Expanding Horizons. Developing Markets.

PCC SE – Annual Report 2024

Local. Global. Integrated.

A word on our spirit.

Sulfonation plant 2 at the Polish production site of surfactant manufacturer PCC Exol SA in Brzeg Dolny.

In challenging times like these, caution and prudence are essential, but so are confidence, courage, and determination. Now more than ever, it is important to look beyond our own horizons to seize new growth opportunities. We have cultivated this entrepreneurial spirit at PCC since we became established more than three decades ago. We are constantly discovering lucrative and less competitive market niches, expanding horizons, and developing markets – turning the PCC Group into the strong European corporation that it is today. PCC – Local. Global. Integrated.

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This PDF document has been optimized for on-screen viewing.

Gender advisory

For the sake of readability and gender equity, we make use of the neutral singular "they" / "them" / "their" in reference to roles that may be both masculine and feminine. References to persons in general apply equally to all genders. All readers should feel equally addressed by the content of this report.

We thank you for your understanding.

Letter from the CEO

Ladies and Gentlemen:

The year 2024 once again posed significant challenges for the global economy, especially for European industries such as the chemical sector. The ongoing war in Ukraine, persistently high labor, energy, and raw material costs, extensive regulatory burdens, and strained economic conditions in our markets all impacted our business activities. In addition, we are – without sufficient protection – facing increasingly unfair and, in some cases, ruinous competition from imports originating from countries like China – imports produced under far lower standards for in respect of social responsibility, occupational health and safety, human rights, environmental protection, and climate policy. Europe cannot continue to allow such imbalances to continue unchecked. It is essential to counter these practices without compromising our own values and standards. The European industry, which in many respects operates as a model of responsible conduct, must be protected through well-crafted regulations – and PCC is actively advocating for such measures at key decision-making levels.

Because progress on this front takes time, the PCC Group continued to grapple with difficult external influences in 2024. Reflecting broader industrial and market trends, the PCC Group posted revenues in the fiscal year under review of 960.0 million euros – slightly below the prior-year figure – and EBITDA of 88.0 million euros.

These external pressures prompted us to take further steps to sustainably strengthen the resilience of our product portfolio and operations. Our strategy remains focused on innovation, cost efficiency, and growth in our core markets in Europe (with a strong focus on Poland) and in the United States.

Dr. Peter Wenzel
Chairman of the Executive Board of PCC SE

A key milestone in this effort was the signing in December 2024 of major agreements for our chlor-alkali project in Mississippi, USA, by our local project company. For a planned twenty-year production period, we secured a competitive long-term electricity supply with, and significant sales volumes of our main product, chlorine, to our project partner, Chemours. We are also benefiting from state and local tax incentives in Mississippi and Harrison County, and have signed a comprehensive contract package with one of the world's largest engineering firms for the project's design and potential execution. This investment would give us access to an attractive market with a world-scale project that we envision as the nucleus of further expansion for our core business in North America. By securing this production site on the US Gulf Coast and expanding our local sales activities, we are moving closer to our goal of delivering top-quality products and outstanding service to our global business partners in the world's key markets.

Our forward-looking approach is also reflected in the continued high level of capital expenditure in fiscal 2024, which totaled 126.5 million euros. Our leading subsidiaries, PCC Rokita SA and PCC Exol SA, played a major role with the expansion of polyol and ethoxylate production capacities – enhancing their competitiveness through greater economies of scale. Even before these new facilities go into operation, we are proud of the strong performance of these affiliates, whose technical expertise and capacity for innovation continue to deliver added value and strengthen customer loyalty.

Our silicon production facility in Iceland, however, remains heavily impacted by adverse market and regulatory forces. In response, we have initiated a comprehensive restructuring program with the support of internal and external specialists. To achieve sustained profitability, the market price for silicon must decouple from Chinese dumping levels and be realigned with fair pricing in Europe. In 2025, the local Icelandic subsidiary will continue to require financial support from PCC SE to offset projected losses. A temporary shutdown of operations cannot be ruled out, depending on how market prices develop.

The container terminal in Brzeg Dolny operated by PCC Intermodal S.A., the Polish market leader in combined road / rail transportation.

Driving forward our expansion in the USA, we are planning to build a chlor-alkali production facility at the site of our partner Chemours in DeLisle, Mississippi.

