-7.00%	-3.50%	-2.40%	-2.60%
	Life expectancy +1 year				Life expectancy -1 year			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	4.30%	4.70%	7.20%	7.00%	-4.20%	-4.60%	-6.90%	-6.70%

2019	Interest +0.25 PP				Interest -0.25 PP			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	-5.50%	-3.50%	-2.30%	-2.60%	5.90%	3.70%	2.40%	2.80%
	Pension trend +0.25 PP				Pension trend -0.25 PP			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	5.80%	3.70%	2.40%	2.70%	-5.40%	-3.50%	-2.30%	-2.60%
	Life expectancy +1 year				Life expectancy -1 year			
	active	vested	liquid	total	active	vested	liquid	total
Pension DBO	4.50%	4.50%	7.10%	6.80%	-4.40%	-4.40%	-6.80%	-6.50%

For provisions for severance payments, the following actuarial assumptions were deemed relevant and the following margins were applied:
Discount rate +/-0.25 PP, Salary trend +/-0.25 PP, Fluctuation +/-0.5 PP up to 25th year of work, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in average life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position (see note 35) is shown in the tables below as relative deviations:

2020	Interest +0.25 PP	Interest -0.25 PP	Salary trend +0.25 PP	Salary trend -0.25 PP
Severance DBO	-1.96%	2.03%	1.97%	-1.91%
	Fluctuation +0.5 PP up to 25th year of work	Fluctuation -0.5 PP up to 25th year of work	Life expectancy +1 year	Life expectancy -1 year
Severance DBO	-0.28%	0.29%	0.09%	-0.10%

2019	Interest +0.25 PP	Interest -0.25 PP	Salary trend +0.25 PP	Salary trend -0.25 PP
Severance DBO	-2.01%	2.08%	2.03%	-1.97%
	Fluctuation +0.5 PP up to 25th year of work	Fluctuation -0.5 PP up to 25th year of work	Life expectancy +1 year	Life expectancy -1 year
Severance DBO	-0.30%	0.31%	0.09%	-0.10%

Contract assets

The evaluation of client contracts under the POC method until project completion, in particular with a view to the accounting of claims, the contract revenue using the POC method, and the estimate of the probable operating profit from the contract, is based on expectations relating to the future development of the relevant construction contracts. A change in these estimates, particularly as regards contract costs to complete the contract, percentage of completion, the estimated operating profit and the final claims accepted, can have a significant impact on the Group's financial position and financial performance (see note 25). The following sensitivity analysis shows the effect of changes to the key parameters on the carrying amounts:

in TEUR	Carrying amount 31.12.2020	Significant valuation assumptions	Change	Effect on carrying amounts
Contract assets	3,328,346	EBT margin	+/-0.5 PP	+/-16,642
Provisions for onerous contracts	18,930	Provision/order value	+/-0.5 PP	+/-937
Provisions for damages and penalties	88,673	Provision/order value	+/-0.5 PP	+/-17,433
Provisions for guarantees	85,785	Provision/order value	+/-0.5 PP	+/-25,322

in TEUR	Carrying amount 31.12.2019	Significant valuation assumptions	Change	Effect on carrying amounts
Contract assets	3,644,885	EBT margin	+/-0.5 PP	+/-18,324
Provisions for onerous contracts	8,336	Provision/order value	+/-0.5 PP	+/-959
Provisions for damages and penalties	78,616	Provision/order value	+/-0.5 PP	+/-15,320
Provisions for guarantees	82,377	Provision/order value	+/-0.5 PP	+/-25,600

Impairment

Impairment tests on goodwill, other intangible assets and property, plant and equipment are primarily based on estimated future cash flows which are expected from the continuous use of an asset and its disposal at the end of its useful life. Factors such as lower revenues or rising expenditure and the resulting lower cash flows as well as changes to the discount factors used can lead to impairment due to a reduction in value or, as far as allowed, to a reversal of impairment due to an increase in value. The carrying amounts and the valuation assumptions applied to key impairment tests on goodwill are as follows:

2020	Goodwill in TEUR	Fair value hierarchy	Method used	Business plan assumptions	Growth rate %	Discount rate after taxes %	Effective date
Road construction	7,704	-	Value in use	Revenue p.a. 1.4–4.1%	1	6.15	31.12.
PPI	10,202	-	Value in use	Revenue p.a. -5.2–2.0%	1	7.12	31.12.
Oevermann	44,170	-	Value in use	Revenue p.a. -6.9–4.2%	1	5.76	31.12.
BB Government	13,157	-	Value in use	Revenue p.a. 1.3–24.4%	1	5.73	31.12.
Hinteregger	20,180	-	Value in use	Revenue p.a. -26.1–7.8%	1	6.47	31.12.
PORR a.s.	11,970	-	Value in use	Revenue p.a. 2.0–8.8%	1	6.58	31.12.

2019	Goodwill in TEUR	Fair value hierarchy	Method used	Business plan assumptions	Growth rate %	Discount rate after taxes %	Effective date
Road construction	7,704	-	Value in use	Revenue p.a. -6.3–10.0%	1	6.40	31.12.
PPI	11,056	-	Value in use	Revenue p.a. -8.06–2.0%	1	6.61	31.12.
Oevermann	44,170	-	Value in use	Revenue p.a. 0.0–6.5%	1	6.22	31.12.
BB Government	13,157	-	Value in use	Revenue p.a. 1.8–7.0%	1	6.20	31.12.
Hinteregger	20,180	-	Value in use	Revenue p.a. -18.0–21.1%	1	6.40	31.12.
PORR a.s.	12,363	-	Value in use	Revenue p.a. 1.1–11.5%	1	6.61	31.12.

The following shows the changes in parameters that would lead to impairment for the cash-generating unit of the Hinteregger Group.

2020 in TEUR	Discount rate +0.5%	EBITDA margin -10%
Hinteregger	-299	-1,996

Management assumes that there will not be any significant changes which could lead to impairment for the cash-generating unit of road construction, Porr Polska Infrastructure (PPI), the Oevermann Group, the BB Government Group and PORR a.s.

6.2. Restatement of comparative information

To facilitate better comparability, the presentation of expenses related to IFRS 16 (disposals) has been changed. The prior-year figures have been restated accordingly.

	31.12.2020	31.12.2019	
in TEUR		after adjustment	before adjustment
Other operating income	133,606	175,056	178,733
Cost of materials and other related production services	-3,117,518	-3,292,838	-3,286,674
Other operating expenses	-364,222	-394,822	-398,530
EBITDA	**131,438**	**216,183**	**222,316**
Depreciation, amortisation and impairment expense	-168,647	-161,461	-167,594
EBIT	**-37,209**	**54,722**	**54,722**

7. Impacts of COVID-19

7.1. General impacts

COVID-19, which the WHO declared a pandemic on 11 March 2020, has presented the PORR Group – as is the case for almost every company in different industry sectors – with major challenges. The temporary standstill caused by restrictions on movement, limits on travel between European countries, local lockdowns and non-performance by subcontractors had a material impact on the operating business. All sides had to react to a completely unforeseeable event. The measures taken by governments to protect the health of their populations led to massive direct and indirect impacts on the global economy. Extensive governmental support packages were passed to revive economy activity. The news of the first vaccines available against COVID-19 significantly improved the situation and the International Monetary Fund has forecast an ongoing economic recovery in 2021.

Since the start of the crisis, PORR has been trying to minimise the risk of infection by increasingly holding events and meetings virtually, introducing a hygiene concept and encouraging remote working. Comprehensive measures were implemented to ensure liquidity including short-time work, using up vacation days, and freezing investments, hiring and spending.

The main impacts in the operating business of PORR were seen in construction site shutdowns during the first lockdown in spring 2020, the same but at a much-reduced level during the second lockdown in autumn, when there was a renewed rise in cases after a trend of falling infection rates in summer. Furthermore, additional safety and hygiene precautions had to be taken on the construction sites. While restrictions on movement did lead to a decrease in travel and fleet costs, the lack of coverage from the drop in output could not be made up in the remainder of the financial year. Moreover, all of the additional measures required to stop the spread of COVID-19 infections led to higher expenses on construction projects that could not be passed on in full to the client and thereby had a negative impact on earnings. The feasibility of charging COVID-19-related costs to clients varied greatly due to individual contracts and contract types as well as differences in the legal frameworks. However, the consolidated earnings for the year were impacted strongly by the temporary restrictions on the one hand as well as higher costs on the other.

It remains hard to predict how long the restrictions will continue. The long-term goals of the future programme PORR 2025 nevertheless remain unchanged and achievable based on current forecasts.

7.2. State grants and subsidies

The total amount of state grants and subsidies drawn on across the Group in relation to COVID-19 breaks down as follows:

Type of grant	**Item in consolidated income statement**	**in TEUR**
Staff-related subsidies (short-time work, reduction of social security and employer's contribution, other staff-related subsidies)	Staff expenses	23,047
Expense subsidies	Other operating income	969
Fixed cost subsidies	Other operating income	94
Tax relief	Other operating income	21
Total		**24,131**

In addition, loans amounting to TCHF 838.4 had been taken out by two subsidiaries in Switzerland at 0% interest as of 31 December 2020. In the meantime, these loans have been increased by TCHF 18,361.6 to TCHF 19,200. In Germany, PORR exercised the option to delay payments on VAT taxes and duties in the amount of EUR 51m. The deferred amounts were mostly settled in 2020, the final amounts in March 2021. In Austria, the maximum amount of a TEUR 50,000 investment premium was applied for in February 2021. In addition, the option to delay payments on taxes and duties was used in the amount of EUR 31m. Most of the delayed amounts were already settled in 2020. In the case of fixed cost subsidies, a further TEUR 87.5 was applied for as of 31 December 2020 but has not yet been recognised in the income statement.

7.3. Impairment

As the outbreak of the COVID-19 pandemic may be considered as an indicator for impairment under IFRS requirements, assessments were made within each of the business units using external sources of information in particular. It was thereby determined that in BU 2 and in Poland as part of BU 3, the market conditions and economic environment had changed so significantly as a result of the COVID-19 pandemic as to necessitate an impairment test of the material asset items and so such a test was conducted. No need to apply impairment was determined in any of the tests.

With regard to the impairment of financial instruments in accordance with IFRS 9, the possible deterioration in the creditworthiness of private customers in Austria was taken into account when assessing the expected credit loss and additional impairment of TEUR 498 was applied.

8. Revenues

The gross revenues of TEUR 4,651,842 (previous year: TEUR 4,880,414) include the construction work of own construction sites, goods and services to consortiums, and other revenues from operating activities.

The following table shows total Group output by business area, in which the output from contracts carried out by consortiums is recognised in the amount of the proportion attributable to the company included in the consolidated financial statements, and then attributed to revenue.

2020 in TEUR	**BU 1 – Austria, Switzerland**	**BU 2 – Germany**	**BU 3 – International**	**Holding**	**Group**
Revenue					
Building construction					
Commercial/office construction	225,484	15,919	55,722	-	297,125
Industrial engineering	137,932	379	39,507	-	177,818
Miscellaneous building construction	272,265	172,094	56,676	-	501,035
Residential construction	439,998	94,057	28,347	-	562,402
Civil engineering					
Railway construction	110,717	678	174,505	-	285,900
Bridge/overpass construction	84,582	45,837	102,475	-	232,894
Miscellaneous civil engineering	416,648	208,551	45,090	14,331	684,620
Road construction	369,816	149,226	424,595	-	943,637
Tunnelling	40	98,325	277,726	-	376,091
Other sectors	330,600	48,650	157,685	53,385	590,320
Revenue	**2,388,082**	**833,716**	**1,362,328**	**67,716**	**4,651,842**
Revenue recognised over time	2,239,089	827,174	1,362,328	63,313	4,491,904
Revenue recognised at a point of time	148,993	6,542	-	4,403	159,938

2019 in TEUR	**BU 1 – Austria, Switzerland**	**BU 2 – Germany**	**BU 3 – International**	**Holding**	**Group**
Revenue					
Building construction					
Commercial/office construction	216,399	31,566	71,826	-	319,791
Industrial engineering	140,461	1,019	12,048	-	153,528
Miscellaneous building construction	124,187	141,404	70,885	5,024	341,500
Residential construction	427,971	110,294	46,853	-	585,118
Civil engineering					
Railway construction	81,430	28	161,183	-	242,641
Bridge/overpass construction	105,056	78,412	134,190	-	317,658
Miscellaneous civil engineering	240,809	251,482	55,975	6,897	555,163
Road construction	407,316	125,492	332,789	-	865,597
Tunnelling	60	155,708	368,053	-	523,821
Other sectors	718,519	76,685	121,313	59,080	975,597
Revenue	**2,462,208**	**972,090**	**1,375,115**	**71,001**	**4,880,414**
Revenue recognised over time	2,321,459	965,948	1,374,665	63,759	4,725,831
Revenue recognised at a point of time	140,749	6,142	450	7,242	154,583

The revenues can be subdivided as follows:

in TEUR	**2020**	**2019**
Revenues from construction contracts	4,360,781	4,587,380
Revenues from sales of raw materials and other services	291,061	293,034
Total	**4,651,842**	**4,880,414**

Revenue exclusively comprises revenue from customer contracts. Promised goods or services in the amount of TEUR 6,092,352 (previous year: TEUR 5,694,698) would result in revenue of TEUR 3,195,250 (previous year: TEUR 3,179,413) in the following year and TEUR 2,897,102 (previous year: TEUR 2,515,285) in the subsequent periods.

9. Other operating income

in TEUR	2020	2019
Income from releases of provisions	19,348	29,661
Income from the sale of property, plant and equipment	10,027	19,673
Revenue from the provision of staff	11,281	18,955
Insurance payments	11,619	14,737
Exchange rate gains	14,126	17,614
Revenue from charging materials	6,370	7,153
Revenue from other charges passed on	16,288	20,324
Rent from space and land	4,230	6,307
Other income related to staff	6,821	1,725
Valuation of investment properties	3,220	-
Other	30,276	38,907
Total	**133,606**	**175,056**

Miscellaneous other operating income largely comprises deductions for the private use of company cars, compensation for damages in the course of realising tenders and additional services rendered.

10. Cost of materials and other related production services

in TEUR	2020	2019
Expenditure on raw materials and supplies and for goods received	-985,952	-1,081,698
Expenditure on services received	-2,131,566	-2,211,140
Total	**-3,117,518**	**-3,292,838**

11. Staff expense

in TEUR	2020	2019
Wages and salaries	-955,888	-993,471
Social welfare expenses	-236,926	-235,797
Expenditure on severance payments and pensions	-17,279	-13,912
Total	**-1,210,093**	**-1,243,180**

Expenditure on severance payments and pensions includes the prior service costs and contributions to the staff provision fund for employees who commenced employment with an Austrian group company after 31 December 2002 and voluntary severance payments. The interest expense arising from severance payments and pension obligations is presented under the item finance costs.

12. Depreciation, amortisation and impairment expense

Amortisation of TEUR 5,881 (previous year: TEUR 11,412) was applied to intangible assets and depreciation of TEUR 162,766 (previous year: TEUR 150,049) to property, plant and equipment, of which TEUR 2,058 (previous year: TEUR 3,208) relates to impairment. For further explanation see notes 18 and 19.

13. Other operating expenses

in TEUR	2020	2019
Legal and consultancy services, insurance	-54,643	-65,553
Buildings and land	-39,812	-40,600
Exchange rate losses	-21,798	-15,960
Fleet	-20,357	-23,164
Advertising	-6,975	-17,730
Office operations	-39,062	-37,072
Commission on bank guarantees	-23,600	-18,885
Other taxes	-12,743	-15,844
Contributions and fees	-8,670	-8,294
Training	-4,335	-5,552
Travel expenses	-30,806	-37,493
Other	-101,421	-108,675
Total	**-364,222**	**-394,822**

Other operating expenses essentially comprise taxes and duties, third party services and general administrative costs.

14. Income from financial investments and current financial assets

in TEUR	2020	2019
Income from shareholdings	1,530	2,640
of which from affiliated companies	(-)	(-)
Expenditure from shareholdings	-828	-316
of which from affiliated companies	(-49)	(-77)
Income/expenditure from current financial assets	3,755	2,008
Interest	8,314	11,064
of which from affiliated companies	(1)	(128)
Total	**12,771**	**15,396**

Under the item interest, interest of TEUR 1,520 (previous year: TEUR 1,520) (see note 46) towards the UBM Group is included, which relates to financial assets measured at fair value through other comprehensive income.

15. Finance costs

in TEUR	2020	2019
Interest and similar expenditure relating to bonds and bonded loans (Schuldscheindarlehen)	-6,969	-8,594
Other interest and similar expenses	-19,641	-24,115
of which from affiliated companies	(-5)	(-5)
of which interest expenditure from social overhead capital provisions	(-1,032)	(-2,667)
Total	**-26,610**	**-32,709**

As in the previous year, no borrowing costs were capitalised in the year under review. The capitalisation interest rate was between 0.01% and 7.44% (previous year: 0.01% and 7.44%).

16. Income tax

Income tax comprises the current taxes on income and earnings paid or owed in the individual countries for the year under review and deferred taxes.

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in TEUR	2020	2019
Current tax expense	5,774	17,460
Deferred tax expense (+)/income (-)	-14,455	-7,884
Tax expense (+)/income (-)	**-8,681**	**9,576**

The tax expense resulting from the application of the Austrian Corporation Tax rate of 25% can be reconciled to the tax expense as reported in the income statement as follows:

in TEUR	2020	2019
EBT	**-51,048**	**37,409**
Theoretical tax expense (+)/income (-)	-12,762	9,352
Differences in rates of taxation	-1,227	3,635
Tax effect of non-deductible expenditure and tax-exempt income	1,536	-398
Income/expenses from companies accounted for under the equity method	996	-3,361
Changes in deferred tax assets not applied in relation to loss carryforwards and temporary differences	-3,161	3,311
Effect from tax rate changes	289	-388
Tax expense (+)/income (-) related to other periods	5,189	-2,224
Other	459	-351
Taxes on income	**-8,681**	**9,576**

In addition to the tax expense recognised in the consolidated income statement, the tax effect of expenses and income charged to other comprehensive income was also recognised in other comprehensive income. The income recognised in other comprehensive income amounted to TEUR 260 (previous year: TEUR 3,977). Payouts from hybrid capital, profit-participation rights and costs of capital increase, each designated as equity capital, are tax deductible. The resulting tax of TEUR 3,491 (previous year: TEUR 2,807) was recognised directly in equity.

Summary of tax effects in other comprehensive income:

in TEUR	2020	2019
Revaluation reserve	-327	-1,014
Remeasurement from defined benefit obligations	599	5,136
Remeasurement of equity instruments	131	-179
Reserve for cash flow hedges	-143	26
Equity attributable to shareholders of parent	**260**	**3,969**
Equity attributable to non-controlling interests	-	8
Total	**260**	**3,977**

17. Earnings per share

Earnings per share are calculated by dividing the proportion of the annual profit relating to the shareholders of the parent company by the weighted average number of shares issued.

in TEUR	2020	2019
Loss/profit for the year attributable to shareholders of parent incl. profit-participation rights/hybrid capital interests	-47,648	25,541
Less profit-participation rights/hybrid capital interests	-18,154	-11,227
Loss/profit for the year attributable to shareholders of parent	-65,802	14,314
Weighted average number of issued shares	28,878,505	28,878,505
Basic earnings per share	**-2.28**	**0.50**
Diluted earnings per share	**-2.28**	**0.50**

As there were no potential diluted transactions for the business years 2019 and 2020, the diluted earnings per share correspond to the basic earnings per share.

Reconciliation statement for the weighted number of shares:

	2020	2019
Shares issued as of 1 Jan	29,095,000	29,095,000
Less treasury shares	-216,495	-216,495
Shares issued less treasury shares as of 1 Jan	28,878,505	28,878,505
Weighted average of ordinary shares as of 31 Dec	**28,878,505**	**28,878,505**

18. Intangible assets

in TEUR	Concessions, licences and similar rights	Software	Goodwill	Other intangible assets	Payments on account and assets under construction	Total
Acquisition costs and manufacturing costs						
Balance as of 1 Jan 2019	34,121	58,698	117,838	12,928	-	223,585
Additions/disposals due to changes in the consolidated group	-2	9,859	2,240	-	-	12,097
Additions	-	3,371	-	-	5,681	9,052
Disposals	-886	-9,747	-3,806	-12,928	-291	-27,658
Reclassifications	-33,233	2,970	4,252	-	962	-25,049
Currency adjustments	-	23	255	-	-	278
Balance as of 31 Dec 2019	**-**	**65,174**	**120,779**	**-**	**6,352**	**192,305**
Additions/disposals due to changes in the consolidated group	-	11	747	-	-	758
Additions	-	1,833	-	-	5,541	7,374
Disposals	-	-1,245	-801	-	-1,540	-3,586
Reclassifications	-	289	-	-	-351	-62
Currency adjustments	-	-130	-1,257	-	-	-1,387
Balance as of 31 Dec 2020	**-**	**65,932**	**119,468**	**-**	**10,002**	**195,402**
Accumulated amortisation and impairment						
Balance as of 1 Jan 2019	20,357	40,801	1,571	12,644	-	75,373
Additions/disposals due to changes in the consolidated group	-2	69	-	-	-	67
Additions (planned amortisation)	530	7,390	-	284	-	8,204
Additions (impairment)	-	-	3,208	-	-	3,208
Disposals	-866	-9,710	-3,806	-12,928	-	-27,310
Reclassifications	-20,019	-10	4,252	-	-	-15,777
Currency adjustments	-	18	-	-	-	18
Balance as of 31 Dec 2019	**-**	**38,558**	**5,225**	**-**	**-**	**43,783**
Additions/disposals due to changes in the consolidated group	-	11	-	-	-	11
Additions (planned amortisation)	-	4,823	-	-	-	4,823
Additions (impairment)	-	-	1,058	-	-	1,058
Disposals	-	-1,235	-801	-	-	-2,036
Reclassifications	-	-50	-	-	-	-50
Currency adjustments	-	-106	-	-	-	-106
Balance as of 31 Dec 2020	**-**	**42,001**	**5,482**	**-**	**-**	**47,483**
Carrying amounts as of 31 Dec 2019	**-**	**26,616**	**115,554**	**-**	**6,352**	**148,522**
Carrying amounts as of 31 Dec 2020	**-**	**23,931**	**113,986**	**-**	**10,002**	**147,919**

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the cash-generating unit or groups of cash-generating units to which it belongs in each particular case.

