

- **PCC Group sales and earnings performance with upward trend in the course of third quarter 2023**
- **Quarterly sales slightly down on the previous quarter at €220.1 million; significant decline compared to previous year**
- **Earnings improved compared to previous quarter, but well below record figures of 2022**
- **EBITDA of €14.8 million and operating result (EBIT) of €–4.4 million in the third quarter; nine-month EBIT clearly positive at €21.8 million**
- **Commencement of commissioning phase in Malaysian oxyalkylates project**
- **Redemption of maturing bond**

Overall Business Development

After a very weak start to the third quarter of 2023, the sales and earnings performance of the PCC Group returned to an upward trend over the course of the period under review, with this muted upswing continuing beyond the end of September. Demand from some industrial sectors picked up slightly, but remained at a low level due to the general economic weakness prevailing. At the same time, competitive pressure from China remained high. The Silicon & Derivatives segment continued to be particularly affected by this. However, business performance in our three chemical manufacturing segments – Polyols & Derivatives, Surfactants & Derivatives and Chlorine & Derivatives – was also adversely affected by low-cost supplies from China, as indeed was the case across European industry as a whole. Quarterly sales of the PCC Group again declined slightly (by 6.4%) in the third quarter of 2023 compared to the previous quarter, from €235.3 million to €220.1 million. As of the end of the third quarter, Group sales for the year to date totaled €768.0 million. This represents a decrease of €226.4 million or 22.8% compared to the record revenues recorded for the same period in the previous year (€994.4 million). Gratifyingly, the earnings results for the third quarter of 2023 improved again at all levels compared to the previous quarter. However, as expected, the amounts achieved remained well below the record figures of 2022. Gross margin came in at 32.6%, in line with our expectations. In absolute terms, however, gross profit in the first nine months of 2023 was significantly lower at €250.4 million. Over the same reporting period in 2022, gross profit amounted to €362.3 million. Earnings before interest/financial result, taxes, depreciation and amortization (EBITDA) for Q3 2023 amounted to €14.8 million, with the cumulative total rising to €79.3 million for the first nine months of 2023. This represents a decline of almost 60% compared to the record figure registered over the same prior-year reporting period (€196.7 million). In addition to the lower gross profit, the sharp rise in costs for personnel and ex-

ternal service providers in 2023 had a negative impact on earnings. As a consequence, the PCC Group posted another loss in Q3 2023 of €–4.4 million at the operating level (EBIT). On a cumulative basis, EBIT over the first nine months of 2023 remained clearly positive at €21.8 million. However, this was below the extraordinarily high prior-year figure (€142.0 million) by some 85%. Earnings before taxes (EBT) were also negative at €–7.4 million in the third quarter of 2023, accumulating to €–9.0 million as of the end of the first nine months of 2023 (previous year: €143.6 million). Operating cash flow decreased from €119.7 million in the previous year to €88.1 million in the first nine months of 2023.

Segment Performance



Polyols & Derivatives

The performance of the Polyols & Derivatives segment showed an overall improvement in the third quarter of 2023. Although sales in this segment were even lower in the third quarter than in the weak previous quarter, partly due to the further decline in selling prices, earnings picked up again at all levels by comparison. The dominant operational entity in this segment is the Polyols business unit of PCC Rokita SA, Brzeg Dolny (Poland), which recorded rising demand for its polyether and polyester polyols, particularly in September 2023. However, this increase mainly related to standard polyols with their lower margins compared to specialty products. In addition, competition from producers in China and other Asian countries is particularly fierce in the standard segment. The Polyols business unit will therefore continue to pursue its strategy of ongoing diversification of its product portfolio and the continuous addition of further specialty products in order to remain successful in the competitive international field going forward. This business unit ended the third quarter and the first nine months of

2023 as a whole on a positive note, albeit with figures below the very good prior-year numbers. The Polish systems house PCC Prodex Sp. z o.o., Brzeg Dolny, which produces, among other things, spray foams for the interior insulation of roofs, again achieved a positive result in the third quarter due to seasonal factors, but also fell short of the previous year's earnings. By contrast, the performance of the Essen-based manufacturer in Germany of specialty foam blocks and polishing pads, PCC Prodex GmbH, improved slightly compared to the previous year, although remaining in deficit overall, as expected. This also applies to the affiliates and business units operating in the Thermal Insulation Panels business area. The sales and earnings performance of PCC Synteza S.A., Kędzierzyn-Koźle (Poland), was again much lower than expected in the third quarter due to continuing weak demand for alkylphenols, with figures also remaining significantly below the (exceptionally good) prior-year level. Sales of polyol-based specialty chemicals produced by PCC Synteza S.A. in cooperation with Oberhausen-based PolyU GmbH in Germany also initially remained at a low level. Both affiliates therefore again posted losses overall in Q3 2023, although from September onward their earnings curves returned to an upward trend, at least at the monthly level. Gratifyingly, PolyU GmbH was also able to qualify the specialty chemicals it had developed for a further area of application, thereby expanding its customer portfolio.