»Fiscal 2024 witnessed the PCC Group consistently pursuing its innovation strategy, focusing on (…) products with ever-broader application potential.«

Dr. Peter Wenzel
Chairman of the Executive Board of PCC SE

Our new Innovation and Process Scaling Center of the PCC Group was co-funded by the EU.

Our joint venture with PETRONAS Chemicals Group in Malaysia is also under intense pressure due to massive low-cost exports from China into Southeast Asia. To address this in a structured and efficient manner, we have implemented a company-wide program here, too, that includes initiatives to reduce costs and boost sales.

Against this backdrop, we are all the more pleased to report on our successful research and development efforts, which are key drivers of our future business development. Fiscal 2024 witnessed the PCC Group consistently pursuing its innovation strategy, focusing on high-performance, sustainable products with ever-broader application potential.

In the polyols and polyurethanes area, we introduced improved polyols as the basis for flexible foams used in viscoelastic, cooling, and ventilated mattresses. These innovations are grounded in circular economy principles, incorporating recycled materials – such as post-consumer polyurethane foams – and natural raw materials like soybean and rapeseed oil.

In our phosphorus-based specialty chemicals operations, we scaled up production of anti-wear additives and developed halogen-free flame retardants. We have also tested phosphorus nanoparticles to enhance the performance of lithium-ion batteries, and in the production of ultra-pure phosphorus oxychloride for semiconductor manufacturing.

The PCC Group has also introduced eco-friendly surfactants and biodegradable emulsifiers for personal care applications, and in the construction sector we have developed new additives for engineered timber products, gypsum boards, asphalt mixes and low-emission cements.

The PCC Group's new Innovation and Process Scaling Center, co-funded by the EU, supports sustainable innovation and is fully equipped for polymer chemistry development, application testing, and advanced analytics. This strengthens our R&D excellence and accelerates commercialization of new technologies.

In battery technology, our startup PCC Thorion GmbH – working with the Fraunhofer Institute for Solar Energy Systems (ISE) and other partners – secured federal German funding to develop a new compound based on nano-silicon powder, aimed at enhancing performance and environmental sustainability in lithium-ion batteries. The European Commission recognized this initiative as one of 47 strategic raw materials projects under the Critical Raw Materials Act. PCC Thorion has established its own research laboratory in Oberhausen, Germany, to drive progress in this field and is currently raising external capital to scale its operations.

PCC Intermodal S.A. achieved excellent results again in 2024 with its environmentally friendly combined road and rail container transportation services. The logistics segment as a whole increased its EBITDA by 35.1 percent. We expanded our services to include full container block trains between Gliwice, Poland, and Padua, northern Italy, and are developing a new terminal south of the seaports of Gdynia and Gdańsk. A particular highlight in 2024 was achieving market leadership in intermodal transport in Poland, with a 19.6 percent share of freight revenue.

At the heart of our company are our employees. Their dedication underpins the continued success of our business. We are proud of our highly motivated and skilled team, whose members give their best each and every day. Retaining PCC's people long-term, motivating them, and providing opportunities for personal development remain core priorities.

Continuity is also essential at the leadership level. On July 1, 2024, our long-serving and experienced CFO, Riccardo Koppe, was appointed to the Executive Board of PCC SE. At the same time, Ulrike Warnecke transitioned from the Executive Board to our Supervisory Board, where she brings the full weight of her experience and expertise gained since PCC was first established. These leadership changes mark an important step in the ongoing development of our company and the unique spirit that defines us.

At PCC, we believe it is our responsibility to seize the opportunities that arise in our business – agilely and creatively – while adhering to conservative risk management, resource-efficient technologies, and trustworthy, faithful collaboration with all our stakeholders. So I would like, on behalf of the entire Executive Board of PCC SE, to thank you, our highly valued investors and business partners, for the trust and loyalty you have placed in us, and to express my heart-felt gratitude to all our employees for their extraordinary commitment to the common cause at PCC. I very much look forward to our continued shared successes.