This applies to the segments as shown below:

in TEUR	Balance as of 1 Jan 2020	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance as of 31 Dec 2020
BU 1 - Austria, Switzerland	11,437	-	-	-	-458	10,979
BU 2 - Germany	57,328	-	-	-	-	57,328
BU 3 - International	44,336	-1,247	737	-	-	43,826
Holding	2,453	-	-	-	-600	1,853
Total	**115,554**	**-1,247**	**737**	**-**	**-1,058**	**113,986**

in TEUR	Balance as of 1 Jan 2019	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance as of 31 Dec 2019
BU 1 - Austria, Switzerland	11,396	-	41	-	-	11,437
BU 2 - Germany	57,328	-	-	-	-	57,328
BU 3 - International	47,290	254	-	-	-3,208	44,336
Holding	253	-	2,431	-231	-	2,453
Total	**116,267**	**254**	**2,472**	**-231**	**-3,208**	**115,554**

In the segment Business Unit 1 – Austria, Switzerland, goodwill of TEUR 7,704 is allocated to the cash-generating unit of road construction. In the segment Business Unit 2 – Germany, goodwill totalling TEUR 44,170 is allocated to the cash-generating unit of the Oevermann Group. In the segment Business Unit 3 – International, goodwill of TEUR 10,202 is allocated to the cash-generating unit Porr Polska Infrastructure (PPI). Further goodwill totalling TEUR 20,180 is allocated to the cash-generating unit of the Hinteregger Group. Goodwill of TEUR 11,970 has been recognised in the segment Business Unit 3 – International to the cash-generating unit of PORR a.s.

In the course of the impairment test, the total of the carrying amounts of the assets of the cash-generating unit to which goodwill was allocated plus the carrying amount of the goodwill allocated to this cash-generating unit is compared with its recoverable amount. The recoverable amount of the cash-generating unit corresponds to the fair value less sale costs or the value in use, if this is higher. The fair value is determined on the basis of a DCF calculation. In cases where no fair value can be determined, the value in use, i.e. the present value of the estimated future cash flows generated by the segment, is laid down as the recoverable amount. The cash flows were derived from budgets for three to five years approved by the Executive Board and current as of the time the impairment tests were applied. More details on the parameters and sensitivity analyses used in impairment tests are given in note 6.1.

The comments under accounting and measurement methods explain the useful lives and methods of amortisation, depreciation and impairment.

The consolidated income statement contains impairment related to goodwill of TEUR 1,058 (previous year: TEUR 3,208), recognised under the item “Depreciation, amortisation and impairment expense”, as well as amortisation on other intangible assets. Impairment related to goodwill was applied due to a downturn in the market environment.

19. Property, plant and equipment

in TEUR	Land, land rights and buildings, including buildings on land owned by others and assets under construction	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets under construction	Right of use – land and buildings	Right of use – technical equipment, machinery and other plant, factory and business equipment	Total
Acquisition costs, manufacturing costs and revaluations							
Balance as of 1 Jan 2019	488,150	416,070	166,968	15,048	16,954	184,483	1,287,673
Adjustments due to first-time application of IFRS 16	-	-	-	-	158,615	37,446	196,061
Additions/disposals due to changes in the consolidated group	621	639	2,254	-	-	-180	3,334
Additions	41,946	52,261	40,085	10,095	25,375	67,370	237,132
Disposals	-19,115	-21,315	-30,581	-3,757	-1,557	-21,317	-97,642
Reclassifications	30,603	46,144	5,173	-5,815	-	-23,437	52,668
Currency adjustments	789	693	405	16	131	252	2,286
Revision arising from revaluation	4,330	-	-	-	-	-	4,330
Balance as of 31 Dec 2019	**547,324**	**494,492**	**184,304**	**15,587**	**199,518**	**244,617**	**1,685,842**
Additions/disposals due to changes in the consolidated group	3	2,080	550	134	-	93	2,860
Additions	10,825	44,897	41,713	26,753	14,824	40,789	179,801
Disposals	-22,297	-47,294	-24,555	-2,235	-973	-5,681	-103,035
Reclassifications	-4,846	27,259	2,850	-12,135	-	-21,127	-7,999
Currency adjustments	-2,026	-3,940	-1,536	-463	-617	-2,102	-10,684
Revision arising from revaluation	1,307	-	-	-	-	-	1,307
Balance as of 31 Dec 2020	**530,290**	**517,494**	**203,326**	**27,641**	**212,752**	**256,589**	**1,748,092**
Accumulated depreciation and impairment							
Balance as of 1 Jan 2019	215,517	251,208	86,445	-	6,618	61,127	620,915
Additions/disposals due to changes in the consolidated group	482	305	1,223	-	-	-12	1,998
Additions (planned depreciation)	16,993	43,378	34,030	-	15,131	40,517	150,049
Disposals	-13,217	-19,745	-27,455	-	-235	-12,251	-72,903
Reclassifications	18,449	41,046	5,427	-	-	-21,061	43,861
Currency adjustments	290	446	242	-	16	30	1,024
Balance as of 31 Dec 2019	**238,514**	**316,638**	**99,912**	**-**	**21,530**	**68,350**	**744,944**
Additions/disposals due to changes in the consolidated group	-	1,057	269	-	-	-	1,326
Additions (planned depreciation)	16,903	50,822	35,913	51	18,082	39,995	161,766
Additions (impairment)	1,000	-	-	-	-	-	1,000
Disposals	-13,328	-39,973	-22,352	-51	-569	-5,188	-81,461
Reclassifications	830	8,420	1,425	-	-	-12,113	-1,438
Currency adjustments	-693	-2,528	-942	-	-231	-465	-4,859
Balance as of 31 Dec 2020	**243,226**	**334,436**	**114,225**	**-**	**38,812**	**90,579**	**821,278**
Carrying amounts as of 31 Dec 2019	**308,810**	**177,854**	**84,392**	**15,587**	**177,988**	**176,267**	**940,898**
Carrying amounts as of 31 Dec 2020	**287,064**	**183,058**	**89,101**	**27,641**	**173,940**	**166,010**	**926,814**

Land, land rights and buildings, including buildings on land owned by others, includes reserves for raw materials amounting to TEUR 47,126 (previous year: TEUR 52,648), which is written off based on performance.

Scheduled and non-scheduled depreciation is shown under "Depreciation, amortisation and impairment expense".

The value of property under property, plant and equipment that was valued by an external valuation expert as of the reporting date amounts to TEUR 74,904 (previous year: TEUR 27,174).

The carrying amount for property, plant and equipment pledged for security at the end of the reporting period is TEUR 34,903 (previous year: TEUR 36,022).

The carrying amount for land, land rights and buildings, including buildings on land owned by others and usage rights shown under intangible assets would have amounted to TEUR 274,364 (previous year: TEUR 294,267) under application of the cost model as of 31 December 2020.

Fair value of land and buildings

Determining the fair value of properties is carried out by way of a revolving cycle. Fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement. An internal valuation team determines the market value of any property that has not been evaluated externally. Discussions related to the parameters that need to be applied to determine fair value (Level 3) are led by operational project developers, the Executive Board and the valuation team.

The various levels are defined as follows:
- Quoted (non-adjusted) prices in active markets for identical assets or liabilities (Level 1)
- Inputs which differ from the quoted market prices in Level 1, which are either indirectly observable (i.e. as a price) or directly observable (i.e. derived from the price) (Level 2).
- Inputs which are based on unobservable market data for the assets or liabilities (Level 3)

in TEUR	Fair value as of 31 Dec 2020		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Other key unobservable inputs Level 3
Operating premises/storage/mix plant	-	-	185,509
Gravel pit/stone quarry	-	-	65,360
Landfill	-	-	36,195

in TEUR	Fair value as of 31 Dec 2019		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Other key unobservable inputs Level 3
Operating premises/storage/mix plant	-	-	197,307
Gravel pit/stone quarry	-	-	69,092
Landfill	-	-	42,411

Range of unobservable inputs 2020

	Property type		
	Operating premises/ storage/mix plant	Gravel pit/ stone quarry	Landfill
Valuation method	CE, CV	CE, CV	CE
Capitalisation interest rate in %	4.35 - 9.50	4.50	
Rent in EUR/m²	2.47 - 27.17		
Maintenance in %[1]	0.41 - 1.75		
Maintenance in %[2]	3.00 - 14.50		
Vacancy rate in %[2]	2.50 - 10.00		
Income in EUR/t		6.61 - 48.34	7.60 - 150.00
Expenses in EUR/t		5.08 - 16.21	
Land value in EUR/m²	9.00 - 256.00		

Range of unobservable inputs 2019

	Property type		
	Operating premises/ storage/mix plant	Gravel pit/ stone quarry	Landfill
Valuation method	CE, CV	CE, CV	CE
Capitalisation interest rate in %	4.70 - 10.00	4.50	
Rent in EUR/m²	2.16 - 17.54		
Maintenance in %[1]	0.50 - 1.50		
Maintenance in %[2]	3.00 - 14.00		
Vacancy rate in %[1]	7.50 - 10.00		
Vacancy rate in %[2]	2.50 - 13.00		
Income in EUR/t		6.73 - 47.00	8.00 - 135.00
Expenses in EUR/t		4.92 - 15.38	
Land value in EUR/m²	15.00 - 45.00		
Construction time in EUR/m²	1,000.00 - 1,650.00		

CE = capitalised earnings
CV = comparative value
[1] Discount from value of new construction
[2] Discount from value of gross annual income

The impact of unobservable inputs on fair value

- Capitalisation interest rate: the lower the capitalisation interest rate, the higher the fair value
- Rent: the higher the price per m², the higher the fair value
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value

Reconciliation of Level 3 valuations

	Property type		
in TEUR	Operating premises/ storage/mix plant	Gravel pit/ stone quarry	Landfill
Balance as of 1 Jan 2020	**197,307**	**69,092**	**42,411**
Additions/disposals due to changes in the consolidated group	2	-	-
Additions	9,116	582	1,126
Disposals	-8,203	-324	-441
Reclassifications	-5,114	-313	-248
Currency adjustments	-1,331	-3	1
Revision arising from revaluation	1,307	-	-
Planned depreciation	-7,575	-3,674	-6,654
Balance as of 31 Dec 2020	**185,509**	**65,360**	**36,195**

in TEUR	Property type Operating premises/ storage/mix plant	Gravel pit/ stone quarry	Landfill
Balance as of 1 Jan 2019	**164,787**	**62,700**	**45,146**
Additions/disposals due to changes in the consolidated group	139	-	-
Additions	37,594	1,014	3,338
Disposals	-4,333	-998	-567
Reclassifications	2,407	9,875	-128
Currency adjustments	445	-1	55
Revision arising from revaluation	4,330	-	-
Planned depreciation	-8,062	-3,498	-5,433
Balance as of 31 Dec 2019	**197,307**	**69,092**	**42,411**

Leases

The following amounts arising from leases were recognised:

in TEUR	2020	2019
Interest expense on lease liabilities	9,810	9,803
Short-term lease expense	44,995	46,677
Low-value lease expense	350	694
Total cash outflows from leases	74,258	75,526
Income from sale-and-lease-back transactions	220	-

The gains from sale-and-lease-back transactions relate to the sale of a property to a related party. Part of this property is leased over a period of 5 years.

The terms of the leases for property are between 2 and 65 years and for tangible assets between 2 and 15 years.

Lease agreements for both property and tangibles sometimes include extension options that are only applied in the calculation of the lease liability if there is sufficient certainty that the option will actually be exercised.

Exercise prices for options to acquire an asset at the end of the lease term are only capitalised if there is sufficient certainty that the purchase option will actually be exercised. Variable lease payments, which are linked to an index, are measured at the applicable index on the date the asset is rendered. A revaluation is carried out if a significant event occurs or there is a material change in conditions. In case of a non-lease component, this is separated and not included in the rate.

The maturity profile of leases is presented in note 44.4.

20. Investment property

in TEUR	Investment property	Right of use – investment property	Total
Fair value			
Balance as of 1 Jan 2019	63,906	2,065	65,971
Additions/disposals due to changes in the consolidated group	-20,128	-	-20,128
Additions for purchases	1,498	-	1,498
Additions for manufacturing costs	6,547	-	6,547
Reclassifications	2,192	-1,715	477
Adjustments to fair value	-274	-	-274
Balance as of 31 Dec 2019	**53,741**	**350**	**54,091**
Additions for purchases	3,578	-	3,578
Additions for manufacturing costs	166	-	166
Disposals	-19,604	-	-19,604
Reclassifications	-9,746	-	-9,746
Adjustments to fair value	2,871	-	2,871
Balance as of 31 Dec 2020	**31,006**	**350**	**31,356**

The value of investment property, which was assessed by an external expert as of the reporting date, amounted to TEUR 0 (previous year: TEUR 1,324).

The rental income from investment property amounted to TEUR 556 in the year under review (previous year: TEUR 556). Operating expenses related to investment property for which there was no rental income in the year under review amounted to TEUR 53 (previous year: TEUR 170).

Investment property with a carrying amount of TEUR 0 (previous year: TEUR 1,170) is pledged as collateral for liabilities.

Reclassifications of TEUR 13,600 (previous year: TEUR 0) relate to the reclassification of properties into non-current assets held for sale; properties of TEUR 3,854 (previous year TEUR 477) were reclassified into property, plant and equipment.

Fair value of land and buildings

The fair value is determined according to recognised measurement methods, namely by being inferred from a current market price, by being inferred from a price attained in a transaction with similar items of real estate in the recent past or in the absence of suitable market data – by discounting estimated future cash flows that are usually generated in the market by this type of real estate in the course of letting.

in TEUR	Fair value as of 31 Dec 2020		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Other key unobservable inputs Level 3
Office/commercial	-	-	4,320
Undeveloped properties	-	21,067	-
Other	-	-	5,619

in TEUR	Fair value as of 31 Dec 2019		
Property type	Prices quoted in active markets for identical assets Level 1	Other key observable inputs Level 2	Level 3
Office/commercial	-	-	10,844
Undeveloped properties	-	40,795	-
Other	-	-	2,102

Range of observable inputs 2020

Property type	Valuation method	Land value[1] in EUR/m²
Undeveloped properties	CV	5.00 - 132.00

Range of observable inputs 2020

Property type	Valuation method	Land value[1] in EUR/m²
Undeveloped properties	CV	5.00 - 132.00

CV = comparative value
[1] Without construction plans

Range of unobservable inputs 2020

Property type	Valuation method	Capitalisation interest rate in %	Rent in EUR/m²	Maintenance in %[1]	Vacancy rate in %[1]
Office/commercial	CE	7.00	3.00	15.00	10.00
Other	CE	5.00 - 7.00	7.50 - 15.69	0.50 - 0.75	10.00

Range of unobservable inputs 2019

Property type	Valuation method	Capitalisation interest rate in %	Rent in EUR/m²	Maintenance in %[1]	Vacancy rate in %[1]
Office/commercial	CE, CV	5.00 - 7.50	2.00 - 15.00	15.00	10.00

CE = capitalised earnings
CV = comparative value
[1] Discount from value of gross annual income

The impact of unobservable inputs on fair value

- Capitalisation interest rate: the lower the capitalisation interest rate, the higher the fair value.
- Rent: the higher the price per m², the higher the fair value.
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value.
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value.

Reconciliation of Level 3 valuations

	Property type	
in TEUR	Office/ commercial	Other
Balance as of 1 Jan 2020	**10,844**	**2,102**
Additions	13	3,542
Disposals	-9,520	-
Reclassifications	3,307	-
Adjustments to fair value	-324	-25
Balance as of 31 Dec 2020	**4,320**	**5,619**

	Property type	
in TEUR	Office/ commercial	Other
Balance as of 1 Jan 2019	**9,379**	**2,126**
Reclassifications	1,715	-
Adjustments to fair value	-250	-24
Balance as of 31 Dec 2019	**10,844**	**2,102**

21. Shares in companies accounted for under the equity method

The requisite disclosures pursuant to IFRS 12 have been made for associates and joint ventures that are designated as significant by the PORR Group for reasons of quality or quantity. For seven companies the Group holds the majority of shares, however there is no control due to a shareholder agreement and so the companies are accounted for under the equity method.

Associated companies

The following associate is "Joint Venture Al Wakrah Stadium & Precinct Main Works & Masterplan", in which the PORR Group holds 33.3% (previous year: 33.3%). The purpose of the company is to build the Al Wakrah Stadium, the main venue for the 2022 FIFA World Cup in Qatar.

in TEUR	2020	2019
Revenue	4,943	81,234
Profit for the year	6,768	18,760
Other comprehensive income	-1,652	483
Total comprehensive income	**5,116**	**19,243**
Current assets	36,207	55,982
Current liabilities	-18,567	-36,276
Net assets	**17,640**	**19,706**
Group share of net assets as of 1 Jan	6,569	7,521
Group share of total comprehensive income	1,706	6,415
Dividends received	-2,394	-7,367
Group's share of net assets as of 31 Dec	**5,881**	**6,569**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**5,881**	**6,569**

Disclosures on associated companies of minor significance

in TEUR	2020	2019
Carrying amount of companies accounted for under the equity method as of 31 Dec	19,207	19,133
Group share of		
profit/loss for the year	824	4,527
other comprehensive income	-623	109
Total comprehensive income	**201**	**4,636**

The accumulated amount of non-recognised shares of losses of associates as of 31 December 2020 is TEUR 0 (previous year: TEUR 0) for the business year 2020.

Joint ventures

The following joint venture is KMG – Klinikum Management Gesellschaft mbH and its subsidiary Klinikum Austria Gesundheitsgruppe GmbH (KMG Group), both domiciled in Austria. In 2019 the PORR Group gained control over the former material joint venture "hospitals" Projektentwicklungsges.m.b.H. and thereby now directly holds 50% (previous year: 50%) of shares in the KMG Group. The company works in developing and preparing hospital projects.

in TEUR	2020	2019
Revenue	50,210	56,604
Tax expense	-2,664	-2,240
Profit/loss for the year	5,596	4,937
Total comprehensive income	**5,596**	**4,937**
Non-current assets	40,210	43,233
Current assets	24,049	15,304
of which cash and cash equivalents	(15,098)	(7,144)
Non-current liabilities	-12,637	-14,380
of which non-current financial liabilities	(-12,637)	(-14,380)
Current liabilities	-12,550	-12,829
of which current financial liabilities	(-)	(-2,000)
Net assets	**39,072**	**31,328**
Net assets of non-controlling interests	-10,099	-7,952
Net assets of controlling shareholder	**28,973**	**23,376**
Group share of net assets as of 1 Jan	11,688	-
Addition of share of net assets	-	11,688
Group share in total comprehensive income	2,798	-
Group share of net assets as of 31 Dec	**14,486**	**11,688**
Goodwill	15,655	15,655
Carrying amount of companies accounted for under the equity method as of 31 Dec	**30,141**	**27,343**

Another significant joint venture is D4R7 based in Bratislava, in which the PORR Group holds a direct interest of 35% (previous year: 35%). The purpose of the company is the design and build of the D4 motorway and the R7 expressway, which links the western and eastern parts of Slovakia.

in TEUR	2020	2019
Revenue	235,206	288,164
Tax expense	-1,915	795
Loss/profit for the year	-25,151	-666
Other comprehensive income		
Total comprehensive income	**-25,151**	**-666**
Current assets	126,742	137,755
of which cash and cash equivalents	(75,266)	(86,152)
Current liabilities	-117,183	-144,675
of which current financial liabilities	(-117,183)	(-144,675)
Net assets	**13,538**	**1,490**
Group share of net assets as of 1 Jan	521	754
Increase of share capital	13,020	-
Group share of total comprehensive income	-8,803	-233
Group share of net assets as of 31 Dec	**4,738**	**521**
Carrying amount of companies accounted for under the equity method as of 31 Dec	**4,738**	**521**

Disclosures on joint ventures of minor significance

in TEUR	2020	2019
Carrying amount of companies accounted for under the equity method as of 31 Dec	32,267	32,515
Group share of		
profit/loss for the year	14,918	63,950
other comprehensive income	-1,011	153
Total comprehensive income	**13,907**	**64,103**

The share of the Group in the annual profit also includes the pro-rata earnings from non-significant consortiums amounting to TEUR 10,605 (previous year: TEUR 39,723), which is recognised under trade receivables and trade payables (see note 5.1).

As of 31 December 2020, the accumulated amount of non-recognised shares of losses of joint ventures for the business year 2020 is TEUR 499 (previous year: TEUR 431).

The joint ventures listed below represent the ten largest consortiums measured by proportionate annual revenue; the disclosures on financial information represent 100%.