Surfactants & Derivatives

The Surfactants & Derivatives segment likewise closed the third quarter of 2023 in positive territory. However, this segment was also unable to match either the previous year's very good figures or our high expectations for the current fiscal year. Average selling prices remained under pressure due to persistently strong competition from outside Europe, particularly from China and India. Plus, the significant rise in personnel costs in Poland due to inflation also had a negative impact on earnings. This was exacerbated by production problems at a major raw materials supplier. In this difficult market environment, the largest affiliate in this segment, PCC Exol SA, Brzeg Dolny, nevertheless continued to perform successfully and also ended the third quarter of 2023 in clearly positive territory. The US company PCC Chemax Inc., Piedmont (SC), was at least able to maintain its previously positive earnings outcome in the third quarter of 2023 despite weak demand in the USA emanating from the economic situation prevailing there. By contrast, business performance in the Consumer Products division, which is also part of the Surfactants & Derivatives segment, remained successful in the

third quarter, with the figures achieved coming in much better than expected.

Chlorine & Derivatives

The Chlorine & Derivatives segment remained the main sales and earnings driver of the PCC Group in the third quarter of 2023. Once again, the Chlorine business unit of PCC Rokita SA made the largest contribution in both respects. Average selling prices for the chlorine by-products caustic soda flakes and caustic soda lye stabilized over the course of the quarter, while prices for hydrochloric acid remained at a high level compared to "normal" fiscal years (before the coronavirus pandemic and before the war in Ukraine). Despite the scheduled maintenance-related shutdown of the chlorine electrolysis plant at the start of the quarter, the Chlorine business unit therefore also closed the third quarter of 2023 in clearly positive territory. However, this business unit was also unable to match the record results of the same quarter of the previous year. This also applies to the Phosphorus and Naphthalene Derivatives business unit of PCC Rokita SA, the earnings performance of which at least stabilized again in the course of the third quarter, despite persistently high competitive pressure from China. At our monochloroacetic acid (MCAA) manufacturer PCC MCAA Sp. z o.o., Brzeg Dolny, the maintenance-related shutdown initiated at the end of the second quarter also continued in the first few days of the third quarter. In addition, this business unit continued to face weak demand from suppliers to the construction industry during Q3. Demand volumes for other application areas also remained at a low level. By contrast, declining feedstock purchase prices, including for acetic acid, had a positive effect. PCC MCAA Sp. z o.o. therefore again recorded a slightly positive earnings performance in the third quarter of 2023, at least at the operating level. This company also benefited from the conversion measures implemented to recover the process heat generated during MCAA production. This recycling system is expected to reduce coal consumption at the Brzeg Dolny site by a total of around 10,000 metric tons per year in future and also save on the costs otherwise incurred for the corresponding amount of CO₂ certificates.

Silicon & Derivatives

The Silicon & Derivatives segment posted a further loss in the third quarter of 2023. As a result, the performance of this segment with its dominant affiliate PCC BakkiSilicon hf.,

| Key financials by segment | (per IFRS) | Polyols & Derivatives | | | Surfactants & Derivatives | | | Chlorine & Derivatives | | | Silicon & Derivatives | | |
|------------------------------|---------------|-----------------------|----------------------|---------|---------------------------|---------|---------|------------------------|---------|---------|-----------------------|---------|---------|
| | | Q3/2023 | 9M/2023 ⁵ | 9M/2022 | Q3/2023 | 9M/2023 | 9M/2022 | Q3/2023 | 9M/2023 | 9M/2022 | Q3/2023 | 9M/2023 | 9M/2022 |
| Sales ¹ | € million | 45.1 | 146.5 | 197.6 | 50.2 | 157.5 | 176.4 | 54.4 | 219.0 | 266.5 | 12.8 | 57.3 | 95.3 |
| EBITDA ² | € million | 2.0 | 6.4 | 31.1 | 6.1 | 20.0 | 31.1 | 11.7 | 76.4 | 117.6 | -8.4 | -30.6 | 8.2 |
| EBIT ³ | € million | 0.5 | 1.9 | 27.0 | 5.0 | 16.8 | 28.0 | 6.9 | 61.4 | 103.6 | -12.8 | -43.6 | -4.8 |
| EBT ⁴ | € million | 0.7 | -0.1 | 26.8 | 4.0 | 12.4 | 25.4 | 6.8 | 55.1 | 103.9 | -8.7 | -48.3 | 6.3 |
| Employees | (at Sept. 30) | 352 | 352 | 353 | 503 | 503 | 505 | 442 | 442 | 459 | 210 | 210 | 228 |