Consortium	Share in consortium in % 2020	2019	Activity	Location
ATCOST21	61	61	Construction of Filder, Obertürkheim and Untertürkheim tunnels	Germany
H51 Pfons-Brenner	55	55	Main lot of the Brenner Base Tunnel	Austria
ARGE EÜ Filstal	50	50	Construction of a railway bridge	Germany
Albaufstieg Tunnel	58	58	Tunnelling lots 1, 2 and 3	Germany
Arge VIE T2 MKL	50	50	Expansion of Terminal 2 at Vienna Airport	Austria
Arge S31 SAB	50	50	Safety expansion of the S31 expressway	Austria
ARGE Parlament	50	50	Renovation and adaptation of the Austrian Parliament building	Austria
Arge ÖBB Lustenau-Lauterach	66	66	Reconstruction of the Lustenau train station	Austria
Arge DF 164	50	50	Construction of a residential complex in Donaustadt	Austria
Arge ÖBB Linz Westkopf	66.7	66.7	Expansion of Linz main station	Austria

2020 in TEUR	**ATCOST21**	**H51 Pfons-Brenner**	**ARGE EÜ Filstal**	**Albaufstieg Tunnel**	**Arge VIE T2 MKL**	**Arge S31 SAB**	**ARGE Parlament**	**Arge ÖBB Lustenau-Lauterach**	**Arge DF 164**	**Arge ÖBB Linz Westkopf**
Revenue	169,806	79,048	60,455	42,264	34,240	25,608	19,223	16,103	19,542	14,409
Depreciation, amortisation and impairment	-4,580	-1,322	-564	-188	-	-11	-138	-137	-15	-15
Interest expense	-	-	-	-	-	-	-	-10	-	-2
Non-current assets	2,201	4,773	342	127	-	56	290	561	-	22
Current assets	269,184	59,436	7,698	86,494	14,945	3,868	27,483	4,865	4,892	3,878
of which cash and cash equivalents	(7,176)	(3,560)	(30)	(9,165)	(976)	(908)	(2,000)	(2,918)	(3,608)	(1,408)
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
of which non-current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Current liabilities	-271,385	-64,209	-8,040	-86,621	-14,945	-3,924	-27,773	-5,426	-4,892	-3,900
of which current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2019 in TEUR	**ATCOST21**	**H51 Pfons-Brenner**	**ARGE EÜ Filstal**	**Albaufstieg Tunnel**	**Arge VIE T2 MKL**	**Arge S31 SAB**	**ARGE Parlament**	**Arge ÖBB Lustenau-Lauterach**	**Arge DF 164**	**Arge ÖBB Linz Westkopf**
Revenue	191,697	88,257	15,922	54,820	4,123	31,232	24,216	1,936	6,785	4,300
Depreciation, amortisation and impairment	-4,069	-1,898	-570	-493	-	-24	-231	-23	-23	-12
Interest expense	-	-	-	-	-	-	-	-2	-	-1
Non-current assets	3,146	2,726	584	296	-	37	496	2	-	11
Current assets	237,456	32,211	21,732	79,257	2,052	12,847	21,342	2,425	2,412	3,760
of which cash and cash equivalents	(17,284)	(13,549)	(19)	(12,240)	(6,432)	(707)	(5,788)	(-)	(3,483)	(634)
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
of which non-current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Current liabilities	-240,602	-34,937	-22,316	-79,553	-2,052	-12,884	-21,838	-2,427	-2,412	-3,771
of which current financial liabilities	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-330)	(-)	(-)
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The Group share of the profit for the reporting period of these significant consortiums amounts to TEUR 22,043 (previous year: TEUR 12,951) and is allocated to trade receivables and trade payables (see note 5.1).

22. Loans

in TEUR	2020	2019
Loans to companies accounted for under the equity method	31,658	29,219
Loans to companies in which an equity interest is held	-	30,654
Other loans	148	23,461
Total	**31,806**	**83,334**

23. Other financial assets

in TEUR	2020	2019
Shareholdings in non-consolidated subsidiaries	273	238
Other shareholdings	5,012	5,301
Other equity interests/debt instruments	30,791	31,464
Total	**36,076**	**37,003**

The other equity interests relate to granting perpetual hybrid capital of TEUR 25,330 with an interest rate of 6.0% to UBM Development AG. Ordinary termination by PORR AG is excluded. Interest payments are dependent on whether UBM Development AG resolves to pay out a dividend from the annual surplus. If there is a year in which no payout of dividends from the annual surplus is passed by UBM Development AG, then UBM Development AG is not obliged to pay any interest in the same year, whereby in this instance the interest is not cancelled but remains due. The carrying amount stood at TEUR 25,370 as of the reporting date (previous year: TEUR 25,895).

The remaining debt instruments of TEUR 5,421 (previous year: TEUR 5,569) mainly comprise fixed-interest items. They are not subject to any restrictions on disposal.

24. Inventories

Inventories comprise the following items:

in TEUR	2020	2019
Finished and unfinished products and merchandise	7,203	5,737
Raw materials and supplies	65,888	68,607
Payments on account	1,665	1,686
Total	**74,756**	**76,030**

Allowances of TEUR -709 (previous year: TEUR -603) were recognised on products and merchandise in the year under review. No inventories were pledged as collateral for liabilities.

25. Trade receivables

Contract assets

The client contracts valued in accordance with the POC method at the end of the reporting period are stated as follows:

in TEUR	2020	Recorded as a receivable	Recorded as a liability
Contract assets	3,328,346	1,972,922	1,355,424
of which unrealised partial gains	(97,916)	(79,969)	(17,947)
Less attributable payments on account	-3,284,897	-1,497,463	-1,787,434
Net	**43,449**	**475,459**	**-432,010**

in TEUR	2019	Recorded as a receivable	Recorded as a liability
Contract assets	3,644,885	2,335,114	1,309,771
of which unrealised partial gains	(122,658)	(92,118)	(30,540)
Less attributable payments on account	-3,281,597	-1,687,155	-1,594,442
Net	**363,288**	**647,959**	**-284,671**

Proportional contract values capitalised according to the percentage of completion of the contract as of 31 December 2020 are balanced by contract costs valued at TEUR 3,230,430 (previous year: TEUR 3,522,227), so that the recognised profit for these contracts amounts to TEUR 97,916 (previous year: TEUR 122,658).

Changes to the contract assets were as follows in the period under review:
Increase caused by:
- Newly started construction service contracts or progress made on projects

Decrease caused by:
- Completed construction service contracts and those for which a final invoice has been issued
- Advance payments received

Shares of the profits from consortiums are allocated to receivables from consortiums. Advances received, including preliminary payments on invoices for partial delivery, are allocated to liabilities, where these exceed proportional contract values capitalised according to the percentage of completion of the contract. Impending losses and damages and penalties from contracts are recorded in provisions, in as far as the respective proportional contract values according to the percentage of completion are exceeded.

Composition and maturity terms of trade receivables

in TEUR	31.12.2020	Remaining term > 1 year	31.12.2019	Remaining term > 1 year
Trade receivables	690,973	47,263	680,085	62,424
Contract assets	475,459	-	647,959	-
Receivables from consortiums	166,895	14,235	152,867	7,934
Total	**1,333,327**	**61,498**	**1,480,911**	**70,358**

Trade receivables are classified as current in accordance with IAS 1 as they are to be settled within the entity's normal operating cycle. The significant payment terms from contracts with customers under which revenue is realised over a period of time specify payment 30 days after the review period of the issue of a monthly invoice. In individual cases, payments follow a specific payment schedule based on the project. Contracts with customers under which revenue is realised at a point in time specify payment 30 days after the service has been rendered and/or the invoice has been issued.

Trade receivables include contractual retentions of TEUR 48,358 (previous year: TEUR 53,356).

in TEUR	2020	2019
Trade receivables before allowances	**1,098,545**	**834,478**
Impairment allowances as of 1 Jan	**154,393**	**169,590**
Additions	382,200	50,571
Appropriation	-122,570	-60,257
Reversal	-6,451	-5,511
Balance as of 31 Dec	**407,572**	**154,393**
Carrying amount of trade receivables	**690,973**	**680,085**

Maturity structure of receivables

in TEUR	2020	2019
Carrying amount as of 31 Dec	**690,973**	**680,085**
of which not overdue at closing date	383,060	453,731
of which overdue at closing date in the following time periods		
less than 30 days	93,874	32,461
between 30 and 60 days	8,316	12,442
between 60 and 180 days	38,951	20,886
between 180 and 360 days	107,996	25,429
more than 360 days	58,776	135,136

In the above-mentioned overdues, amounts of ongoing invoice checks are also included, which could take up to 120 days to settle. Allowances for impairment were included at reasonable amounts.

26. Other non-current financial assets

in TEUR	31.12.2020	Remaining term > 1 year	31.12.2019	Remaining term > 1 year
Loans	32,151	-	23,000	-
Receivables from companies accounted for under the equity method	20,801	2,826	22,674	17,250
Receivables from other shareholdings	8,385	-	9,691	-
Receivables from insurance	259	-	225	-
Investment certificates	40,079	-	-	-
Other	79,471	6,281	57,545	9,702
Total	**181,146**	**9,107**	**113,135**	**26,952**

Forward contracts at fair value amounting to TEUR 1,677 (previous year: TEUR 1,763) are included under other financial assets (see note 44). In addition, this item contains TEUR 16,672 (previous year: TEUR 5,078) of receivables from deposits, as well as receivables from the UBM Group totalling TEUR 4,602 (previous year: TEUR 4,620) (see note 46).

Contractual retentions amounting to TEUR 509 (previous year: TEUR 168) are included under receivables from non-consolidated subsidiaries, companies accounted for under the equity method and other shareholdings.

27. Other receivables and assets

in TEUR	31.12.2020	Remaining term > 1 year	31.12.2019	Remaining term > 1 year
Tax receivables	3,575	-	11,148	-
Receivables from supplier payments	42,568	-	33,990	-
Other	2,186	-	2,375	-
Total	**48,329**	**-**	**47,513**	**-**

28. Cash and cash equivalents

The cash and cash equivalents include cash at banks amounting to TEUR 582,291 (previous year: TEUR 581,665) and cash in hand of TEUR 254 (previous year: TEUR 225).

29. Non-current assets held for sale

Non-current assets held for sale relate to two properties in the segment Business Unit 1 – Austria, Switzerland, where the company has received Supervisory Board approval to sell and is actively looking for a buyer. In the meantime, purchase agreements have been signed for both properties, closing is not yet completed.

30. Deferred tax assets

The following tax deferments presented in the statement of financial position arise from temporary differences between the valuations in the IFRS consolidated financial statements and the respective valuations for tax purposes as well as from utilisable loss carryforwards:

	2020		2019	
in TEUR	Assets	Liabilities	Assets	Liabilities
Non-current assets, lease obligations	147,824	122,458	158,497	130,799
POC method	-	99,963	-	113,181
Untaxed reserves	-	2,549	-	3,020
Provisions	31,746	14,497	27,779	8,091
Others	-	-	152	-
Tax loss carryforwards	45,801	-	38,122	-
Off-setting	-216,836	-216,836	-209,030	-209,030
Deferred taxes	**8,535**	**22,631**	**15,520**	**46,061**

Deferred tax assets based on loss carryforwards are recognised to the extent that these can probably be offset against future taxable profits.

Non-capitalised deferred tax assets derived from loss carryforwards amount to TEUR 159,654 (previous year: TEUR 64,061), of which losses of TEUR 59,636 can be carried forward without restriction, while TEUR 18 can be carried forward for the next five years.

31. 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**

The shares are ordinary no-par shares. Each ordinary share has a pro-rata interest of EUR 1.00 in the share capital of EUR 29,095,000 and participates in profits to the same extent and each share entitles the bearer to one vote at the Annual General Meeting (AGM). The shares are no-par bearer shares.

As of 31 December 2020, the company held a total of 216,495 treasury shares (previous year: 216,495 shares), respectively 0.74% of the share capital. In accordance with Section 65 Paragraph 5 of the Stock Corporation Act, the company does not have any rights, particularly voting rights, from the treasury shares.

Authorised capital

The Executive Board is authorised, in accordance with Section 169 of the Stock Corporation Act, to increase the share capital of the company within five years of entry of the authorisation of the Annual General Meeting granted on

29 May 2018 being entered in the Commercial Register, with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 4,364,250 by issuing up to 4,364,250 no-par value shares for cash or consideration in kind – in either case also in multiple tranches, also in the course of direct subscription rights in accordance with Section 153, Paragraph 6 Stock Corporation Act – (authorised capital), whereby the issue price, which may not be lower than the pro rata share of share capital, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in full or in part:

i) if the capital increase is in exchange for consideration 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% of the company's share capital at the time the authorisation is exercised,
B) the capital increase is in exchange for cash contributions for the purpose of servicing a greenshoe option,
C) or is used to balance out uneven amounts.

The Supervisory Board is authorised to rule on changes to the statutes which result from the Executive Board exercising this entitlement.

32. Reserves

The capital reserves result mainly from capital increases, adjustments and statute-barred dividend claims arising from previous years, less the costs for the capital increases. The capital reserves include an amount of TEUR 192,764 (previous year: TEUR 192,764) of legal reserves, whereby the release is restricted. It may only be released to compensate for a loss which would otherwise be presented in the annual financial statements of PORR AG, to the extent that free reserves are not available to cover a loss in full.

The other reserves comprise the revaluation reserves in accordance with IAS 16, the currency translation reserves for the annual financial statements of subsidiaries in foreign currencies, the reserves for cash flow hedges, reserves for remeasurement from benefit obligations and reserves for equity instruments, retained earnings of PORR AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained post-acquisition profits from subsidiaries and the effects of adjusting the annual financial statements of companies included in the consolidated financial statements to the accounting and measurement methods used in the consolidated financial statements. Treasury shares as of 31 December 2020 were deducted from reserves and amounted to 216,495 shares as of the reporting date. Due to disposal of assets, an amount of TEUR 862 was reclassified from the revaluation reserve into retained earnings.

In the year under review, no dividend was paid out to shareholders of PORR AG. The entire net earnings were carried forward to new account.

There is no income available for distribution to shareholders in PORR AG. The unappropriated capital reserve in PORR Construction Holding GmbH, which was the result of the original contribution of TEERAG-ASDAG Aktiengesellschaft shares in 2007 by PORR AG totalling EUR 64,693,064.82, was blocked from distribution in accordance with Section 235 Paragraph 1 of the Austrian Commercial Code. Even though PORR Construction Holding GmbH merged with PORR AG in the 2020 business year and ceased to exist following the upstream merger, this payout ban still applies to PORR AG as the acquiring company pursuant to AFRAC 31 Paragraph 15. A partial amount of TEUR 80,740 is thereby blocked from distribution from the free reserves of PORR AG totalling TEUR 183,898 as of 31 December 2020 in accordance with Section 235 Paragraph 1, Line 3 of the Austrian Commercial Code and Paragraph 2. The residual amount of TEUR 103,158 may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 458 (previous year: TEUR 458) may only be released to compensate for an accumulated loss which would otherwise be incurred, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss. Since there is no distributable profit available, there is also no dividend proposal for the financial year 2020.

33. Equity from profit-participation rights/hybrid capital

Equity from profit-participation rights

The profit-participation rights were issued by PORR Construction Holding GmbH, a subsidiary 100% of whose nominal capital was held by PORR AG. The outstanding profit-participation rights with a total nominal value of TEUR 40,000, whose issuance conditions are in accordance with debentures, have been issued for an indefinite period. In the course of a change in issuer, in November 2019 PORR AG assumed the entire contractual relationship relating to the profit-participation rights in PORR Construction Holding GmbH including all related rights and obligations. Consequently, the profit-participation rights were reclassified out of the item non-controlling interests and into earnings attributable to shareholders of the parent.

From 1 January 2016 up to and including 31 December 2020 the interest amounts to 6.66% p.a. of the nominal capital of the profit-participation rights. From 1 January 2021 until 31 December 2025 inclusive, the annual interest will be 6.0% p.a. of the nominal capital of the profit-participation rights. From 1 January 2026 the annual interest will be 13.0% p.a. of the nominal capital of the profit-participation rights.

PORR AG is only obliged to pay interest if it decides to pay a dividend to shareholders from the annual profit. PORR AG is not obliged to pay the due interest for a year without dividend payout, and if it utilises the right not to pay, the outstanding amount is kept as arrears of interest which must be paid as soon as PORR AG decides to pay a dividend from the annual profit to its shareholders. In the case of termination by the issuer or the extraordinary notice of termination by the bearers of profit-participation rights, the capital from profit-participation rights plus the valid interest accrued until termination date and the outstanding interest becomes due.

As payments on the profit-participation rights – interest as well as capital redemption – are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment on this part of the profit participation rights permanently, these profit-participation rights are categorised as equity instruments. Interest in the amount of TEUR 2,664, which is paid on these profit-participation rights, less any tax, is recorded directly in equity as a deduction.

Hybrid capital

As part of a PORR AG bond emission programme, a bond exchange was carried out in October 2014, in which holders of bonds issued by PORR AG in the years 2009 and 2010 were publicly invited to exchange these bonds. Included here was the issue of a subordinated hybrid bond with a total nominal value of EUR 17,054,500. The hybrid bond was increased in the business year 2015 to EUR 25,000,000 in the course of a private placement. The partial debentures of this hybrid bond were issued with a denomination of EUR 500 and are fixed at 6.75% p.a. until 27 October 2021 during an unlimited term, after which they are subject to variable interest as of 28 October 2021 (3-month EURIBOR plus a premium of 8.5% p. a.). In February 2017 PORR AG issued another subordinated hybrid bond with a total nominal value of EUR 125,000,000. The partial debentures of this hybrid bond, which is a perpetual bond, were issued with a denomination of EUR 1,000 and are subject to fixed interest of 5.5% p.a. until 6 February 2022 and subject to variable interest from 7 February 2022 (5-year ISDAFIX2 swap rate plus margin of 10.312% p.a.). In January 2020 PORR AG repurchased EUR 25,706,000 of the hybrid bond from 2017 as part of a buyback programme and then issued another deeply subordinated hybrid bond with a total nominal value of EUR 150,000,000 as a perpetual bond with an early buyback option for the issuer after five years. The interest rate until the first buyback option is 5.375% p.a. As payments of interest and capital redemption are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment permanently, this hybrid capital is categorised as an equity instrument. Interest of TEUR 9,483, which is paid on the hybrid capital, less any tax effect, is recorded directly in equity as a deduction.

34. Non-controlling interests

The shares in equity of subsidiaries which are not owned by PORR AG or a shareholder of the Group are presented in equity under non-controlling interests. The share of non-controlling interests in subsidiaries is of minor significance.

35. Provisions

in TEUR	Severance	Pensions	Anniversary bonuses	Indemnities	Constructions/ Other	Recultivation	Total
Balance as of 1 Jan 2020	**81,134**	**46,192**	**24,488**	**3,266**	**170,312**	**13,950**	**339,342**
Additions/disposals from changes to the consolidated group	-21	10	-8	-	-	-	-19
Transfer	4,442	555	2,791	565	77,903	5,057	91,313
OCI changes							-
from changes to financial assumptions	2,094	1,082	-	-	-	-	3,176
from changes to experience based adjustments	-1,479	687	-	-	-	-	-792
Appropriation	-7,186	-2,695	-1,543	-803	-34,135	-478	-46,840
Reversal	-	-	-	-	-18,877	-471	-19,348
Balance as of 31 Dec 2020	**78,984**	**45,831**	**25,728**	**3,028**	**195,203**	**18,058**	**366,832**
of which non-current	78,984	45,831	25,728	3,028	-	18,058	171,629
of which current	-	-	-	-	195,203	-	195,203

Based on collective agreements PORR AG and its subsidiaries have to pay anniversary bonuses to employees in Austria and Germany at specific anniversaries. The provision for anniversary bonuses was calculated in accordance with regulations of IAS 19 for other long-term benefits. In respect of the actuarial assumptions used for the calculation, refer to the notes on accounting and measurement methods.

Provisions for constructions contain at TEUR 18,930 (previous year: TEUR 8,336) provisions for impending losses arising from the order backlog, at TEUR 85,785 (previous year: TEUR 82,377) provisions for warranty claims and at TEUR 88,673 (previous year: TEUR 78,616) provisions for damages and penalties. Provisions for damages and penalties contain provisions for potential penalty arising from an ongoing antitrust litigation. Provisions for impending losses are based on current contract calculations. Provisions for warranty claims and other contract risks are determined on the basis of an individual assessment of the risks. Claims arising against the Group from these risks are deemed to be more likely than not; the amount recognised is the best estimate of the claim. As construction contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the timing of usage is uncertain but will, as a rule, lie within the relevant operating cycle. Provisions for recultivation that also contain aftercare obligations are mainly formed for the landfill business of BU 1 – Austria, Switzerland. The provisions are allocated on the basis of the amounts of landfill over the operating life in instalments and are used across the term of the recultivation and/or the aftercare on the basis of the area recultivated.

Pension plans

Defined benefit plans

Provisions for severance payment have been recognised for white-collar and blue-collar employees who are entitled to receive severance payments pursuant to the Employee Act, the Wage Earners' Severance Pay Act or company agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to 1 January 2003 and has been ongoing for at least ten years without interruption, are entitled to receive severance payments where the employment is terminated upon the employee's reaching the statutory age of retirement, even if the employment is terminated by the employee. The amount of the severance payments depends on the amount of remuneration at the time of termination and on the years of service. These employee obligations should therefore be treated as obligations under defined benefit pension plans, whereby plan assets do not need to exist to cover these obligations. Similar considerations apply to blue-collar employees to whom severance payment is due pursuant to the Wage Earners' Severance Pay Act and for severance pay payable pursuant to company agreements.

The Construction Workers' Leave and Severance Pay Act 1987 applies to the majority of blue-collar employees, according to which their claims are directed towards the holiday pay and severance pay fund to be financed by the employer's contributions. This is a state defined contribution plan, for which a severance payment provision does not need to be created.

Pension commitments are in general defined as individual benefit commitments for senior staff that are not covered by plan assets. The amount of the pension claim depends on the number of years of service in each case.

Changes within provisions for severance pay were as follows:

in TEUR	2020	2019
Present value of severance obligations (DBO) as of 1 Jan	81,134	73,247
Changes to the consolidated group	-21	118
Service cost (entitlements)	3,956	3,638
Interest expense	486	1,273
Severance payments	-7,186	-9,938
Actuarial gains (-)/losses (+)	615	12,796
Present value of severance obligations (DBO) as of 31 Dec	**78,984**	**81,134**

Severance cost

in TEUR	2020	2019
Service cost (entitlements)	3,956	3,638
Interest expense	486	1,273
Severance costs (recognised in profit and loss for the period)	**4,442**	**4,911**
Severance costs (recognised in other comprehensive income)	**615**	**12,796**

For the year 2021, an interest expense of TEUR 293 and current service costs of TEUR 3,554 are planned. For the actuarial assumptions used for the calculation, refer to the notes on accounting and measurement methods.

Pension provisions

Pension obligations transferred to provisions

in TEUR	2020	2019
Present value of the obligations covered by plan assets	23,356	23,477
Fair value of the plan assets	-12,077	-12,507
Net value of the obligations covered by plan assets	11,279	10,970
Present value of the obligations not covered by plan assets	34,552	35,221
Carrying amount of provisions as of 31 Dec	**45,831**	**46,191**

Pension costs

in TEUR	2020	2019
Service cost (entitlements)	271	254
Settlement	-	-58
Interest expense	369	983
Interest income	-85	-246
Pension costs (recognised in profit and loss for the period)	**555**	**933**
Pension costs (recognised in other comprehensive income)	**2,281**	**7,636**

Description of pension plans

Claims – Austria: as part of the defined benefit plans relating to pensions, the company is obliged to grant the agreed benefits both to active and retired employees.

The employee claims to defined benefit pension plans are defined as follows:

Group A (service contract, version dated 1 July 1991):
The pension allowance involves an agreed percentage of the basis of assessment (salary and overtime rate) for cases of retirement after reaching the age of 63 and is reduced by a defined percentage for every full year of retirement before reaching the age of 63.

Group B (service contract dated 5 August 1991) and Group C/D (service contract dated 6 August 1991):
The pension allowance is determined as an agreed amount due upon retirement after reaching the age of 63 and is reduced by a defined amount for every full year of retirement before reaching the age of 63.

Group E/F (service contract dated 29 August 1991):
The pension allowance involves an agreed amount for retirement upon reaching the age of 60; this amount increases by a fixed annual amount for every year up to 63, whereby the maximum contribution is reached after reaching the age of 63.

Claims – Germany: there are multiple pension plans with defined benefits for active and retired employees.

Employee claims to these defined benefit pension plans are tied to the number of eligible calendar years and the class of pension which was determined for the pension candidate when the claim was agreed.

In addition, there are individual commitments involving defined benefit obligations.

Pension obligations

in TEUR	2020	2019
Present value of pension obligations (DBO) as of 1 Jan	58,698	53,476
Changes to the consolidated group	10	217
Service cost (entitlements)	271	254
Interest expense	369	983
Pension payments	-3,721	-3,634
Settlement	-	-234
Actuarial profits (-)/losses (+)	2,281	7,636
Present value of pension obligations (DBO) as of 31 Dec	**57,908**	**58,698**

The obligations from the direct pension agreements in Austria are covered by insurance contracts concluded with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group. In Germany the obligations from direct pension agreements are covered by insurance contracts concluded with Nürnberger Lebensversicherung AG, Condor Lebensversicherung AG, Generali Lebensversicherung AG and Essener Verband. In order to ensure the pension claims of the employees insured from the corporate pension benefits, the rights from the insurance agreements are pledged in favour of the employees insured. The insurance of the old-age pension is entitled to share in profits in line with Section 16 of the General Terms and Conditions Governing Endowment and Pension Insurance. The insurance for the disability pension and widows' pension is also entitled to share in profits. Hence, a cash accounting statement is produced at the end of the respective insurance year. In case of a profit, 50% of the net amount of income and expenses is refunded to the insurance policyholder. In case of a loss, this is carried forward to the next insurance year. Profits can only be distributed again once the loss carryforward has been settled. The amount of the annual insurance fees is determined by the insurance company's rates and is stated in the registry of members. The fees have to be paid annually in advance. The final annual fee has to be paid in the year in which the beneficiary reaches retirement age. The pension plan reinsurance is held in an independent department of the cover pool for life insurance as laid down in Section 20 Paragraph 2 Line 1 in connection with Section 78 of the Insurance Supervision Law.

Endowment life insurance policies have been concluded, e.g. with Nürnberger Lebensversicherung AG, for the pension benefits of the German subsidiaries. The insurance involves individual endowment policies which are ring-fenced. The policyholder is the employer, while the insured party/beneficiary is the employee who can choose between a lump sum or an annuity of equal value. The amount of the annuity is determined by the rates valid at the time of choosing and the corresponding insurance conditions. The contributions must be paid until the end of the insurance year in which the claim becomes valid (death or retirement). At the end of every insurance year the current profit participation (risk and interest surplus) is credited and converted into a bonus.

Development of plan assets

in TEUR	2020	2019
Fair value of the plan assets as of 1 Jan	12,507	13,187
Changes to the consolidated group	-	197
Contribution payments	87	121
Interest income	85	246
Payouts (benefit payments)	-1,113	-1,023
Settlement	-	-175
Actuarial gains (+)/losses (-)	511	-46
Present value of plan assets as of 31 Dec	**12,077**	**12,507**

For the year 2021, an interest payment of TEUR 224 and a current service cost of TEUR 223 are planned. For the actuarial assumptions used for the calculation, refer to the notes on accounting and measurement methods.

Part of the plan assets amounting to TEUR 10,442 has been invested as follows with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group:

Structure of investments in classic cover pool

in %	2020	2019
Fixed-income securities	61.00	60.89
Shares, supplementary capital, profit-participation rights, non-ownership capital	2.10	2.27
Investment funds	23.20	22.48
Affiliates and shareholdings	3.70	3.49
Loans	7.20	6.86
Properties	2.10	2.03
Cash in bank	0.70	1.98
Total	**100.00**	**100.00**

The following table shows the average duration of the respective obligations:

	Maturity profile – DBO			DBO	Maturity profile – cash			Cash
2020	**1–5 years**	**6–10 years**	**10+ years**	**Duration**	**1–5 years**	**6–10 years**	**10+ years**	**Duration**
Pensions	17,270	13,675	26,964	11.63	17,456	14,211	32,396	13.28
Severance	30,831	21,089	26,839	8.02	33,247	28,811	62,482	11.27

	Maturity profile – DBO			DBO	Maturity profile – cash			Cash
2019	**1–5 years**	**6–10 years**	**10+ years**	**Duration**	**1–5 years**	**6–10 years**	**10+ years**	**Duration**
Pensions	17,244	13,769	27,685	11.69	17,551	14,580	35,607	13.87
Severance	32,637	18,985	29,512	8.24	35,338	26,696	76,905	12.22

Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after 31 December 2002, and blue-collar employees to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, do not acquire any severance payment claims towards their respective employer. For these employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, contributions of 1.53% of the wage or salary must be paid to an employee welfare fund; this amounted to TEUR 3,261 (previous year: TEUR 3,316) in 2020, of which TEUR 39 (previous year: TEUR 62) related to managers in key positions.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of those employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act. At the present time, around 37% of the wage of relevant employees is payable to the holiday pay fund for 2020, amounting to TEUR 58,788 (previous year: TEUR 55,578) and 4.6% of the wage of relevant employees is payable to the severance pay fund, amounting to TEUR 8,554 in 2020 (previous year: TEUR 8,039). This contribution covers employee severance payment claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This state plan covers all the companies in the building sector. The benefits are financed on a pay-as-you-earn basis, i.e. the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. The companies are not legally or actually obliged to pay these future benefits. The companies are only obliged to pay the prescribed contributions as long as they employ workers whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

Payments to external employee pension funds are recognised under the item staff expense.

In addition, the employees of the PORR Group belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide future benefits.

36. Bonds and bonded loans (Schuldscheindarlehen)

On 12 August 2015 PORR AG placed a bonded loan (Schuldscheindarlehen) totalling TEUR 185,500. The issue consists of four tranches with terms of three and five years and with a choice of interest at fixed or variable rates.

In August 2016 investors were offered the option of a premature extension of the terms for three, five and seven years. In addition, the volume was increased from TEUR 185,500 to a total of TEUR 200,000.

In February 2017 tranches totalling TEUR 58,000 and subject to variable interest rates were prematurely extended as follows: TEUR 18,000 to August 2020, TEUR 30,000 to August 2022 and TEUR 10,000 to August 2024. In August 2018, in addition to the contractually fixed repayment of the tranches subject to fixed rates totalling TEUR 21,000, tranches subject to variable rates totalling TEUR 40,000 were prematurely extended with a new end date of 14 August 2023.

In February 2019 tranches of TEUR 20,000 subject to interest at variable rates were prematurely extended to 16 February 2026. In addition, TEUR 183,000 was newly placed with terms of four, five and seven years. Of the total, TEUR 31,500 meets the "Eligible Green Principles" criteria and was placed as a Green bonded loan (Schuldscheindarlehen). A second-party opinion by the independent ratings agency Sustainalytics was provided to confirm that these principles are upheld. Under this scheme, environmentally friendly and sustainable investments in PORR office buildings are being refinanced along with investments related to PORR activities in environmental engineering. In May 2019 TEUR 20,000 of the total was paid back, in July the amount was increased by TEUR 22,000 and in October by TEUR 15,000.

In August 2020 a tranche of TEUR 18,000 subject to interest at fixed rates and two tranches of TEUR 11,000 fell due and were thereby redeemed. In September 2020, TEUR 10,000 was prematurely redeemed. As of 31 December 2020, the bonded loans (Schuldscheindarlehen) totalled TEUR 337,000.

Tenor	Nominal amount in TEUR Bonded loans without Green bonded loans	Green bonded loans	Total	in %
August 2021	42,000		42,000	12.46
February 2022	30,000		30,000	8.90
February 2023	11,000	5,500	16,500	4.90
August 2023	50,000		50,000	14.84
February 2024	10,000		10,000	2.97
February 2024	102,000	25,500	127,500	37.83
July 2024	22,000		22,000	6.53
February 2026	38,500	500	39,000	11.57
Total	**305,500**	**31,500**	**337,000**	**100.00**
Carrying amount as of 31 Dec 2020			**336,581**	

All tranches issued prior to the end of 2018 and subject to variable interest have been hedged using interest rate swaps (swapping variable rates for fixed rates), classified as a cash flow hedge.

in TEUR	Nominal amount bonded loans	Average interest rate
at fixed interest rates	90,000	1.69%
at variable interest rates	247,000	1.63%
of which hedged using IRS	75,000	
Total	**337,000**	

37. Financial liabilities

in TEUR	2020	2019
Bank loans		
at variable interest rates	85,928	155,519
at fixed interest rates	8,220	55,875
Lease obligations	325,388	337,835
Derivative financial instruments	2,060	2,214
Other financial liabilities		
at fixed interest rates	1,138	771
Total	**422,734**	**552,214**

Bank loans subject to variable rates of interest are mainly charged interest at the 3-month EURIBOR rate or the 6-month EURIBOR rate plus differing margins. In the reporting year the 3-month EURIBOR rate averaged -0.43% and the 6-month EURIBOR rate averaged -0.37%. The margins for newly acquired funds with a maximum 3-month term averaged 1.21 PP in 2020.

The interest rates for lease obligations range from 0.01% to 7.44%. The interest component of the lease payments is adjusted to the market interest rate where necessary, in accordance with the respective contractual stipulations.

Derivative financial instruments include forward contracts, hedging the diesel price by means of futures contracts, and interest rate hedges, which are measured at fair value at the end of the reporting period (see note 44).

in TEUR	31.12.2020	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Bank loans	94,148	34,271	50,377	9,500	101
Lease obligations	325,388	59,773	138,762	126,853	325,388
Derivative financial instruments	2,060	352	1,708	-	-
Other financial liabilities	1,138	1,138	-	-	-
Total	**422,734**	**95,534**	**190,847**	**136,353**	**325,489**

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Bank loans	211,394	49,506	115,781	46,107	156
Lease obligations	337,835	59,052	141,788	136,995	337,835
Derivative financial instruments	2,214	2,214	-	-	-
Other financial liabilities	771	147	543	81	-
Total	**552,214**	**110,919**	**258,112**	**183,183**	**337,991**

Bank loans which are secured by collateral relate to real estate. The Group's obligations under finance leases are secured by the leased assets with a carrying amount of TEUR 340,301 (previous year: TEUR 354,605) which are the property of the lessor under civil law.

in TEUR	31.12.2020	31.12.2019
With a remaining period up to one year	68,532	68,026
With a remaining period of more than one year and less than five years	162,410	166,063
With a remaining period of more than five years	170,914	181,850
Total	**401,856**	**415,939**
Future financing costs	-76,468	-78,104
Present value of minimum lease payments	**325,388**	**337,835**

38. Trade Payables

in TEUR	31.12.2020	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Trade payables	928,292	892,426	22,735	13,131	-
Payables to consortiums	44,808	44,577	231	-	-
Total	**973,100**	**937,003**	**22,966**	**13,131**	**-**

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Trade payables	1,056,099	1,004,413	34,490	17,196	-
Payables to consortiums	82,726	82,556	170	-	-
Total	**1,138,825**	**1,086,969**	**34,660**	**17,196**	**-**

Trade payables are classified as current as they are to be settled within the entity's normal operating cycle.

39. Other financial liabilities

in TEUR	31.12.2020	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	225	225	-	-	-
Payables to companies accounted for under the equity method	24,925	24,897	27	1	-
Payables to other shareholdings	554	554	-	-	-
Other	24,150	20,941	2,588	621	-
Total	**49,854**	**46,617**	**2,615**	**622**	**-**

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	206	206	-	-	-
Payables to companies accounted for under the equity method	9,525	9,470	55	-	-
Payables to other shareholdings	659	659	-	-	-
Other	53,848	49,979	3,248	621	-
Total	**64,238**	**60,314**	**3,303**	**621**	**-**

40. Other liabilities

in TEUR	31.12.2020	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Tax liabilities	76,601	76,601	-	-	-
Social security liabilities	23,906	23,906	-	-	-
Contract liabilities	432,009	432,009	-	-	-
Payables to staff	123,365	123,365	-	-	-
Total	**655,881**	**655,881**	**-**	**-**	**-**

in TEUR	31.12.2019	Remaining term < 1 year	1–5 years	> 5 years	of which secured by collateral
Tax liabilities	74,530	74,530	-	-	-
Social security liabilities	22,439	22,439	-	-	-
Contract liabilities	284,671	284,671	-	-	-
Payables to staff	134,451	134,451	-	-	-
Other	4,418	4,418	-	-	-
Total	**520,509**	**520,509**	**-**	**-**	**-**

41. Contingent liabilities and guarantees

in TEUR	2020	2019
Guarantees, guarantee bonds and other contingent liabilities	10,279	9,151
of which for companies accounted for under the equity method	(3,242)	(4,688)

The guarantees primarily relate to securing bank loans of non-consolidated subsidiaries, companies accounted for under the equity method and other companies in which the Group holds a stake, as well as other liabilities from the operational business whose drawdown is theoretically possible but considered unlikely.

Other financial liabilities

The operational construction business requires various types of guarantees in order to ensure contractual obligations. This generally relates to guarantees for tenders, contract fulfilment, advance payment and warranty. Apart from this, the Group is jointly and severally liable for all consortiums in which it participates. Claims arising from these liabilities are not likely.

The Group has access to European credit lines totalling TEUR 3,180,020 (previous year: TEUR 3,241,840). Of these credit lines, TEUR 1,203,000 (previous year: TEUR 1,143,000) was concluded with a three-year term. The remainder of TEUR 1,977,020 (previous year: TEUR 2,098,840) generally run for a one-year term. Furthermore, there were credit lines in several Arabic countries of TEUR 674,870 (previous year: TEUR 643,200). As of 31 December 2020, around

68% (previous year: 60%) of the European credit lines had been drawn on and around 54% (previous year: 61%) of the lines in Arabic countries.

The three-year credit lines of TEUR 1,203,000 (previous year: TEUR 1,143,000) include harmonised financial covenants. The majority of these relate to the ratio between net debt and EBITDA or to the equity ratio. All triggers had been met as of 31 December 2020.

42. Notes on segment reporting

IFRS are the accounting standards applied for all business transactions between segments subject to mandatory reporting. The following segments are presented:

Segment Business Unit 1 – Austria, Switzerland: This segment covers the PORR Group's operating business on the home markets of Austria and Switzerland, speficic major projects projects in building construction, industrial construction in Germany, PORR Umwelttechnik and railway construction with the Slab Track Europe. All products and services are offered.

Segment Business Unit 2 – Germany: This segment covers the majority of the PORR Group's operating business on the home market of Germany. All products and services are offered.

Segment Business Unit 3 – International: This segment contains the business activities in Poland, the Czech Republic, Slovakia and Romania, as well as the project business in Norway, Qatar, the United Arab Emirates (UAE) and other future project markets. It also includes the competencies in tunnelling, railway construction and specialist civil engineering for the whole Group in addition to Major Projects and Slab Track International.

Holding: This segment consists of Group services, PORR Design & Engineering GmbH, PORR Design & Engineering Deutschland GmbH, hospitals, PORREAL, STRAUSS Property Management and activities in PPP.

Further information on the commercial segments summarised in the business units can be found in the Group management report.

As of 1 January 2021, the segment report has been adjusted in line with the new internal reporting structure and management of the PORR Group.

Segment report 2020

in TEUR	BU 1 – Austria, Switzerland	BU 2 – Germany	BU 3 – International	Holding	Group
Production output (Group)	2,659,219	881,865	1,528,719	115,544	5,185,347
Segment revenue	2,388,082	833,716	1,362,328	67,716	4,651,842
Intersegment revenue	11,070	8,448	598	106,058	
EBT (Earnings before tax = segment earnings)	44,600	-40,652	-53,194	-1,802	-51,048
Share of profit/loss of companies accounted for under the equity method	22,210	11,786	-3,547	3,587	34,036
Depreciation, amortisation and impairment	-86,712	-36,392	-25,045	-20,498	-168,647
of which impairment	(-1,458)	(-)	(-)	(-600)	(-2,058)
Interest income	1,329	1,401	526	5,058	8,314
Interest expense	-6,680	-2,551	-3,837	-13,542	-26,610

Segment report 2019

in TEUR	BU 1 – Austria, Switzerland	BU 2 – Germany	BU 3 – International	Holding	Group
Production output (Group)	2,827,947	1,003,821	1,626,475	112,026	5,570,269
Segment revenue	2,462,208	972,090	1,375,115	71,001	4,880,414
Intersegment revenue	20,459	4,711	4,358	130,787	
EBT (Earnings before tax = segment earnings)	73,704	5,027	-44,983	3,661	37,409
Share of profit/loss of companies accounted for under the equity method	24,113	726	43,374	19,235	87,448
Depreciation, amortisation and impairment	-81,436	-30,487	-27,140	-22,398	-161,461
of which impairment	(-)	(-)	(-3,208)	(-)	(-3,208)
Interest income	978	1,861	4,364	3,861	11,064
Interest expense	-8,966	-3,632	-2,187	-17,924	-32,709

The following information relates to the geographic business areas in which the Group is active:

in TEUR	Production output by customer location 2020	Non-current assets by company location 2020	Production output by customer location 2019	Non-current assets by company location 2019
Domestic	**2,344,019**	**699,706**	**2,461,524**	**725,446**
Germany	1,314,892	234,490	1,470,209	254,322
Poland	634,231	66,027	586,691	61,726
Czech Republic	230,277	48,963	252,230	49,509
Qatar	48,678	328	100,565	684
Italy	12,736	272	18,432	345
Romania	175,696	19,226	104,663	14,986
Bulgaria	1,500	646	508	726
Switzerland	199,114	12,049	232,159	13,187
Serbia	8,931	16,063	8,915	16,911
Great Britain	6,998	17	13,789	38
Slovakia	105,148	2,518	149,099	2,700
Norway	51,213	3,680	94,595	1,853
Croatia	1,777	875	3,466	917
United Arab Emirates	36,549	-	66,304	-
Other foreign	13,588	1,230	7,120	162
Total foreign	**2,841,328**	**406,384**	**3,108,745**	**418,066**
Segment total	**5,185,347**	**1,106,090**	**5,570,269**	**1,143,512**

43. Notes on the cash flow statement

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, whereby the cash flow from operating activities is derived according to the indirect method. The financial fund exclusively comprises cash in hand and cash in banks and corresponds to the value shown in the statement of financial position for cash and cash equivalents.

The reconciliation of the changes in cash flow from financing activities is as follows:

in TEUR	Financial liabilities	Leases	Derivatives	Bonds and bonded loans (Schuldschein-darlehen)	Total debts from financing activities
Balance as of 31 Dec 2019	**212,165**	**337,835**	**2,214**	**375,365**	**927,579**
Cash flows (cash changes)	-77,066	-65,319	418	-39,000	-180,967
Non-cash changes					
Corporate acquisitions/divestments	-39,375	-806	-	-	-40,181
Additions	-	55,614	-	-	55,614
Exchange rate differences	-437	-1,937	-	-	-2,374
Accrued interest	-	-	-	216	216
Change in fair value	-	-	-572	-	-572
Balance as of 31 Dec 2020	**95,287**	**325,387**	**2,060**	**336,581**	**759,315**

in TEUR	Financial liabilities	Leases	Derivatives	Bonds and bonded loans (Schuldschein-darlehen)	Total debts from financing activities
Balance as of 31 Dec 2018	**122,820**	**113,160**	**2,002**	**231,876**	**469,858**
Restatement from the first-time application of IFRS 16	-	198,946	-	-	198,946
Balance as of 1 Jan 2019	122,820	312,106	2,002	231,876	668,804
Cash flows (cash changes)	88,739	-67,231	107	143,647	165,262
Non-cash changes					
Corporate acquisitions/divestments	603	-151	-	-	452
Additions	-	92,795	104	-	92,899
Exchange rate differences	3	316	1	-	320
Accrued interest	-	-	-	-158	-158
Balance as of 31 Dec 2019	**212,165**	**337,835**	**2,214**	**375,365**	**927,579**

44. Notes on financial instruments

44.1. Capital risk management

The aim of the Group's capital management is to substantially increase equity and to keep debt low.