Notes: Consolidation effects not separately shown. Rounding differences possible. Quarterly and cumulative figures unaudited. Subject to change without notice. | 1 The sales indicated relate exclusively to net external sales; consolidation procedures have already been taken into account. | 2 EBITDA (earnings before interest/financial result, taxes, depreciation and amortization) | 3 EBIT (earnings before interest/financial result and taxes) = Operating profit = EBITDA - depreciation and amortization | 4 EBT (earnings before taxes) = Pre-tax profit = EBIT - interest/financial result | 5 "M" = months

Húsavík (Iceland), was also much worse than in the same quarter of the previous year. On a cumulative basis, a positive pre-tax earnings result in the mid-single-digit million range was achieved in the first nine months of the previous year. In contrast, a loss in the mid-double-digit million range has so far occurred in the current fiscal year. Selling prices for silicon metal remained at a very low level in the third quarter of 2023 due to persistently strong competition (particularly from China). Demand remained weak, and in some cases even the quantities subject of firm orders placed by customers for the third quarter were not fully taken up. PCC BakkiSilicon hf. therefore expects to only be operating one of its two furnaces in the fourth quarter of 2023. The production process remained stable throughout the third quarter and underwent further optimization. For example, the raw material input factors were improved and silicon metal yield was further increased. In addition, there was a reduction in the purchase prices for some raw materials. In the coming weeks and months, PCC BakkiSilicon hf. will continue to focus on further reducing manufacturing costs per ton of silicon metal. Production will also be focused primarily on higher product grades which, although lower in demand, are also exposed to less aggressive competition. PCC Silicium S.A., Zagórze (Poland), was able to further improve its operating result in the third quarter of 2023 despite lower quartzite sales to Iceland, achieving a positive operating result at the previous year's level in the first nine months of 2023. Regular quartzite deliveries to a Slovakian ferroalloy manufacturer and seasonally higher sales of ballast for the construction of roads and railroad lines are the main reasons for this gratifying development.

Trading & Services

The Trading & Services segment generated sales revenue of €26.3 million in the third quarter of 2023. This figure was therefore once again significantly lower than in the corresponding quarter of the previous year. There was also a substantial cumulative decline in sales over the first nine months of 2023. This mainly reflects the sales performance of the largest trading company of the PCC Group, PCC Trade & Services GmbH, Duisburg (Germany), which recorded a significant decline in revenues from mid-2022 onward, particularly due to the discontinuation of the trading business with commodities of Russian provenance as a result of sanctions. Nevertheless, PCC Trade & Services GmbH closed also the third quarter of 2023 successfully and better than expected. Among other things, changes in the product portfolio had a positive impact on earnings performance. The Turkish sales and distribution company

PCC Exol Kimya, Istanbul, likewise closed the third quarter of 2023 in positive territory. By contrast, the trading business of the Czech company PCC Morava-Chem s.r.o., Český Těšín, and the online platform distripark.com, Brzeg Dolny, remained at a low level, with both also continuing to post a slight loss. The Trading & Services segment also includes various companies that primarily provide internal services, for example in the areas of energy supply, information technology, environmental protection, site management, engineering and maintenance, and also finance. At segment level, increased personnel costs in these affiliates and higher costs for maintenance and repairs – among other things – had a negative impact on earnings.