In the reporting year equity increased by around TEUR 51,511. The rise in the equity ratio from 16.4% to 18.5% was mainly caused by the issue of a hybrid bond worth TEUR 150,000 in February 2020. At the same time, nominal value of TEUR 25,706 was repurchased from the 2017 hybrid bonds. Net debt, defined as the balance of cash and cash equivalents, securities in current assets (investment certificates), bonded loans (Schuldscheindarlehen) and current and non-current financial liabilities, thereby totalled TEUR 136,691 (previous year: TEUR 345,689) and so decreased by TEUR 208,998.

The net gearing ratio is applied for the control of capital risk management. This is defined as net debt divided by equity. In 2020 net gearing stood at 0.21 (previous year: 0.58), marking a year-on-year improvement of 0.37.

44.2. Categories on financial instruments

44.2.1. Carrying amounts, measurement rates and fair values

in TEUR	Measurement category	Carrying amount as of 31.12.2020	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 31.12.2020
Assets							
Loans	AC	40,852	40,852				
Loans	FVTPL	23,105			23,105	Level 3	23,105
Other financial assets	FVTOCI	29,567		29,567		Level 3	29,567
Other financial assets	FVTPL	1,088			1,088	Level 3	1,088
Other financial assets	FVTPL	5,421			5,421	Level 1	5,421
Trade receivables	AC	857,868	857,868				
Other financial assets	AC	107,238	107,238				
Other financial assets	FVTPL	40,079			40,079	Level 1	40,079
Derivatives (without hedges)	FVTPL	1,677			1,677	Level 2	1,677
Cash and cash equivalents		582,545	582,545				
Liabilities							
Bonded loans (Schuldscheindarlehen)							
at fixed interest rates	AC	89,905	89,905			Level 3	92,236
at variable interest rates	AC	246,676	246,676				
Bank loans							
at fixed interest rates	AC	8,220	8,220			Level 3	8,293
at variable interest rates	AC	85,928	85,928				
Lease obligations[1]		325,388	325,388				
Other financial liabilities							
at fixed interest rates	AC	1,138	1,138			Level 3	1,137
Trade payables	AC	973,100	973,100				
Other financial liabilities	AC	49,854	49,854				
Derivatives (without hedges)	FVTPL	772			772	Level 2	772
Derivatives (with hedges)		1,288		1,288		Level 2	1,288
by category							
Financial assets at amortised cost	AC	1,005,958	1,005,958				
Cash and cash equivalents		582,545	582,545				
Fair value through profit & loss	FVTPL	70,598			70,598		
Fair value through OCI	FVTOCI	29,567		29,567			
Financial liabilities at amortised cost	AC	1,454,821	1,454,821				

The carrying amount of the financial instruments not measured at fair value corresponds to an appropriate approximation of the fair value in accordance with IFRS 7.29. The exception is bonds subject to fixed interest rates (fair value hierarchy level 1), deposits from banks subject to fixed interest rates (fair value hierarchy level 3) and bonded loans (Schuldscheindarlehen) subject to fixed interest rates (fair value hierarchy level 3).

The fair value measurement for derivatives is determined in accordance with market data from information service provider REFINITIV. Loans and borrowings as well as bonded loans (Schuldscheindarlehen) are valued using the DCF method, whereby the zero coupon yield curve published by REFINITIV as of 31 December 2020 was used for the discounting of the cash flows.

Miscellaneous financial assets, which are measured at fair value directly in equity, relate to the granting of hybrid capital to UBM Development AG (TEUR 25,370), an equity interest in UBM Development Deutschland GmbH (TEUR 1,653), as well as other insignificant interests in GmbH companies (TEUR 2,544). The option to recognise them directly in equity under other operating income was exercised to prevent distortion of operating income. Dividends of TEUR 840 were recognised in the reporting period.

in TEUR	Measurement category	Carrying amount as of 31.12.2019	Measured at amortised cost	Fair value other comprehensive 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							
Bonded loans (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 application of IFRS 16.

Details on fair value financial instruments 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 31 December 2020:

	Mid swap	Credit spread	Hybrid spread	Hybrid coupon in %
Balance as of 31 Dec 2020	-46.3	337.19	293	5.84
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	-525
Total as of 31 Dec 2020	**25,370**

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 are not 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.

44.2.2. Net income by measurement category

			from subsequent measurement			
in TEUR		from interest/ income	at fair value	Allowances	from disposal	Net income 2020
Financial assets at amortised cost	AC	5,478	-	-498	-	4,980
Fair value through profit & loss	FVTPL	405	557	-714	4	252
Fair value through OCI	FVTOCI	2,567	-	-	377	2,944
Financial liabilities at amortised cost	AC	-15,768	-	-	-	-15,768

			from subsequent measurement			
in TEUR		from interest/ income	at fair value	Allowances	from disposal	Net income 2019
Financial assets at amortised cost	AC	9,329	-	-1,310	-	8,019
Fair value through profit & loss	FVTPL	720	-406	-175	-2	137
Fair value through OCI	FVTOCI	3,606	-	-36	588	4,158
Financial liabilities at amortised cost	AC	-20,238	-	-	-	-20,238

44.3. Objectives of financial risk management

Managing financial risks, in particular liquidity risks and interest rate/currency risks is regulated by Group accounting guidelines. The management's aim is to minimise the risks as far as possible. To this end, derivative and non-derivative hedging instruments are used in line with evaluations. In general, the only risks that are anticipated are those which have consequences on the Group's cash flow. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trade or other speculative purposes.

All hedge transactions are performed centrally by the Group Treasury, unless in specific cases other Group companies are authorised to conclude transactions outside the Group Treasury. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. All Group Treasury activities are subject to strict risk/processing control, the cornerstone of which is the functional separation of commerce, processing and accounting.

44.4. Liquidity risks

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity. Managing the liquidity risk is based on a financial plan updated once a quarter, which originates at operational level. For all projects, designated commercial agents conduct individual and monthly planning for the current year and for the subsequent year. The operational component involves planning all liquidity-related financial issues such as due dates for financing, M&A and capital market transactions, interest and dividends; this is performed centrally at holding level with the person holding Group responsibility.

At year-end 2020 the Group had a liquidity level of TEUR 582,545 and securities recognised as current assets of TEUR 40,079; this liquidity is used on the one hand for the seasonal peak liquidity demand from April to November typical to the construction industry, as well as for settling loans due, bonded loans (Schuldscheindarlehen) tranches and potential corporate acquisitions. Should additional liquidity demand arise, this could be covered by drawing on existing lines of credit.

As of 31 December 2020, net debt, defined as the balance from cash and cash equivalents, debt securities in current assets, bonded loans (Schuldscheindarlehen), and current and non-current financial liabilities, amounted to TEUR 136,691 (previous year: TEUR 345,689).

Current financial liabilities, defined as the current portion of bonded loans (Schuldscheindarlehen) and de facto current financial liabilities totalled TEUR 137,511 (previous year: TEUR 139,900) and are broadly covered by cash and cash equivalents.

Of non-current financial liabilities totalling TEUR 621,804 (previous year: TEUR 787,679); TEUR 294,604 (previous year: TEUR 346,384) relate to bonded loans (Schuldscheindarlehen), more than half of which could be covered by cash and cash equivalents of TEUR 445,034.

As of 31 December 2020, there was TEUR 320,000 (previous year: TEUR 351,500) available in bank lines for cash loans, which could be drawn on for the immediate refinancing of current financial liabilities. See note 41 for details on the syndicated guaranteed credit line.

As of 31 December 2020, there was TEUR 888,748 (previous year: TEUR 920,724) in disposable liquidity, defined as the sum of funds available in bank accounts and confirmed, unused money market facilities.

Table of liquidity and interest rate risks

in TEUR	Average interest rate	Non-discounted payment flow until March 2021	April–Dec 2021	2022–2025	from 2026
Bonded loans (Schuldscheindarlehen)					
at fixed interest rates	1.69%	847	37,669	47,818	8,183
at variable interest rates	1.63%	2,043	7,040	220,647	31,306
Bank loans					
at fixed interest rates	2.29%	2,774	2,846	2,743	-
at variable interest rates	1.30%	8,922	20,681	49,157	9,784
Lease obligations	1.71%	18,058	50,473	162,410	170,914
Other financial liabilities					
at fixed interest rates	2.24%	1,093	45	-	-
Trade payables	interest-free	860,574	19,061	48,657	-

in TEUR	Average interest rate	Non-discounted payment flow until March 2020	April–Dec 2020	2021–2024	from 2025
Bonded loans (Schuldscheindarlehen)					
at fixed interest rates	1.75%	847	11,917	86,152	8,365
at variable interest rates	1.58%	2,225	20,229	247,862	32,395
Bank loans					
at fixed interest rates	2.34%	3,427	4,943	18,855	41,676
at variable interest rates	1.07%	8,667	35,526	104,712	13,095
Lease obligations	1.92%	22,359	45,667	166,063	181,850
Other financial liabilities					
at fixed interest rates	2.49%	36	111	543	81
Trade payables	interest-free	984,799	19,614	51,686	-

Payables to consortiums and other financial liabilities largely lead to cash outflows at the carrying amounts upon maturity.

44.5. Interest rate risk management

The Group's interest rate risk is defined as the risk from rising interest cost or decreasing interest income in connection with financial items. For PORR this risk results primarily from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group Treasury. At the end of the reporting period, the management of this risk was conducted with non-derivative instruments as well as three interest rate swaps totalling TEUR 75,000 and two interest rate swaps with start dates in the future totalling TEUR 40,000. All derivative hedges are designated as cash-flow hedges. The basic purpose of the interest rate swaps is to refinance bonded loans (Schuldscheindarlehen) at the variable EURIBOR rate. The hedging ratio of the swaps is 100%. All interest rate swaps relate to swapping variable interest flows for fixed interest flows. As of 31 December 2020, the market value of the interest rate swaps had a fair value of TEUR -1,288 (previous year: TEUR -1,861).

As of 31 December 2020, the Group used the following derivative financial instruments to hedge interest rate risks:

Derivative	Start	Maturity	Reference value in TEUR	Fixed interest rate in %	Reference interest rate	Market value 31.12.2020	Market value 31.12.2019
Interest rate swap	12.8.2015	12.8.2020	57,000	0.63	6-month EURIBOR	-	-221
Interest rate swap	13.8.2018	13.8.2020	18,000	0.384	6-month EURIBOR	-	-43
Interest rate swap[1]	12.8.2019	12.8.2021	18,000	0.29	6-month EURIBOR	-32	-129
Interest rate swap[1]	12.8.2021	14.8.2023	30,000	0.9	6-month EURIBOR	-539	-617
Interest rate swap	12.8.2020	12.8.2021	7,000	0.58	6-month EURIBOR	-25	-40
Interest rate swap	13.8.2020	14.2.2022	40,000	0.84	6-month EURIBOR	-376	-500
Interest rate swap	12.8.2020	12.8.2021	10,000	0.815	6-month EURIBOR	-50	-82
Interest rate swap	14.2.2022	13.2.2024	10,000	1.342	6-month EURIBOR	-267	-229

[1] Positions have been reduced (from TEUR 28.000 to TEUR 18.000 and from TEUR 40.000 to TEUR 30.000)

An analysis of the floating interest rate position as of 31 December 2020 amounting to around TEUR 156,443 showed the following sensitivities that would occur under the scenario of an interest rate increase of 0.02 PP and 0.11 PP. The extent of the interest rate increase is based on the average volatility of the 3-month and 6-month EURIBOR in 2020. An interest rate range of 2 BP therefore falls statistically within a probability band of 67% and the probability of an interest rate range of 11 BP is respectively 99%. The simulated impact on interest rates is as follows:

in TEUR	Higher interest expense for the year 2021	Higher interest expense (p. a.) with straight-line extrapolation from 2022
at interest rate rise of 0.02 PP	9	32
at interest rate rise of 0.11 PP	49	174

44.6. Risk from changes to raw materials prices

The risk of changes to raw materials prices is defined as the risk of price rises that contrast with the point in time the prices for the construction project were calculated. This risk is generally mitigated with medium and long-term framework agreements with key suppliers. Moreover, in 2020 the Group hedged a total of around 11.8 million litres of diesel against rising diesel prices. The volume hedged for 2020 was around 6.6 million litres and around 5.2 million litres for 2021. The hedges are in the form of diesel swaps. In 2020 they led to gains of around TEUR 180. At the end of the reporting period, the contracts due in 2021 were valued as gains of TEUR 219.

44.7. Foreign currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge any operational foreign currency risks in full. In accordance with the respective functional currency of the Group unit that processes the order, the aim is to conduct local orders in the corresponding national currency. This happens in every instance in which the services to be rendered are locally generated. If this is not possible, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the Group Treasury exclusively uses forward contracts and first-generation currency options (see note 44.8.).

As of 31 December 2020, the following currency positions existed for the entire Group:

Reporting currency	**Currency pair**	**VAR[1] in TEUR**
EUR	EURGBP	815
EUR	EURQAR	360
GBP	GBPEUR	275
EUR	EURPLN	175
EUR	EURCHF	101
NOK	NOKEUR	89
EUR	EURAED	86
EUR	EURCZK	74
various	various	331

[1] VAR = Value At Risk at a one-sided 95% confidence interval, this corresponds to a standard deviation of 1.96 over a time period of ten days.

The currency positions shown are only netted in the course of the respective reporting currency of the companies; correlations between individual currency pairs are not considered. At a confidence interval of 95% over a time period of ten days, the VAR amounts to TEUR 2,306.

VAR at Group level, when the items are netted over the reporting currencies and under inclusion of correlations between currency pairs, amounts to TEUR 1,003.

Reporting currency	**Currency pair**	**VAR[1] in TEUR**
GBP	GBPEUR	961
QAR	QAREUR	34
RON	RONEUR	30
CHF	CHFEUR	20
AED	AEDEUR	15
div./var.	var.	-57

[1] VAR = Value At Risk at a one-sided 95% confidence interval, this corresponds to a standard deviation of 1.96 over a time period of ten days.

44.8. Hedging currency risks

The PORR Group has concluded forward exchange contracts of TEUR 290,397 (previous year: TEUR 158,829) as of 31 December 2020; of these, TEUR 211,439 were forward purchases and TEUR 78,958 were forward sales. Around TEUR 186,870 (previous year: TEUR 87,326) are used as hedges for project cash flows and the remaining amount of around TEUR 103,527 (previous year: TEUR 71,503) for hedging intragroup financing. As of the reporting date, there was also a EUR-Call/RON-Put Option for around EUR 13.1m and a term to 22 December 2021. As of 31 December 2020, the option had a positive market value of around TEUR 99.

As of 31 December 2020, the market valuation of open forward exchange contracts resulted in a fair value of TEUR 686. In the business year 2020 total expense of TEUR 724 that resulted from changes in the fair value of forward contracts was recognised in profit or loss.

The following tables show the predicted contractual due dates for payments from forward contracts as estimated on 31 December 2020, i.e. when payments from the underlying transactions are expected:

	Cash flows in TEUR			
Forward sales due date	**CHF**	**PLN**	**AED**	**Total**
January 2021	9,227	1,291		10,518
February 2021		598		598
March 2021		498		498
April 2021		590		590
May 2021		752		752
June 2021		1,620		1,620
July 2021		2,904		2,904
August 2021		3,944		3,944
September 2021		4,352	445	4,797
October 2021		6,354		6,354
November 2021		4,114		4,114
December 2021		4,588		4,588
January 2022		4,349		4,349
February 2022		3,688		3,688
March 2022		3,428		3,428
April 2022		2,923		2,923
May 2022		2,852		2,852
June 2022		2,941		2,941
July 2022		2,874		2,874
August 2022		3,107		3,107
September 2022		2,747		2,747
October 2022		2,170		2,170
November 2022		2,161	444	2,605
December 2022		1,352		1,352
January 2023		1,155		1,155
February 2023		1,050		1,050
June 2023			443	443

Forward purchases due date	Cash flows in TEUR CHF	GBP	NOK	PLN	QAR	AED	RON	SGD	Total
January 2021	276	605	88	3,684					4,653
February 2021		325	88	1,720					2,132
March 2021		325		4,707			3,083		8,115
April 2021	36,963	325	88	3,550					40,925
May 2021		325		1,122					1,446
June 2021		325	79	1,341				754	2,499
July 2021	31,077	275		1,509					32,861
August 2021		275	64	2,106					2,445
September 2021		275		1,734					2,009
October 2021		275		3,971					4,245
November 2021		275		1,807					2,081
December 2021		275		2,757	1,000			3,261	7,293
January 2022		493		2,972					3,465
February 2022		643		2,974					3,616
March 2022		221		2,852					3,073
April 2022		221		2,852					3,073
May 2022		221		2,852					3,073
June 2022		221		3,031					3,252
July 2022		221		2,874					3,095
August 2022		221		3,107					3,328
September 2022		233		2,747					2,980
October 2022		233		2,170					2,403
November 2022		233		2,161					2,394
December 2022		1,117		1,352	12,209	5,479			20,156
January 2023		233		1,155					1,388
February 2023		244		1,050					1,293
March 2023		244							244
April 2023		252							252
May 2023		252							252
June 2023		257							257
July 2023		257							257
August 2023		261							261
September 2023		271							271
October 2023		1,020							1,020
November 2023		511							511
December 2023		11,444							11,444
January 2024		324							324
February 2024		324							324
March 2024		549							549
April 2024		321							321
May 2024		123							123
June 2024		155							155
July 2024		103							103
August 2024		80							80
September 2024		83							83
October 2024		83							83
November 2024		270							270
December 2024		833							833
January 2025		1,646							1,646
February 2025		273							273
March 2025		64							64
April 2025		284							284
May 2025		270							270
June 2025		270							270
July 2025		321							321
August 2025		597							597
September 2025		873							873
October 2025		1,148							1,148
November 2025		1,193							1,193
December 2025		19,193							19,193

44.9. Derivative financial instruments

The following table shows the fair values recognised for the different derivative instruments:

in TEUR	2020	2019
Assets		
Derivatives		
without hedges	1,677	1,763
Liabilities		
Derivatives		
without hedges	772	353
with hedges	1,288	1,861

44.10. Credit risks

The risk related to receivables from customers can be classified as low, owing to the broad dispersion and ongoing creditworthiness checks. Specific to the industry, construction contracts require an advance payment by the general contractor that will not be covered by payments until a later date. To reduce any potential default risk, an extensive creditworthiness check is carried out and adequate sureties are agreed as far as possible.

The risk of default in the case of other original financial instruments shown under assets in the statement of financial position is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The carrying amount of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing allowances for impairment. There are high levels of outstanding receivables which relate mostly to infrastructure projects for public clients or public companies. Except for these, there are no occurrences of concentration of operating risks arising from significant outstanding amounts from individual debtors.

As of 31 December 2020, the maximum credit risk amounted to TEUR 1,721,338 (previous year: TEUR 1,648,089) and relates mainly to loans, other financial investments and securities, other financial assets, trade receivables and cash and cash equivalents.

45. Average number of employees

	2020	2019
White-collar employees		
Domestic	3,848	3,724
Foreign	5,071	5,117
Blue-collar employees		
Domestic	7,068	6,860
Foreign	4,206	4,127
Total employees	**20,193**	**19,828**
of which fully consolidated		
White-collar	8,861	8,664
Blue-collar	11,105	10,782
Total fully consolidated	**19,966**	**19,446**

46. Related party disclosures

In addition to subsidiaries and companies accounted for under the equity method, related parties include the UBM Group, the companies of the IGO Industries Group, as they or their controlling entity hold shares together with the

Strauss Group, over which one member of the PORR AG Executive Board has significant control, as well as the Kapsch Group, as one of the members of the PORR AG Executive Board holds a key position there while at the same time exercising joint influence over PORR AG. In addition to people and related companies who have control 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.

Transactions between Group companies included in the consolidated financial statements were eliminated within the consolidation and are not examined any further.

Receivables and liabilities to consortiums only include direct services charged.

Transactions between Group companies and companies accounted for under the equity method are disclosed in the following analysis:

	Income		Expenses		Receivables		Liabilities	
in TEUR	2020	2019	2020	2019	2020	2019	2020	2019
Associates	13,523	25,237	27,499	29,416	6,584	10,188	11,287	2,938
Joint ventures	57,094	57,349	65,625	92,020	14,217	12,486	13,638	6,587
Consortiums	372,233	243,844	45,840	55,960	69,853	75,092	23,371	12,236

Transactions with members of the management in key positions and companies over which they have control were as follows:

	Income		Expenses		Receivables		Liabilities	
in TEUR	2020	2019	2020	2019	2020	2019	2020	2019
From trade payables and receivables								
UBM Group	44,095	28,408	3,762	4,975	9,228	5,620	1,991	368
IGO Industries Group	1,349	1,835	19,844	57,656	1,010	1,117	3,988	12,227
Strauss Group	1,084	424	373	404	65	112	11	13
Kapsch Group	196	342	1,295	1,782	13	93	55	129
Other	951	-	321	61	343	-	55	23
From financing								
UBM Group	1,520	1,520	-	-	29,972	30,515	180	126

The sale of the Bergerbräuhofstraße plot from G. Hinteregger & Söhne Baugesellschaft m.b.H. is a related party transaction due to its scale. The purchase price of TEUR 11,000 was settled in cash.

Outstanding accounts receivable are not secured and are settled in cash. With the exception of guarantees taken on for companies accounted for under the equity method which totalled TEUR 3,242 (previous year: TEUR 4,688), and for which no fees are generally charged, no guarantees were given nor were any enforced. No allowances were made in respect of amounts owed by related companies or persons, nor were any bad debt losses recognised during the reporting period.

47. Events after the end of the reporting period and other information

The Executive Board of PORR AG approved the consolidated financial statements and handed them over to the Supervisory Board on 15 April 2021.