Logistics

Sales in the Logistics segment for the third quarter of 2023 totaled €31.1 million. Revenues were therefore €5.3 million lower than in the same quarter of the previous year and also fell short of our expectations. As already described in the previous quarterly report, the general conditions for the main business area of this segment, that of international container logistics, remained very difficult in the third quarter of 2023. PCC Intermodal SA, Gdynia (Poland), and its German subsidiary PCC Intermodal GmbH, Duisburg, therefore posted slight losses even at the operating level in the third quarter. On a cumulative basis, however, the EBIT of PCC Intermodal SA and also the EBIT of the Logistics segment as a whole remained clearly positive. Nevertheless, the figures remained below both the exceptional levels achieved in the prior-year period and our ambitious expectations. It was not until the end of the third quarter that there were signs of a slight increase in the operating rate of the train services offered by PCC Intermodal S.A. Following a successful test phase, the route network of this affiliate was expanded in the third quarter to include a connection between Poland and Italy: Since September, PCC Intermodal S.A. has been operating a regular container block train service between its intermodal transport terminal in Gliwice, Poland, and the northern Italian city of Padua. From there, there are various connections within Italy as well as onward routes to Greece and Turkey via Bari. Going forward, this new service is expected to contribute to further growth in the international container logistics business of the PCC Group. The sales and earnings performance of the tanker haulage company PCC Autochem Sp. z o.o., Brzeg Dolny, was again positive in the third quarter of 2023. The Russian affiliate ZAO PCC Rail, Moscow, which has not operated any kind of transport business since the end of 2022, again made monthly repayments as scheduled in the third quarter of 2023 on the loan granted to it by PCC SE.

| Key financials by segment | (per IFRS) | Trading & Services | | | Logistics | | | Holding & Projects | | | PCC Group totals | | |
|---------------------------|---------------|--------------------|----------------------|---------|-----------|---------|---------|--------------------|---------|---------|------------------|---------|---------|
| | | Q3/2023 | 9M/2023 ⁵ | 9M/2022 | Q3/2023 | 9M/2023 | 9M/2022 | Q3/2023 | 9M/2023 | 9M/2022 | Q3/2023 | 9M/2023 | 9M/2022 |
| Sales ¹ | € million | 26.3 | 92.6 | 156.7 | 31.1 | 94.6 | 100.8 | 0.3 | 1.5 | 1.1 | 220.1 | 768.0 | 994.4 |
| EBITDA ² | € million | 1.6 | 0.6 | -9.0 | 4.0 | 13.2 | 20.2 | -2.5 | -5.2 | -2.4 | 14.8 | 79.3 | 196.7 |
| EBIT ³ | € million | -1.5 | -8.8 | -17.8 | -0.1 | 1.6 | 9.3 | -2.8 | -6.2 | -3.4 | -4.4 | 21.8 | 142.0 |
| EBT ⁴ | € million | -2.1 | -4.5 | -17.1 | -3.0 | -2.6 | 10.2 | -4.9 | 68.1 | 114.2 | -7.4 | -9.0 | 143.6 |
| Employees | (at Sept. 30) | 1,078 | 1,078 | 1,087 | 654 | 654 | 641 | 85 | 85 | 88 | 3,324 | 3,324 | 3,361 |

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Aerial view of the new oxyalkylates plant (in the foreground) of our Malaysian joint venture PCG PCC Oxyalkylates Sdn. Bhd. at the PETRONAS Group's integrated petrochemical complex in Kertih. Commissioning has now started.

Holding & Projects

Earnings in the Holding & Projects segment declined as expected in the third quarter of 2023, but remained clearly positive due to the dividend income received in the previous quarter. This dividend income is eliminated on consolidation and therefore has no bearing on Group earnings. The third quarter saw commencement of the commissioning phase of the oxyalkylates project in Malaysia. The first start-up with a raw materials feed is planned for November 2023. With this production plant in Kertih in the state of Terengganu, which boasts an annual capacity of 70,000 metric tons, PCC SE is aiming to expand its core business in the Asian market. Similar endeavors are also underway with regard to the US market. In the oxyalkylates project there, a further milestone was reached in the third quarter of 2023 with the signing of a long-term, cancelable lease agreement for a site in the immediate vicinity of the port of Bay

City, Texas. This agreement gives PCC the opportunity to extensively examine this site before making a final investment decision.

PCC Thorion GmbH, which is working in cooperation with Fraunhofer ISE on the development of a silicon-carbon composite material to increase the performance of lithium-ion batteries, received initial EU funding for its project in the third quarter of 2023. The starting point for this high-tech material is a nano-silicon powder produced from the silicon metal of PCC BakkiSilicon hf. This affiliate could therefore also benefit from the successful realization of this project.

Redemption of maturing bond

On October 1, 2023, PCC SE redeemed the 4.00% bullet bond ISIN DE000A2LQZH9 issued in July 2018. The volume repaid amounted to €28.8 million.

Duisburg, November 2023

Published by

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