48. Fees paid to the Group's auditors

The following table shows the fees paid to the Group's auditors in the reporting period:

in TEUR	BDO Austria GmbH 2020	BDO Austria GmbH 2019
Auditing the financial statements	281	275
Other audit services	497	418
Other advisory services	68	96

49. Executive bodies

Members of the Executive Board

Karl-Heinz Strauss, CEO
Andreas Sauer
Thomas Stiegler (until 31 January 2021)
Josef Pein
J. Johannes Wenkenbach (until 31 January 2020)
Jürgen Raschendorfer (from 8 March 2021)

Members of the Supervisory Board

Karl Pistotnik, Chairman
Klaus Ortner, Deputy Chairman
Robert Grüneis
Walter Knirsch
Iris Ortner
Bernhard Vanas
Susanne Weiss
Thomas Winischhofer

Members delegated by the Works Council

Michael Kaincz
Michael Tomitz
Gottfried Hatzenbichler
Wolfgang Ringhofer

On 26 March 2021, the remuneration committee determined the criteria for variable remuneration of the Executive Board for the year 2021 and resolved to pay out TEUR 0 in variable remuneration for the Executive Board for 2020. Consequently no member of the Executive Board has made a claim for variable remuneration for the year 2020.

The table below shows the remuneration paid to the managers in key positions, i.e. the members of the Executive Board and of the Supervisory Board of PORR AG, broken down according to payment categories:

	Salary	Variable bonus	Pension fund	Additional remuneration components	2020
Executive Board remuneration					
Karl-Heinz Strauss	789	-	39	43	871
J. Johannes Wenkenbach	42	-	3	7	52
Andreas Sauer	464	-	40	29	533
Thomas Stiegler	464	-	40	27	531
Josef Pein	464	-	40	48	552
Total	**2,223**	**-**	**162**	**154**	**2,539**
of which current benefits due within short term	2,223	-	-		2,223
of which remuneration due after termination of employment	-	-	162		162
Supervisory Board remuneration					
Current benefits due					368

The variable Executive Board remuneration for 2019 should have been paid in September 2020. All active members of the Executive Board waived their entire variable Executive Board compensation for 2019 as a gesture of solidarity. J. Johannes Wenkenbach's variable Executive Board compensation was paid out on the basis of the contractual assurance in his dissolution agreement.

	Salary	Variable bonus	Pension fund	Additional remuneration components	2019
Executive Board remuneration					
Karl-Heinz Strauss	750	-	39	34	823
J. Johannes Wenkenbach	500	355	40	32	927
Andreas Sauer	500	-	40	36	576
Thomas Stiegler	500	-	40	30	570
Total	**2,250**	**355**	**159**	**132**	**2,896**
of which current benefits due within short term	2,250	355	-		2,605
of which remuneration due after termination of employment	-	-	159		159
Supervisory Board remuneration					
Current benefits due					329

15 April 2021, Vienna

The Executive Board
Karl-Heinz Strauss m.p.
Andreas Sauer m.p.
Jürgen Raschendorfer m.p.
Josef Pein m.p.

Shareholdings

Company	Country code	Cur-rency	Location	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Subsidiaries									
"EAVG Enzersdorfer Abfallverwertungs-gesellschaft m.b.H."	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
"hospitals" Projektentwicklungsges.m.b.H.	AT	EUR	Wien	0.00000	62.90000	F	0.00000	62.90000	F
A. Niedermühlbichler Baugesellschaft m.b.H.	AT	EUR	Seeboden	0.00000	100.00000	F	0.00000	100.00000	F
ABW Abbruch, Boden- und Wasserreini-gungs-Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Alea GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Allgemeine Straßenbau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
ALPINE AT GmbH in Liqu.	AT	EUR	Brunn am Gebirge	0.00000	100.00000	M	0.00000	100.00000	M
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	86.38750	F	0.00000	86.38750	F
AME Asphaltmischwerk Ennshafen GmbH	AT	EUR	Linz	0.00000	100.00000	M	0.00000		
AME Asphaltmischwerk Ennshafen GmbH & Co KG	AT	EUR	Linz	0.00000	100.00000	F	0.00000		
AMF - Asphaltmischanlage Feistritz GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	M	0.00000	100.00000	M
AMF - Asphaltmischanlage Feistritz GmbH & Co KG	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
AMO Asphaltmischwerk Oberland GmbH	AT	EUR	Linz	0.00000	90.00000	M	0.00000	90.00000	M
AMO Asphaltmischwerk Oberland GmbH & Co KG	AT	EUR	Linz	0.00000	90.00000	F	0.00000	90.00000	F
Asphaltmischwerk Greinsfurth GmbH	AT	EUR	Amstetten	0.00000	66.66750	M	0.00000	66.66750	M
Asphaltmischwerk Greinsfurth GmbH & Co OG	AT	EUR	Amstetten	0.00000	66.66750	F	0.00000	66.66750	F
Bautech Labor GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Bosch Baugesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
bpp Bautechnik GmbH	AT	EUR	Pichl bei Wels	0.00000	100.00000	F	0.00000	100.00000	F
Edos Beteiligungsverwaltungs GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Eisenschutzgesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
EPS LAA 43 GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
FEHBERGER Stahlbau GmbH	AT	EUR	Völkermarkt	0.00000	100.00000	F	0.00000	100.00000	F
Fritz & Co. Baugesellschaft m.b.H.	AT	EUR	Salzburg	0.00000	100.00000	F	0.00000	100.00000	F
G. Hinteregger & Söhne Baugesellschaft m.b.H.	AT	EUR	Salzburg	0.00000	100.00000	F	0.00000	100.00000	F
Gesellschaft für Bauwesen GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Goidinger Bau GmbH	AT	EUR	Zams	0.00000	100.00000	F	0.00000	100.00000	F
Grund- Pfahl- und Sonderbau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Hinteregger Holding Gesellschaft m.b.H.	AT	EUR	Wien	100.00000	100.00000	F	0.00000	100.00000	F
IAT GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
ISHAP Gebäudedokumentations GmbH	AT	EUR	Wien	0.00000	87.50000	F	0.00000	87.50000	F
ISHAP Personaldokumentations GmbH	AT	EUR	Wien	0.00000	80.00000	F	0.00000	80.00000	F
ISHAP Software Solutions GmbH	AT	EUR	Wien	0.00000	80.00000	F	0.00000	80.00000	F
KOLLER TRANSPORTE - KIES - ERDBAU GMBH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Kraft & Wärme Rohr- und Anlagentechnik GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Kratochwill Schotter & Beton GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
Kröll Pflasterbau GmbH	AT	EUR	Röthis	0.00000	100.00000	F	0.00000	100.00000	F
LD Recycling GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
Lieferasphaltgesellschaft JAUNTAL GmbH	AT	EUR	Klagenfurt	0.00000	71.99671	F	0.00000	71.99671	F
M.E.G. Mikrobiologische Erddekontamination GmbH	AT	EUR	Linz	0.00000	100.00000	F	0.00000	100.00000	F
Nägele Hoch- und Tiefbau GmbH	AT	EUR	Röthis	0.00000	100.00000	F	0.00000	100.00000	F
O.M. Meissl & Co. Bau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F

Company	Country code	Cur-rency	Location	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
ÖBA - Österreichische Betondecken Ausbau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PKM - Muldenzentrale GmbH	AT	EUR	Wien	0.00000	97.97021	F	0.00000	97.97021	F
PORR AUSTRIARAIL GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Bau GmbH	AT	EUR	Wien	52.48926	100.00000	F	0.00000	100.00000	F
PORR Bauindustrie GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Beteiligungen und Management GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Construction Holding GmbH	AT	EUR	Wien				100.00000	100.00000	F
PORR Design & Engineering GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Equipment Services GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
PORR Infra GmbH	AT	EUR	Wals-Siezenheim	0.00000	100.00000	F	0.00000	100.00000	F
PORR Mischanlagen GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Recycling GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORR Umwelttechnik GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORREAL GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PORRisk Solutions GmbH	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
Prajo & Co GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
PRONAT Steinbruch Preg GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
PWW Holding GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
RCH Recycling Center Himberg GmbH	AT	EUR	Himberg	0.00000	100.00000	F	0.00000	100.00000	F
Reisinger Gesellschaft mbH	AT	EUR	Ennsdorf	0.00000	100.00000	F	0.00000	100.00000	F
Sabelo Beteiligungsverwaltungs GmbH	AT	EUR	Wien	100.00000	100.00000	M	100.00000	100.00000	M
Salzburger Lieferasphalt GmbH & Co OG	AT	EUR	Sulzau, politsche Gemeinde Werfen	0.00000	80.00000	F	0.00000	80.00000	F
SAM03 Beteiligungs GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	100.00000	100.00000	F	100.00000	100.00000	F
Schotterwerk GRADENBERG Gesellschaft m.b.H.	AT	EUR	Köflach	0.00000	100.00000	F	0.00000	100.00000	F
Schwarzl Transport GmbH	AT	EUR	Unterpremstätten, politische Gemeinde Premstätten	0.00000	100.00000	F	0.00000	100.00000	F
Spenglerei Hangl Christof GmbH	AT	EUR	Telfs				0.00000	100.00000	F
STRAUSS Property Management GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
TEERAG-ASDAG Bau GmbH	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
TEERAG-ASDAG GmbH	AT	EUR	Wien	52.48926	100.00000	F	0.00000	100.00000	F
TEERAG-ASDAG Hochbau Burgenland GmbH	AT	EUR	Stegersbach	0.00000	100.00000	F	0.00000	100.00000	F
Wibeba Hochbau GmbH & Co. Nfg. KG	AT	EUR	Wien	100.00000	100.00000	F	100.00000	100.00000	F
Wiener Betriebs- und Baugesellschaft m.b.H.	AT	EUR	Wien	0.00000	100.00000	F	0.00000	100.00000	F
BB Government Services société privée á responsabilité limitée	BE	EUR	Uccle	0.00000	100.00000	F	0.00000	100.00000	F
PORR Bulgaria EOOD	BG	BGN	Sofia	0.00000	100.00000	F	0.00000	100.00000	F
FBB Spezialtiefbau Rebstein AG	CH	CHF	Rebstein	0.00000	100.00000	F			
Gunimperm-Bauveg SA	CH	CHF	Altdorf	0.00000	100.00000	F	0.00000	100.00000	F
PORR SUISSE AG	CH	CHF	Altdorf	0.00000	100.00000	F	0.00000	100.00000	F
OBATECH s.r.o.	CZ	CZK	Praha	0.00000	100.00000	F	0.00000	100.00000	F
PORR a.s.	CZ	CZK	Praha	0.00000	100.00000	F	0.00000	100.00000	F
PORR Equipment Services Cesko s.r.o	CZ	CZK	Praha	0.00000	100.00000	F	0.00000	100.00000	F
baikap Holding 180812 GmbH	DE	EUR	München				0.00000	100.00000	F
BB Government Services GmbH	DE	EUR	Kaiserslautern	0.00000	100.00000	F	0.00000	100.00000	F
CMG Gesellschaft für Baulogistik GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Emil Mayr Hoch- und Tiefbau GmbH	DE	EUR	Ettringen/Wertach	0.00000	100.00000	F	0.00000	100.00000	F
Franki Grundbau GmbH & Co. KG	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
Franki Grundbau Verwaltungs GmbH	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
Hinteregger, Brandstetter & Co. Baugesellschaft m.b.H.	DE	EUR	Traunstein	0.00000	100.00000	F	0.00000	100.00000	F
IAT Deutschland GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F

Company	Country code	Currency	Location	PORR AG share %	PORR Group share %	Type of consolidation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
ÖBA Betondecken Ausbau Deutschland GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
Oevermann Hochbau GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Oevermann Ingenieurbau GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Oevermann Verkehrswegebau GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Porr Design & Engineering Deutschland GmbH	DE	EUR	Berlin	0.00000	100.00000	F	0.00000	100.00000	F
Porr Equipment Services Deutschland GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
Porr Franki GmbH & Co. KG	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
PORR GmbH & Co. KGaA	DE	EUR	München	0.00000	94.66235	F	0.00000	94.66235	F
Porr Industriebau GmbH	DE	EUR	Passau	0.00000	100.00000	F	0.00000	100.00000	F
PORR Management GmbH	DE	EUR	München	100.00000	100.00000	F	100.00000	100.00000	F
PORR MURNAU GmbH & Co. KG	DE	EUR	München				0.00000	100.00000	F
PORR Oevermann GmbH	DE	EUR	Münster	0.00000	100.00000	F	0.00000	100.00000	F
Porr Umwelttechnik Deutschland GmbH	DE	EUR	Garching bei München	0.00000	100.00000	F	0.00000	100.00000	F
PORR Vermögensverwaltung MURNAU GmbH	DE	EUR	München	0.00000	100.00000	M	0.00000	100.00000	M
Radmer Kies GmbH & Co. KG	DE	EUR	Aschheim, Landkreis München	0.00000	100.00000	F	0.00000	100.00000	F
Radmer Kiesvertrieb Verwaltungs GmbH	DE	EUR	Aschheim, Landkreis München	0.00000	100.00000	M	0.00000	100.00000	M
STRAUSS & CO. Development GmbH	DE	EUR	Berlin	0.00000	94.00000	F	0.00000	94.00000	F
Stump-Franki Planung GmbH	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
Stump-Franki Spezialtiefbau GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
Thorn Abwassertechnik GmbH	DE	EUR	München	0.00000	100.00000	F	0.00000	100.00000	F
TKDZ GmbH	DE	EUR	Wellen	0.00000	100.00000	F	0.00000	100.00000	F
TOTALPLAN GmbH	DE	EUR	Berlin	0.00000	100.00000	F			
Unterstützungskasse Franki Grundbau GmbH	DE	EUR	Seevetal	0.00000	100.00000	F	0.00000	100.00000	F
IAT UK Waterproofing Systems limited	GB	GBP	London	0.00000	100.00000	F	0.00000	100.00000	F
PORR SLOVAKIA LTD.	GB	GBP	London	0.00000	100.00000	F	0.00000	100.00000	F
PORR UK Ltd.	GB	GBP	London	0.00000	100.00000	F	0.00000	100.00000	F
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje, izgradnju i nadzor u likvidaciji	HR	HRK	Zagreb	0.00000	100.00000	M	0.00000	100.00000	M
GRUNDBAU d.o.o. u likvidaciji	HR	HRK	Zagreb	0.00000	100.00000	F	0.00000	100.00000	F
Schwarzl drustvo s ogranicenom odgovornoscu za obradu betona i sljunka	HR	HRK	Glina	0.00000	100.00000	F	0.00000	100.00000	F
PORR Építési Kft.	HU	HUF	Budapest	0.00000	100.00000	F	0.00000	100.00000	F
BB GOVERNMENT SERVICES SRL	IT	EUR	Vicenza	0.00000	100.00000	F	0.00000	100.00000	F
IAT Impermeabilizzazioni Srl	IT	EUR	Bolzano	0.00000	100.00000	F	0.00000	100.00000	F
PORR GRADEZNISTVO DOOEL Skopje	MK	MKD	Skopje	0.00000	100.00000	F	0.00000	100.00000	F
Loftesnesbrui PORR-AURSTAD ANS	NO	NOK	Oslo	0.00000	64.95000	F	0.00000	64.95000	F
PNC Norge AS	NO	NOK	Oslo	0.00000	100.00000	F	0.00000	100.00000	F
Porr Construction LLC under liquidation	OM	OMR	Muscat	0.00000	100.00000	F	0.00000	100.00000	F
BBGS Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	100.00000	F	0.00000	100.00000	F
FRANKI POLSKA Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Kraków	0.00000	100.00000	F	0.00000	70.00000	E
Joint Venture LNG Offshore (cz.morska) - Hydrotechnical Part	PL	PLN		0.00000	99.90000	F			
Joint Venture LNG Offshore (cz.morska) - Technological Part	PL	PLN		0.00000	75.00000	F			
Joint Venture Tunel Swinoujscie s.c.	PL	PLN		0.00000	48.38100	F	0.00000	40.00000	F
PORR Spólka Akcyjna	PL	PLN	Warszawa	0.00000	100.00000	F	0.00000	100.00000	F
"Stal-Service" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa				0.00000	80.00000	F
Stump-Hydrobudowa Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	100.00000	F	0.00000	100.00000	F
Tunel Swinoujscie 2 s.c. Joint Venture	PL	PLN		0.00000	50.00000	F			
RADMER BAU PORTUGAL - CONSTRUCOES, LIMITADA	PT	EUR	Lisboa	0.00000	99.00000	M	0.00000	99.00000	M
PORR Qatar Construction W.L.L	QA	QAR	Doha	0.00000	49.00000	F	0.00000	49.00000	F

Company	Country code	Currency	Location	PORR AG share %	PORR Group share %	Type of consolidation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Porr Construct S.R.L.	RO	RON	Bucuresti	0.00000	100.00000	F	0.00000	100.00000	F
Gradevinsko preduzece Porr d.o.o. - u likvidaciji	RS	RSD	Beograd	0.00000	100.00000	F	0.00000	100.00000	F
PWW d.o.o. Nis	RS	RSD	Nis	0.00000	100.00000	F	0.00000	100.00000	F
PWW Deponija d.o.o. Jagodina	RS	RSD	Jagodina	0.00000	100.00000	F	0.00000	100.00000	F
PWW Deponija Dva d.o.o. Leskovac	RS	RSD	Leskovac	0.00000	100.00000	F	0.00000	100.00000	F
PWW Jagodina doo Jagodina	RS	RSD	Jagodina	0.00000	80.00000	F	0.00000	80.00000	F
PWW Leskovac doo Leskovac	RS	RSD	Leskovac	0.00000	70.00000	F	0.00000	70.00000	F
PWW Prokuplje doo Prokuplje	RS	RSD	Prokuplje	0.00000	80.00000	F	0.00000	80.00000	F
PNC Sverige AB	SE	SEK	Stockholm				0.00000	100.00000	M
PORR Construction Pte. Ltd.	SG	SGD	Singapore	0.00000	100.00000	F	0.00000	100.00000	F
PORR - GATES R150 JV (Joint Venture)	SG	SGD		0.00000	50.00000	F	0.00000	50.00000	F
PORR s.r.o.	SK	EUR	Bratislava	0.00000	100.00000	F	0.00000	100.00000	F
Associated companies									
ABO Asphalt-Bau Oeynhausen GmbH.	AT	EUR	Oeynhausen, politische Gemeinde Traiskirchen	0.00000	22.50000	E	0.00000	22.50000	E
ALU-SOMMER GmbH	AT	EUR	Stoob	0.00000	49.49857	E	0.00000	49.49857	E
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG	AT	EUR	Zistersdorf	0.00000	20.00000	M	0.00000	20.00000	M
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	AT	EUR	Zistersdorf-Maustrenk, politische Gemeinde Zistersdorf	0.00000	20.00000	M	0.00000	20.00000	M
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AT	EUR	Linz	0.00000	33.33333	M	0.00000	33.33333	M
ASA - Projektentwicklung - GmbH	AT	EUR	Wien	0.00000	49.99963	E	0.00000	49.99963	E
ASF Frästechnik GmbH & Co KG	AT	EUR	Kematen	0.00000	40.00000	E	0.00000	40.00000	E
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	AT	EUR	Rauchenwarth	0.00000	40.00000	E	0.00000	40.00000	E
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	EUR	Wien	0.00000	45.00000	M	0.00000	45.00000	M
FMA Asphaltwerk GmbH & Co KG	AT	EUR	Feldbach	0.00000	35.00000	E	0.00000	35.00000	E
KAB Straßensanierung GmbH & Co KG	AT	EUR	Spittal an der Drau	0.00000	19.98800	M	0.00000	19.98800	M
Lavanttaler Bauschutt - Recycling GmbH	AT	EUR	Wolfsberg	0.00000	49.99999	E	0.00000	49.99999	E
MSO Mischanlagen GmbH Ilz & Co KG	AT	EUR	Ilz	0.00000	47.19200	E	0.00000	47.19200	E
MSO Mischanlagen GmbH Pinkafeld & Co KG	AT	EUR	Pinkafeld	0.00000	47.33333	E	0.00000	47.33333	E
PM2 Bauträger GesmbH	AT	EUR	Klagenfurt	0.00000	24.75000	M	0.00000	24.75000	M
Pocket House GmbH	AT	EUR	Wien	0.00000	25.10145	E			
QuickSpeech GmbH	AT	EUR	Gablitz	0.00000	24.90000	E			
RFM Asphaltmischwerk GmbH & Co KG	AT	EUR	Wienersdorf-Oeynhausen, politische Gemeinde Traiskirchen	0.00000	46.00000	E	0.00000	46.00000	E
RFM Asphaltmischwerk GmbH.	AT	EUR	Wienersdorf-Oeynhausen, politische Gemeinde Traiskirchen	0.00000	46.00000	M	0.00000	46.00000	M
Sava Most Gradevinsko Preduzece OG	AT	EUR	Wien	0.00000	27.93000	M	0.00000	27.93000	M
TB Betonwerk Zams GmbH	AT	EUR	Zams	0.00000	24.00000	E	0.00000	24.00000	E
Obalovna Boskovice, s.r.o.	CZ	CZK	Boskovice	0.00000	45.00000	E	0.00000	45.00000	E
Alexander Parkside GmbH & Co. KG i.L.	DE	EUR	Berlin	0.00000	50.00000	E	0.00000	50.00000	E
ASDAG Kavicsbánya és Épitö Korlátolt Felelösségü Társaság	HU	HUF	Janossomorja	0.00000	34.88000	E	0.00000	34.88000	E
BPV-Metro 4 Építési Közkereseti Társaság	HU	HUF	Budapest	49.95000	49.95000	M	49.95000	49.95000	M
BPV-METRO 4 NeKe Építési Közkereseti Társaság	HU	HUF	Budapest	49.95000	49.95000	M	49.95000	49.95000	M
Joint Venture LNG Onshore (czesc ladowa)	PL	PLN		0.00000	50.00000	E			
Joint Venture TGE-PORR	PL	PLN		0.00000	50.00000	E			
Advanced Utility Construction and Contracting LLC	QA	QAR	Doha	0.00000	40.00000	E	0.00000	40.00000	E
Joint Venture Al Wakrah Stadium & Precinct Main Works and Masterplan (SC-14-G-171)	QA	QAR	Doha	0.00000	33.33330	E	0.00000	33.33330	E
Joint Venture Al-BALAGH-PORR	QA	QAR		0.00000	49.00000	E			

Company	Country code	Currency	Location	PORR AG share %	PORR Group share %	Type of consolidation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Joint ventures									
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
AMW Asphalt-Mischwerk GmbH	AT	EUR	Sulz	0.00000	50.00000	M	0.00000	50.00000	M
AMW Asphalt-Mischwerk GmbH & Co KG	AT	EUR	Sulz	0.00000	50.00000	E	0.00000	50.00000	E
AMW Leopoldau GmbH & Co OG	AT	EUR	Wien	0.00000	33.34000	E	0.00000	33.34000	E
ARIWA Abwasserreinigung im Waldviertel GmbH	AT	EUR	Wien	0.00000	75.00000	E	0.00000	75.00000	E
ASB Nörsach GmbH	AT	EUR	Linz	0.00000	50.00000	E	0.00000	50.00000	E
ASCI Logistik GmbH	AT	EUR	Premstätten	0.00000	55.00000	E	0.00000	55.00000	E
ASF Frästechnik GmbH	AT	EUR	Kematen	0.00000	40.00000	M	0.00000	40.00000	M
Asphaltmischwerk Betriebsgesellschaft m.b.H.	AT	EUR	Rauchenwarth	0.00000	40.00000	M	0.00000	40.00000	M
Asphaltmischwerk Roppen GmbH	AT	EUR	Roppen	0.00000	30.00000	M	0.00000	30.00000	M
Asphaltmischwerk Roppen GmbH & Co KG	AT	EUR	Roppen	0.00000	30.00000	E	0.00000	30.00000	E
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG	AT	EUR	Weißbach bei Lofer	0.00000	45.00000	E	0.00000	45.00000	E
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	AT	EUR	Bergheim	0.00000	50.00000	E	0.00000	50.00000	E
AUL Abfallumladelogistik Austria GmbH	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
CamBER22 GmbH	AT	EUR	Wien	0.00000	26.00000	E	0.00000	100.00000	F
CIS Beton GmbH	AT	EUR	Premstätten	0.00000	55.00000	E	0.00000	55.00000	E
FMA Asphaltwerk GmbH	AT	EUR	Feldbach	0.00000	35.00000	M	0.00000	35.00000	M
FSF Wohnanlage Finkenweg Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	40.00000	E	0.00000	40.00000	E
FSF Wohnanlage Oberfeldstraße Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	40.00000	E	0.00000	40.00000	E
FSF Wohnanlage WB3 Errichtungs GmbH	AT	EUR	Klagenfurt am Wörthersee	0.00000	40.00000	E	0.00000	40.00000	E
Gaspix Beteiligungsverwaltungs GmbH	AT	EUR	Zirl	0.00000	31.57894	M	0.00000	31.57894	M
Grazer Transportbeton GmbH	AT	EUR	Gratkorn	0.00000	50.00000	E	0.00000	50.00000	E
HD Baustoff Verwertung GmbH	AT	EUR	Berndorf				0.00000	50.00000	E
hospitals Projektentwicklungsges.m.b.H.	AT	EUR	Graz	0.00000	74.00000	E	0.00000	74.00000	E
INTERGEO Umweltmanagement GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
IP Real Estate Amraser Straße GmbH	AT	EUR	Innsbruck	0.00000	50.00000	E	0.00000	50.00000	E
KMG - Klinikum Management Gesellschaft mbH	AT	EUR	Graz	0.00000	50.00000	E	0.00000	50.00000	E
Lieferasphalt Gesellschaft m.b.H.	AT	EUR	Wien	0.00000	50.00000	M	0.00000	50.00000	M
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	AT	EUR	Viecht, politische Gemeinde Dessel-brunn	0.00000	33.50000	E	0.00000	33.50000	E
Lieferasphalt Gesellschaft m.b.H. & Co. OG	AT	EUR	Maria Gail, politische Gemeinde Villach	0.00000	40.00000	E	0.00000	40.00000	E
Lieferasphalt Gesellschaft m.b.H. & Co. OG, Zirl	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
LISAG Linzer Splitt- und Asphaltwerk GmbH.	AT	EUR	Linz	0.00000	50.00000	M	0.00000	50.00000	M
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG	AT	EUR	Linz	0.00000	50.00000	E	0.00000	50.00000	E
MSO Mischanlagen GmbH	AT	EUR	Ilz	0.00000	66.66667	M	0.00000	66.66667	M
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	EUR	Zirl	0.00000	31.57895	E	0.00000	31.57895	E
REHAMED Beteiligungsges.m.b.H.	AT	EUR	Graz	0.00000	50.00000	E	0.00000	50.00000	E
Salzburger Reststoffverwertung GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
Stöckl Schotter- und Splitterzeugung GmbH	AT	EUR	Weißbach bei Lofer	0.00000	40.00001	E	0.00000	40.00001	E
TAL Betonchemie Handel GmbH	AT	EUR	Wien	0.00000	50.00000	E	0.00000	50.00000	E
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	EUR	Nußdorf ob der Traisen	0.00000	33.33333	M	0.00000	33.33333	M
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	EUR	Nußdorf ob der Traisen	0.00000	33.33333	E	0.00000	33.33333	E
Tauernkies GmbH	AT	EUR	Salzburg	0.00000	50.00000	E	0.00000	50.00000	E
TB Transportbeton GmbH	AT	EUR	Linz	0.00000	33.33333	E	0.00000	33.33333	E
TBT Transportbeton Tillmitsch GmbH	AT	EUR	Tillmitsch	0.00000	50.00000	M	0.00000	50.00000	M

Company	Country code	Cur-rency	Location	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
TBT Transportbeton Tillmitsch GmbH & Co KG	AT	EUR	Tillmitsch	0.00000	50.00000	E	0.00000	50.00000	E
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	AT	EUR	Spittal an der Drau	0.00000	50.00000	M	0.00000	50.00000	M
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	AT	EUR	Spittal an der Drau	0.00000	50.00000	E	0.00000	50.00000	E
Weyerhof Steinbruch GmbH	AT	EUR	Murau	0.00000	50.00000	M	0.00000	50.00000	M
Weyerhof Steinbruch GmbH & Co KG	AT	EUR	Murau	0.00000	50.00000	E	0.00000	50.00000	E
WPS Rohstoff GmbH	AT	EUR	Peggau	0.00000	49.00000	E	0.00000	49.00000	E
Obalovna Havlickuv Brod s.r.o.	CZ	CZK	Hradec Králové	0.00000	50.00000	E	0.00000	50.00000	E
OBALOVNA PRÍBRAM, s.r.o.	CZ	CZK	Praha	0.00000	37.50000	E	0.00000	37.50000	E
Obalovna Stredokluky s.r.o.	CZ	CZK	Praha	0.00000	50.00000	E	0.00000	50.00000	E
Obalovna Tábor s.r.o.	CZ	CZK	Ceské Budejovice	0.00000	50.00000	E	0.00000	50.00000	E
Obalovna Tyniste s.r.o.	CZ	CZK	Ceské Budejovice	0.00000	33.33333	E	0.00000	33.33333	E
SILASFALT s.r.o.	CZ	CZK	Ostrava - Kuncice	0.00000	50.00000	E	0.00000	50.00000	E
Spolecne obalovny, s.r.o.	CZ	CZK	Praha	0.00000	50.00000	E	0.00000	50.00000	E
Alexander Parkside Verwaltungs GmbH	DE	EUR	Berlin	0.00000	50.00000	M	0.00000	50.00000	M
AMW Asphaltmischwerke Westfalen GmbH	DE	EUR	Münster	0.00000	50.00000	E	0.00000	50.00000	E
AVALERIA Beteiligungsgesellschaft mbH	DE	EUR	München	0.00000	60.00000	M	0.00000	60.00000	M
AVALERIA Hotel HafenCity GmbH & Co. KG	DE	EUR	München	0.00000	56.88000	E	0.00000	56.88000	E
Beteiligungsgesellschaft Nordharz Asphalt-Mischwerke mbH	DE	EUR	Wegeleben	0.00000	50.00000	M	0.00000	50.00000	M
H + E Haustechnik und Elektro GmbH	DE	EUR	Deggendorf	0.00000	50.00000	E	0.00000	50.00000	E
Nordharz Asphalt-Mischwerke GmbH & Co. KG	DE	EUR	Wegeleben	0.00000	50.00000	E	0.00000	50.00000	E
Olympia Gate Munich Verwaltungs GmbH in Liqu.	DE	EUR	Grünwald	0.00000	50.00000	E	0.00000	50.00000	E
M6-Autópálya Építési Kkt. végelszámolás alatt	HU	HUF	Budapest				0.00000	33.33330	M
M6 Dunaújváros-Szekszárd Építési Közkereseti Társaság	HU	HUF	Budapest	0.00000	50.00000	E	0.00000	50.00000	E
JV BB CLC Società Consortile a responsabilitá limitata	IT	EUR	Vicenza	0.00000	50.00000	E	0.00000	50.00000	E
JV MACC NAVY	IT	EUR		0.00000	95.00000	E	0.00000	95.00000	E
AF Haehre/PNC ANS (Joint Venture)	NO	NOK		0.00000	50.00000	E	0.00000	50.00000	E
JOINT VENTURE FARRIS BRU ANS	NO	NOK	Larvik	0.00000	65.00000	E	0.00000	65.00000	E
JOINT VENTURE HARPE BRU ANS	NO	NOK	Larvik	0.00000	65.00000	E	0.00000	65.00000	E
"Modzelewski & Rodek" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	50.00000	E	0.00000	50.00000	E
Berlin Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
Poleczki Amsterdam Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
Poleczki Vienna Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
Warsaw Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warszawa	0.00000	26.00000	E	0.00000	26.00000	E
AUCC Precast Factory LLC	QA	QAR	Doha	0.00000	40.00000	E	0.00000	40.00000	E
EQCC PORR W.L.L.	QA	QAR	Doha	0.00000	49.00000	E	0.00000	49.00000	E
Hamad Bin Khalid Contracting - PORR Qatar Construction JV W.L.L.	QA	QAR	Doha	0.00000	45.00000	E	0.00000	45.00000	E
Joint Venture MIDMAC-PORR	QA	QAR		0.00000	50.00000	E			
Joint Venture MIDMAC-PORR I/C	QA	QAR		0.00000	50.00000	E			
Asfalt Belusa s.r.o.	SK	EUR	Bratislava - mestská cast´ Ruzinov	0.00000	50.00000	E	0.00000	50.00000	E
D4R7 Construction s.r.o.	SK	EUR	Bratislava	0.00000	35.00000	E	0.00000	35.00000	E
Slovenské Asfalty s.r.o.	SK	EUR	Bratislava - mestská cast´ Ruzinov	0.00000	50.00000	E	0.00000	50.00000	E
Other equity interests									
KAB Straßensanierung GmbH	AT	EUR	Spittal an der Drau	0.00000	19.98800	M	0.00000	19.98800	M
PPP Campus Bednar Park Errichtungs- und Betriebs GmbH	AT	EUR	Wien	0.00000	1.00000	M	0.00000	1.00000	M

Company	Country code	Cur-rency	Location	PORR AG share %	PORR Group share %	Type of consol-idation	PORR AG share previous year %	PORR Group share previous year %	Type of consolidation previous year
Pumpspeicherkraftwerk Koralm GmbH	AT	EUR	Garanas, politische Gemeinde Schwanberg	0.00000	1.00000	M	0.00000	1.00000	M
Schaberreiter GmbH	AT	EUR	Kindberg	0.00000	6.80000	M	0.00000	6.80000	M
Senuin Beteiligungsverwaltungs GmbH	AT	EUR	Wien	0.00000	1.00000	M	0.00000	1.00000	M
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	AT	EUR	Zistersdorf	0.00000	16.66667	M	0.00000	16.66667	M
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	AT	EUR	Zistersdorf	0.00000	16.66667	M	0.00000	16.66667	M
Arena Boulevard GmbH & Co. KG i.L.	DE	EUR	Berlin	0.00000	6.00000	M	0.00000	6.00000	M
BTM BAUSTOFF-TECHNIK + MISCHWERKE Gesellschaft mit beschränkter Haftung	DE	EUR	Bielefeld	0.00000	15.00000	M	0.00000	15.00000	M
Forum am Bahnhof Quickborn GmbH & Co. KG	DE	EUR	Hamburg	0.00000	6.00000	M	0.00000	6.00000	M
GeMoBau Gesellschaft für modernes Bauen mbH i.L.	DE	EUR	Berlin	6.00000	6.00000	M	6.00000	6.00000	M
German Hotel Verwaltungs GmbH	DE	EUR	Grünwald	0.00000	3.00000	M	0.00000	3.00000	M
Hotel Invest Hansa FT2 GmbH & Co. KG	DE	EUR	Hamburg	0.00000	3.00000	M	0.00000	3.00000	M
SONUS City GmbH & Co. KG	DE	EUR	Berlin	0.00000	6.00000	M	0.00000	6.00000	M
UBM Development Deutschland GmbH	DE	EUR	München	0.00000	6.00000	M	0.00000	6.00000	M
Zero Bypass (Holdings) Limited	GB	GBP	London	0.00000	10.00000	M	0.00000	10.00000	M
AQUASYSTEMS gospodarjenje z vodami d.o.o.	SI	EUR	Maribor	0.00000	10.00030	M	0.00000	10.00033	M

Key:
F = Fully consolidated companies
E = Companies consolidated under the equity method
M = Companies of minor significance

Auditor’s Report

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of PORR AG, Vienna, and of its subsidiaries (the Group) comprising the consolidated balance sheet as of December 31, 2020, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2020 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB.

Basis for the opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following “EU regulation”) and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

Key audit matters

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

Accounting for revenues from construction contracts

Accounting for revenues from construction contracts

Situation and reference to further information
A large part of revenue and profits of the PORR group result from revenues from construction contracts, which are accounted in accordance with IFRS 15 Revenue from contracts with customers. In 2020 this accounted for approximately 94% of revenue.

In general, revenue is realised over the period of the service rendered under application of the output method. Revenue and proportional profits are recorded on the basis of the stage of completion. If it is probable that total contract costs exceed the corresponding contract revenues an onerous contract provision is recorded for the expected total loss. Warranty obligations exist in relation to completed construction projects handed over to the client. For certain construction contracts PORR and its customers and/or suppliers have different views regarding contractual claims and/or obligations of the PORR group. These differences are solved in negotiations with the contract partners, as well

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as in legal and extrajudicial (arbitration) proceedings. Claims are recognised when there is a contractual entitlement to the amount of consideration and they can be reliably assessed. Provisions for buildings are recognised for warranty claims, impending and claimed penalties and damages.

The assessment of contracts with customers until completion depends to a large extent on assumptions and expectations about future developments and completion of the projects and the outcome of negotiations and procedures with contract parties and is therefore, to a large extent, dependent on estimates. This is particularly the case with regard to the accounting for claims, the amount of the estimated total contract costs and corresponding profits as well as the amount of the contract revenues which have to be recognised in accordance with the PoC-method and the estimated expenses and obligations for penalties, damages and warranties.

The risk for the consolidated statements consists of the uncertainty of the accounting for contracts with customers and the related items in the consolidated statement of financial position and the consolidated income statement due to necessary assumptions and estimates and the misrepresentation of these items.

Reference to further information:
Revenue recognition from construction contracts, as well as the presentation of balance sheet items and provisions are explained in section 5 (Accounting and measurement methods). Chapter 6 (Key assumptions and key sources of estimation uncertainty) contains information on substantial estimation uncertainty. Chapter 8 (Revenues) shows the share of revenues from construction contracts of total sales. The Trade receivables section (25) contains information on the carrying amounts of contract assets, related contract profits and the prepayments received, which have been measured in accordance with the POC method. Construction contracts which form a liability are shown as contract liabilities in disclosure note: Other liabilities (40.). Chapter 35 (Provisions) provides details on the composition and development of provisions for buildings. The effects of the COVID 19 pandemic are presented in chapter 7 of the notes to the consolidated financial statements.

Audit response
In the course of our audit, we have gained an understanding of the processes relevant to the accounting of revenues from construction contracts and tested the effectiveness of selected internal controls. These controls mainly addressed the technical, legal and commercial review and approval of new contracts as well as the calculation and recognition process of contract revenue and contract cost. We also tested internal controls which relate to the internal monitoring and assessment of ongoing projects and calculations up to the completion after the end of the warranty period.

On the basis of the results of these control tests, we have drawn a sample of contracts with customers from constructions contracts for a more in-depth analysis. With focus on high estimation uncertainties and error risks, we have selected our sample considering various relevant parameters, e.g. margin and profit development, contract value, carrying amount, asserted and capitalized claims, disputed claims and internal reporting of risk management.

The audit procedures performed on the selected sample consisted primarily of:

- Analytical procedures, comparing the actual results to the estimates/forecasts made in the past.
- Reconciliation of the key assumptions and estimates with contracts, budgets and comparable construction contracts.
- Critical analysis and discussions of key project assumptions with the responsible commercial and operational project managers.
- Critical assessment of internal and external technical, legal and commercial opinions.
- Review of the correspondence and minutes concerning discussions and negotiations with contract partners.
- Obtaining and critically assessing opinions on legal and extrajudicial (arbitration) proceedings.
- Testing of the financial entries and computational accuracy of the contract costs, results and carrying amounts related to the consolidated income statement due to necessary assumptions and estimates and the misrepresentation of these items.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

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

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

Responsibilities of management and of the audit committee for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB, for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

Comments on the management report for the group

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Additional information in accordance with article 10 of the EU regulation

We were elected as auditor by the ordinary general meeting at 28 May 2020. We were appointed by the Supervisory Board on 29 June 2020. We are auditors without cease since 2002.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

We did not perform additional services for the audited company or entities controlled by it that were not disclosed in the consolidated financial statements.

Responsible Austrian certified public accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Mag. Peter Bartos, Certified Public Accountant.

Vienna, April 15, 2021

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Peter Bartos
Certified Public Accountant

MMag. Nicole Doppelhofer
Certified Public Accountant

Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Interim Consolidated Financial Statements as of 30 June 2021

together with the respective review report

This is a translation of the German language original

Consolidated Income Statement

in TEUR	1–6/2021	1–6/2020 unaudited/ unreviewed	4–6/2021 unaudited/ unreviewed	4–6/2020 unaudited/ unreviewed
Revenue	2,288,262	2,071,222	1,319,908	1,158,856
Own work capitalised in non-current assets	1,905	788	1,027	575
Income from companies accounted for under the equity method	27,643	10,600	17,772	11,846
Other operating income	80,200	63,380	43,411	16,466
Cost of materials and other related production services	-1,461,103	-1,340,092	-860,178	-762,271
Staff expenses	-621,409	-570,016	-342,652	-309,256
Other operating expenses	-201,492	-170,078	-103,897	-71,607
EBITDA	**114,006**	**65,804**	**75,391**	**44,609**
Depreciation, amortisation and impairment expense	-92,820	-82,753	-49,792	-41,696
EBIT	**21,186**	**-16,949**	**25,599**	**2,913**
Income from financial investments and other current financial assets	1,955	3,787	979	2,620
Finance costs	-11,690	-13,418	-5,774	-6,582
EBT	**11,451**	**-26,580**	**20,804**	**-1,049**
Income tax expense	-2,840	3,882	-5,008	-626
Profit/loss for the period	**8,611**	**-22,698**	**15,796**	**-1,675**
of which attributable to shareholders of parent	-2,973	-33,599	8,821	-5,833
of which attributable to holders of profit-participation rights/hybrid capital	8,688	9,214	4,376	4,458
of which attributable to non-controlling interests	2,896	1,687	2,599	-300
Basic earnings per share, total (in EUR)	-0.10	-1.16	0.31	-0.20
Diluted earnings per share, total (in EUR)	-0.10	-1.16	0.31	-0.20

Statement of Comprehensive Income

in TEUR	1–6/2021	1–6/2020 unaudited/ unreviewed	4–6/2021 unaudited/ unreviewed	4–6/2020 unaudited/ unreviewed
Profit/loss for the period	**8,611**	**-22,698**	**15,796**	**-1,675**
Other comprehensive income				
Remeasurement from defined benefit obligations	5,706	-2,065	4,255	-2,312
Measurement of equity instruments	48	-481	10	732
Income tax expense (income) on other comprehensive income	-1,464	665	-1,108	411
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	**4,290**	**-1,881**	**3,157**	**-1,169**
Exchange rate differences	3,851	-7,558	4,379	1,285
Gains/losses from cash flow hedges				
in the period under review	65	152	-72	69
Income tax expense (income) on other comprehensive income	-16	-38	18	-17
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**3,900**	**-7,444**	**4,325**	**1,337**
Other comprehensive income	**8,190**	**-9,325**	**7,482**	**168**
Total income for the period	**16,801**	**-32,023**	**23,278**	**-1,507**
of which attributable to shareholders of parent	5,110	-42,907	16,157	-5,821
of which attributable to holders of profit-participation rights/hybrid capital	8,688	9,214	4,376	4,458
of which attributable to non-controlling interests	3,003	1,670	2,745	-144

Consolidated Cash Flow Statement

in TEUR	1–6/2021	1–6/2020 unaudited/ unreviewed
Profit/loss for the period	8,611	-22,698
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	93,513	83,237
Interest income/expense	8,650	9,603
Income from companies accounted for under the equity method	-948	4,759
Dividends from companies accounted for under the equity method	6,231	1,529
Profits from the disposal of fixed assets	-6,465	-3,835
Decrease in long-term provisions	-2,282	-1,519
Deferred income tax	1,223	-6,150
Operating cash flow	**108,533**	**64,926**
Increase/decrease in short-term provisions	6,528	-11,679
Increase in tax liabilities	-	1,930
Increase in inventories	-12,475	-16,113
Increase in receivables	-244,716	-153,458
Increase/decrease in payables (excluding banks)	111,924	-28,388
Interest received	2,839	3,046
Interest paid	-10,422	-11,923
Other non-cash transactions	-3,483	2,755
Cash flow from operating activities	**-41,272**	**-148,904**
Proceeds from sale of property, plant and equipment and disposal of investment property	16,814	8,198
Proceeds from the sale of financial assets	-	925
Proceeds from repayment of loans	679	1,801
Investments in intangible assets	-8,045	-3,684
Investments in property, plant and equipment and investment property	-86,359	-55,759
Investment in financial assets	-1,794	-345
Investment in loans	-1,555	-930
Payouts for the purchase of subsidiaries less cash and cash equivalents	-	-1,495
Cash flow from investing activities	**-80,260**	**-51,289**
Dividends	-16,188	-10,503
Payouts to non-controlling interests	-1,127	-574
Proceeds from profit-participation rights/hybrid capital	-	150,000
Repayment of profit-participation rights/hybrid capital	-	-28,486
Obtaining loans and other financing	60,246	51,500
Redeeming loans and other financing	-99,903	-100,488
Cash flow from financing activities	**-56,972**	**61,449**
Cash flow from operating activities	**-41,272**	**-148,904**
Cash flow from investing activities	**-80,260**	**-51,289**
Cash flow from financing activities	**-56,972**	**61,449**
Change to cash and cash equivalents	**-178,504**	**-138,744**
Cash and cash equivalents as of 1 Jan	582,545	581,890
Currency differences	2,955	-5,142
Cash and cash equivalents as of 30 Jun	**406,996**	**438,004**
Tax paid	1,617	338

Consolidated Statement of Financial Position

in TEUR	30.6.2021	31.12.2020
Assets		
Non-current assets		
Intangible assets	153,967	147,919
Property, plant and equipment	953,128	926,815
Investment property	29,425	31,357
Shareholdings in companies accounted for under the equity method	88,399	92,233
Loans	33,190	31,806
Other financial assets	36,344	36,076
Other non-current financial assets	8,522	9,107
Deferred tax assets	9,891	8,535
	1,312,866	**1,283,848**
Current assets		
Inventories	87,231	74,756
Trade receivables	1,543,382	1,333,327
Other financial assets	186,647	172,039
Other receivables and current assets	67,740	48,329
Cash and cash equivalents	406,996	582,545
Assets held for sale	14,921	14,619
	2,306,917	**2,225,615**
Total assets	**3,619,783**	**3,509,463**

Equity and liabilities		
Equity		
Share capital	29,095	29,095
Capital reserve	251,287	251,287
Profit-participation rights/hybrid capital	318,354	325,854
Other reserves	38,906	29,749
Equity attributable to shareholders of parent	**637,642**	**635,985**
Non-controlling interests	16,440	14,564
	654,082	**650,549**
Non-current liabilities		
Bonds and bonded loans (Schuldscheindarlehen)	264,688	294,604
Provisions	163,736	171,629
Non-current financial liabilities	334,083	327,200
Other non-current financial liabilities	3,066	3,237
Deferred tax liabilities	22,028	22,631
	787,601	**819,301**
Current liabilities		
Bonds and bonded loans (Schuldscheindarlehen)	71,981	41,977
Provisions	201,731	195,203
Current financial liabilities	86,373	95,534
Trade payables	1,091,461	973,100
Other current financial liabilities	40,884	46,617
Other current liabilities	654,369	655,881
Tax payables	31,301	31,301
	2,178,100	**2,039,613**
Total equity and liabilities	**3,619,783**	**3,509,463**

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 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
Total income 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**
Balance as of 31 Dec 2020	**29,095**	**251,287**	**7,622**	**-47,918**	**114**	**-7,778**
Total profit/loss of the year	-	-	-	-	-	17
Other comprehensive income	-	-	-	4,241	36	3,757
Profit/loss for the period	**-**	**-**	**-**	**4,241**	**36**	**3,774**
Dividend payout	-	-	-	-	-	-
Income tax on interest of holders of profit-participation rights/hybrid capital	-	-	-	-	-	-
Balance as of 30 Jun 2021	**29,095**	**251,287**	**7,622**	**-43,677**	**150**	**-4,004**

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
-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**
-688	**325,854**	**78,397**	**635,985**	**14,564**	**650,549**
-	8,688	-2,990	5,715	2,896	8,611
49	-	-	8,083	107	8,190
49	**8,688**	**-2,990**	**13,798**	**3,003**	**16,801**
-	-16,188	-	-16,188	-1,127	-17,315
-	-	4,047	4,047	-	4,047
-639	**318,354**	**79,454**	**637,642**	**16,440**	**654,082**

Notes to the Interim Consolidated Financial Statements as of 30 June 2021

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 2021. 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 2020. 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 two companies were consolidated in full for the first time in these interim financial statements:

Because of new foundations	**Date of initial consolidation**
JV PORR-HBK-MIDMAC C853/2	1.1.2021
JV PORR-AKME	1.1.2021

Two companies were liquidated or are currently in a liquidation process and have thereby been removed from the consolidated group.

A total of 50 (previous year: 50) domestic and 39 (previous year: 39) 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 2020, 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:

New standard or amendment	Date of publication by IASB	Date of adoption into EU law	Date of initial application
Amendments to IFRS 16 Covid-19-Related Rent Concessions	28.5.2020	9.10.2020	1.6.2020
Amendments to IFRS 4 Insurance Contracts Deferral of IFRS 9	25.6.2020	15.12.2020	1.1.2021
Amendments to IFRS9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform (phase 2)	27.8.2020	13.1.2021	1.1.2021

The following standards and interpretations have been published since the preparation of the consolidated financial statements as of 31 December 2020 but are not yet mandatory or have not yet been adopted into EU law.

Standards and interpretations already adopted by the European Union

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

Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract: The amendments specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The impacts on the Group are currently being evaluated as they may vary depending on the composition of the order backlog when the amendment first takes effect on 1 January 2022. From a current perspective, an increase in the provision for impending losses within a range of EUR 25 to 35 million is expected.

Standards and interpretations not yet adopted by the European Union

New standard or amendment	Date of publication by IASB	Date of initial application
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	1.1.2023
IAS 1 Disclosure of Accounting Policies	12.2.2021	1.1.2023
IAS 8 Definition of Accounting Estimates	12.2.2021	1.1.2023
Amendment to IFRS 16 Covid-19-Related rent concessions beyond 30 June 2021	31.3.2021	1.4.2021
IAS 12 Deferred tax related to Assets and Liabilities arising from a single Transaction	7.5.2021	1.1.2023

No significant impact on the Group is expected.
The interim consolidated financial statements as of 30 June 2021 use the same consolidation methods and basis for currency exchange as were used in the annual financial statements as of 31 December 2020.

4. Estimates and Assumptions

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

5. Seasonal Influence and Impacts of COVID-19

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 two quarters than in the final two quarters. These seasonal fluctuations are less pronounced in building construction than in civil engineering and road construction.

Regarding the grants and subsidies in relation to COVID-19, a further TEUR 184 was applied for in the case of fixed cost subsidies as of 30 June 2021. One subsidiary in Germany took out a loan of TEUR 10,000.

6. Revenue

in TEUR 1–6/2021	AT / CH	DE	PL	CEE	Infra-structure International	Holding	Group
Revenue							
Building construction							
Commercial/office construction	86,703	4,362	44,824	5,787	-	-	141,675
Industrial engineering	106,582	-	560	1,526	-	-	108,669
Miscellaneous building construction	137,723	85,070	12,741	9,064	931	-	245,529
Residential construction	273,243	29,598	2,801	24,447	-	-	330,089
Civil engineering							
Railway construction	45,466	4,016	68,917	8,417	5,021	-	131,837
Bridge/overpass construction	35,661	17,603	27,174	1,967	43,345	-	125,751
Miscellaneous civil engineering	218,024	97,040	45,612	12,358	9,971	6,007	389,011
Road construction	150,799	53,764	82,924	98,666	14	-	386,166
Tunnelling	2,198	50,555	36,045	-	117,578	-	206,376
Other sectors	147,935	33,545	10,317	1,618	6,847	22,899	223,160
Revenue	**1,204,335**	**375,553**	**331,916**	**163,848**	**183,706**	**28,905**	**2,288,262**
Revenue recognised over time	1,135,877	372,353	331,916	163,848	183,706	25,501	2,213,201
Revenue recognised at a point of time	68,458	3,200	-	-	-	3,405	75,062

in TEUR 1–6/2020 unaudited/unreviewed	AT / CH	DE	PL	CEE	Infra-structure International	Holding	Group
Revenue							
Building construction							
Commercial/office construction	123,138	8,044	29,031	10,712	-	-	170,926
Industrial engineering	55,871	237	1,938	6,202	-	-	64,248
Miscellaneous building construction	136,452	78,298	17,768	7,329	1,821	2,641	244,309
Residential construction	189,815	52,091	8,823	4,590	-	-	255,319
Civil engineering							
Railway construction	46,273	-	59,471	9,523	6,448	-	121,716
Bridge/overpass construction	27,015	40,381	7,277	1,712	29,413	-	105,798
Miscellaneous civil engineering	165,089	108,599	15,490	2,240	5,222	2,317	298,956
Road construction	115,863	61,279	56,552	97,946	6,450	-	338,090
Tunnelling	-	48,923	13,045	-	141,708	-	203,676
Other sectors	148,300	22,250	51,224	30,037	-	16,372	268,184
Revenue	**1,007,817**	**420,103**	**260,619**	**170,292**	**191,062**	**21,330**	**2,071,222**
Revenue recognised over time	940,987	417,092	260,619	170,292	191,062	18,863	1,998,915
Revenue recognised at a point of time	66,830	3,010	-	-	-	2,467	72,307

7. Earnings per Share

in TEUR	1–6/2021	1–6/2020 unaudited/ unreviewed
Loss/profit for the year attributable to shareholders of parent incl. profit-participation rights/hybrid capital interests	5,715	-24,385
Less profit-participation rights/hybrid capital interests	-8,688	-9,214
Loss/profit for the year attributable to shareholders of parent	-2,973	-33,599
Weighted average number of issued shares	28,878,505	28,878,505
Basic earnings per share	**-0.10**	**-1.16**
Diluted earnings per share	**-0.10**	**-1.16**

8. Non-current Assets Held for Sale

Non-current assets held for sale comprise a property in the segment AT / CH and a property in the segment CEE where the company has received Supervisory Board approval to sell and has been actively looking for a buyer. The purchase agreements for the two properties have been signed in the meantime although closing has not yet been completed.

9. Share Capital

	No. 2021	EUR 2021	No. 2020	EUR 2020
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 the PORR AG annual financial statements, which are material in determining the payout ratio, do not report any net profit for the 2020 business year, a dividend proposal on the appropriation of earnings to the Annual General Meeting of 27 May 2021 was not necessary.

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

Authorised Capital

With the resolution of the AGM on 27 May 2021, the Executive Board is authorised by the Supervisory Board using a method different from sale on the stock exchange or public offering for a five-year period. The authorisation can be exercised in whole or in part, also in multiple amounts and for one or more purposes. The pro rata purchase right of shareholders upon sale or use of a different kind than on the stock exchange or public offering is excluded (exclusion of pre-emptive rights).

Furthermore, the existing authorisation of the Executive Board to increase the share capital is revoked and the Executive Board is newly authorised to increase the share capital of the company within five years from 14 July 2021, with the approval of the Supervisory Board, by up to EUR 10,183,250 by issuing up to 10,183,250 no-par value bearer shares for cash or contribution in kind – in either case also in multiple tranches – also in the course of indirect subscription rights in accordance with Section 153, Paragraph 6 Stock Corporation Act (authorised capital), whereby the issue price, which may not be lower than the pro rata share of share capital, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The Executive Board was authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in full 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

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% of the company's share capital at the time the authorisation is exercised,

B) the exclusion of subscription rights is for the purpose of servicing an over-allotment-opinion (greenshoe) during a capital increase, or

C) the exclusion is used to balance out fraction amounts.

10. Financial Instruments

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

in TEUR	Measurement category	Carrying amount as of 30.6.2021	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 30.6.2021
Assets							
Loans	AC	42,355	42,355				
Loans	FVTPL	22,249			22,249	Level 3	22,249
Other financial assets	FVTOCI	29,614		29,614		Level 3	29,614
Other financial assets	FVTPL	1,088			1,088	Level 3	1,088
Other financial assets	FVTPL	5,641			5,641	Level 1	5,641
Trade receivables	AC	898,998	898,998				
Other financial assets	AC	123,567	123,567				
Other financial assets	FVTPL	40,035			40,035	Level 1	40,035
Derivatives (without hedges)	FVTPL	154			154	Level 2	154
Cash and cash equivalents		406,996	406,996				
Liabilities							
Bonded loans (Schuldscheindarlehen)							
at fixed interest rates	AC	89,933	89,933			Level 3	91,764
at variable interest rates	AC	246,736	246,736				
Bank loans							
at fixed interest rates	AC	31,033	31,033			Level 3	30,863
at variable interest rates	AC	56,499	56,499				
Lease obligations[1]		328,753	328,753				
Trade payables	AC	1,091,461	1,091,461				
Other financial liabilities	AC	43,950	43,950				
Derivatives (without hedges)	FVTPL	2,947			2,947	Level 2	2,947
Derivatives (with hedges)		1,223		1,223		Level 2	1,223
by category							
Financial assets at amortised cost	AC	1,064,920	1,064,920				
Cash and cash equivalents		406,996	406,996				
Fair value through profit & loss	FVTPL	66,220			66,220		
Fair value through OCI	FVTOCI	29,614		29,614			
Financial liabilities at amortised cost	AC	1,559,612	1,559,612				

in TEUR	Measurement category	Carrying amount as of 31.12.2020	Measured at amortised cost	Fair value other comprehensive income	Fair value affecting net income	Fair value hierarchy	Fair value as of 31.12.2020
Assets							
Loans	AC	40,852	40,852				
Loans	FVTPL	23,105			23,105	Level 3	23,105
Other financial assets	FVTOCI	29,567		29,567		Level 3	29,567
Other financial assets	FVTPL	1,088			1,088	Level 3	1,088
Other financial assets	FVTPL	5,421			5,421	Level 1	5,421
Trade receivables	AC	857,868	857,868				
Other financial assets	AC	107,238	107,238				
Other financial assets	FVTPL	40,079			40,079	Level 1	40,079
Derivatives (without hedges)	FVTPL	1,677			1,677	Level 2	1,677
Cash and cash equivalents		582,545	582,545				
Liabilities							
Bonded loans (Schuldscheindarlehen)							
at fixed interest rates	AC	89,905	89,905			Level 3	92,236
at variable interest rates	AC	246,676	246,676				
Bank loans							
at fixed interest rates	AC	8,220	8,220			Level 3	8,293
at variable interest rates	AC	85,928	85,928				
Lease obligations[1]		325,388	325,388				
Other financial liabilities							
at fixed interest rates	AC	1,138	1,138			Level 3	1,137
Trade payables	AC	973,100	973,100				
Other financial liabilities	AC	49,854	49,854				
Derivatives (without hedges)	FVTPL	772			772	Level 2	772
Derivatives (with hedges)		1,288		1,288		Level 2	1,288
by category							
Financial assets at amortised cost	AC	1,005,958	1,005,958				
Cash and cash equivalents		582,545	582,545				
Fair value through profit & loss	FVTPL	70,598			70,598		
Fair value through OCI	FVTOCI	29,567		29,567			
Financial liabilities at amortised cost	AC	1,454,821	1,454,821				

[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 are 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.

	Mid swap	Credit spread	Hybrid spread	Hybrid coupon in %
Balance as of 30 Jun 2021	-25.8	297.95	293	5.65
Balance as of 31 Dec 2020	-46.3	337.19	293	5.84

	Hybrid capital
Total as of 1 Jan 2021	25,370
Surcharges/discounts	47
Total as of 30 Jun 2021	**25,417**

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.

11. Segment Report

Segment reporting has been amended in line with the new internal reporting structure and management of the PORR Group. Comparative figures have been restated retrospectively to conform to the new structure.

Business Unit 3 – International has been divided up into several segments. Poland forms the new segment PL. The Czech Republic, Slovakia and Romania form the segment CEE. The project business in Norway, Qatar, the United Arab Emirates (UAE) are in the segment Infrastructure International, along with the areas of Major Projects and Slab Track International plus tunnelling, railway construction and specialist civil engineering.

The report contains the following segments:

Segment AT / CH: This segment covers PORR's permanent business on the home markets of Austria and Switzerland along with industrial construction in Germany. The focal points are residential and office construction, structural engineering and road construction, specialist civil engineering and in railway engineering with Slab Track Austria in Europe. It also includes the equity interests IAT, ÖBA, Prajo, TKDZ and ALU SOMMER, as well as PORR industrial construction, Major Projects in building construction on every international market and the raw materials business.

Segment DE: This segment comprises the majority of PORR's activities in Germany. In the second main market the company offers building construction as well as specialist civil engineering and infrastructure services with a high real net output ratio through its own, qualified staff.

Segment PL: In this segment, PORR provides construction services in building construction and civil engineering. Poland is the Group's third-largest home market.

Segment CEE: The home markets of the Czech Republic, Slovenia and Romania make up the CEE segment. Here PORR offers services in building construction and civil engineering, whereby the goal is to provide complete coverage in the Czech Republic and Romania in particular. Selected major projects in the infrastructure sector are also realised here.

Segment Infrastructure International: The Group's competencies in international tunnelling, railway construction and specialist civil engineering are bundled here as well as the project business in Norway, Qatar, the United Arab Emirates (UAE) and the areas of Major Projects and Slab Track International. PORR focuses on orders in infrastructure services and on cooperation with local partners.

Holding: PORR Beteiligungen und Management and PORREAL are incluced here. The shared sevice center comprises all services and staff units of PORR and is also integrated in the segment Holding.

in TEUR 1–6/2021	AT / CH	DE	PL	CEE	Infra-structure International	Holding	Group
Production output (Group)	1,319,892	382,067	318,442	194,411	239,683	41,577	2,496,072
Segment revenue	1,204,335	375,553	331,916	163,848	183,706	28,905	2,288,262
Intersegment revenue	13,274	2,775	399	2,947	3,372	53,521	
EBT (Earnings before tax = segment earnings)	14,647	-9,881	4,110	5	691	1,879	11,451

in TEUR 1–6/2020 unaudited/unreviewed	AT / CH	DE	PL	CEE	Infra-structure International	Holding	Group
Production output (Group)	1,107,526	453,105	248,162	210,309	217,367	36,639	2,273,106
Segment revenue	1,007,817	420,103	260,619	170,292	191,062	21,330	2,071,222
Intersegment revenue	10,128	4,739	422	2,438	1,008	53,796	
EBT (Earnings before tax = segment earnings)	-5,871	543	-681	-13,079	-5,249	-2,243	-26,580

12. Related Party Disclosures

There have been no significant changes in relationships between related companies or any resultant obligations or guarantees since 31 December 2020.

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. Furthermore, interest for the hybrid capital of TEUR 1,520 has been paid to PORR AG in the first half of 2021.

In addition to subsidiaries and associates, related parties include the companies of the IGO Industries Group as they or their controlling entity has a significant influence over PORR AG through the shares they hold, as well as the Strauss Group, as a member of the Executive Board of PORR AG has significant influence over it, 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. Events after the End of the Reporting Period

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

Vienna, 26 August 2021

The Executive Board
Karl-Heinz Strauss m.p.
Andreas Sauer m.p.
Jürgen Raschendorfer m.p.
Josef Pein m.p.

Report on a Review of the Condensed, Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed, consolidated interim financial statements as of June 30, 2021 of PORR AG, Vienna, (referred to as "Company") comprising the condensed, consolidated balance sheet as of June 30, 2021, the condensed, consolidated income statement, the condensed, consolidated statement of comprehensive income, the condensed, consolidated cash flow statement and the condensed, consolidated statement of changes in equity for the period from January 1, 2021 to June 30, 2021 as well as the notes to the condensed, consolidated interim Financial Statements which summarise the accounting and measurement methods applied along with other notes.

Management is responsible for the preparation and fair presentation of these condensed, consolidated interim Financial Statements in accordance with IFRS for Interim Financial Reporting as adopted by the EU.

Our responsibility is to issue a report on these condensed, consolidated interim Financial Statements based on our review.

Responsible for the proper performance of the engagement is Mr. Mag. Peter Bartos, Austrian Certified Public Accountant.

With reference to § 125 Abs. 3 Austrian Stock Exchange Act (BörseG) our responsibility and liability is based on § 275 Abs. 2 Austrian Commercial Code.

Scope of review

We conducted our review in accordance with laws and regulations applicable in Austria, especially in accordance with KFS/PG 11 “Standard on Review Engagements” and International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity”. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed, consolidated interim Financial Statements does not give a true and fair view of the financial items of the entity as at June 30, 2021, and of its financial performance and its cash flows for the period then ended in accordance with IFRS for Interim Financial Reporting as adopted by the EU.

We draw attention to the fact that the English translation of this Report on a Review of the condensed, consolidated interim financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Statement on the group management report for the half-year and on the statement of the legal representatives pursuant to Sec. 125 Austrian Stock Exchange Act

We have reviewed the Half Yearly Group Management Report and evaluated it in respect of any obvious contradictions with the condensed, consolidated interim financial statements. In our opinion, the Half Yearly Group Management Report does not contain any obvious contradictions with the condensed, consolidated interim financial statements.

The Half Yearly Group Report contains a Responsibility Statement as stipulated by Sec. 125 Art. 1 No. 3 Austrian Stock Exchange Act.

26 August 2021, Vienna

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

m.p. Mag. Peter Bartos
Auditor

m.p. Mag. Gerhard Fremgen
Auditor

We draw attention to the fact that the English translation of this Report on a Review of the condensed, consolidated interim financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

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	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2021-11-12T09:54:37Z
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	Serien-Nr.	532114608
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: http://www.signaturpruefung.gv.at	
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