Sincerely,

Peter Wenzel
Chairman of the Executive Board of PCC SE

The Executive Board of PCC SE

As of December 31, 2024, the Executive Board of PCC SE comprised the following three members:

- **Dr. Peter Wenzel (Chairman and CEO)**
- **Riccardo Koppe**
- **Dr. rer. oec. (BY) Alfred Pelzer**

Dr. Peter Wenzel

Chairman of the Executive Board of PCC SE

Dr. Peter Wenzel (60) has held senior management positions at PCC since 2003. He has been Chairman of the Executive Board of PCC SE since August 31, 2021 and is primarily responsible on the Executive Board for corporate and project development and the issue of sustainability, which is increasingly becoming the strategic focus of the PCC Group. He also holds several other mandates within the PCC Group, for example as member of the Board of Directors of the US companies PCC Chemicals Corporation and PCC GulfChem Corporation and at our Icelandic and Malaysian affiliates PCC BakkiSilicon hf. (Chair) and PCG PCC Oxyalkylates Sdn. Bhd.

Riccardo Koppe

Member of the Executive Board of PCC SE

Riccardo Koppe (45) joined PCC in 2008 as part of the Group Controlling financial control arm, which he took over in 2012. He has been Chief Financial Officer of PCC SE since 2020. As a member of the Executive Board of PCC SE since July 1, 2024, he is primarily responsible for Public Relations and Human Resources in addition to his role as Head of Finance. He also holds several other mandates within the PCC Group, for example as Managing Director of PCC Intermodal GmbH, as a member of the Supervisory Board of PCC Energetyka Blachownia Sp. z o.o., and as a member of the Board of Directors of PCC GulfChem Corporation and of PCC BakkiSilicon hf.

Dr. rer. oec. (BY) Alfred Pelzer

Member of the Executive Board of PCC SE

Dr. rer. oec. (BY) Alfred Pelzer (65) has held management positions at PCC since 1995. As a member of the Executive Board of PCC SE since August 31, 2021, and previously as Managing Director and Vice Chairman of the Administrative Board (2007 to 2021), he is primarily responsible for the operational areas of Chemical Production, PCC's main revenue driver, together with Logistics and Sales & Distribution. He holds several mandates within the PCC Group, including at the production companies PCC Rokita SA (Chair), PCC Exol SA, PCC MCAA Sp. z o.o. and PCC Synteza S.A. (Chair), at PCC IT S.A. (Chair) and at the Logistics companies PCC Intermodal S.A. (Chair) and PCC Autochem Sp. z o.o. (Chair).

A word of welcome from the Chairman of the Supervisory Board

Ladies and Gentlemen,

In this Annual Report, the PCC Group once again looks back on a very challenging year. As in 2023, fiscal 2024 was again characterized by the ongoing economic weakness in Germany and the countries of the European Union, i.e. in the company's main sales markets. This was compounded by the continued aggressive export policy of non-European countries, particularly China and, in the case of silicon metal, Brazil. In addition, the ongoing geopolitical crises such as the Russia-Ukraine war and the Middle East conflict, as well as increasing political uncertainty at the end of the year resulting from the change of government in the USA and the break-up of the coalition government in Germany, had a negative impact on both the European economy and trading conditions worldwide. While inflation and interest rates showed a gratifyingly downward trend, the sometimes enormous price hikes of previous years once again led to significantly higher personnel costs and expenses charged by external service providers in 2024, resulting in additional burdens for all European industry.

Despite this difficult market environment, the three chemical-producing segments of the PCC Group and the Trading & Services and Logistics segments were able to successfully hold their own. By contrast, the Silicon & Derivatives segment remained loss-making in 2024 due to persistently aggressive price competition. Although the measures introduced to increase productivity and reduce costs meant the losses in this segment were significantly lower than in the previous year, they once again led to a negative result in the low double-digit million euro range at pre-tax level for the Group as a whole. The earnings situation in the Silicon & Derivatives segment – and therefore also in the Group as a whole – should steadily improve in the coming months as a result of another extensive package of measures

Waldemar Preussner
Chairman of the Supervisory Board of PCC SE

to optimize processes and costs, which was assembled together with an external restructuring consultant and agreed at the beginning of 2025.

The management of PCC SE including the Executive Board members and managing directors of all subsidiaries and, not least, all Group employees have worked tirelessly for the corporation, meeting the challenges of a difficult fiscal 2024. As Chairman of the Supervisory Board, I would like to express my great appreciation and thanks to all of you, also on behalf of my colleagues on the Supervisory Board. Our gratitude also goes to all our business partners and, of course, to all our investors, many of whom have long placed their trust in PCC.

Many of the challenges of fiscal 2024 have persisted beyond the turn of the year, including the war we are witnessing in Ukraine and the conflict in the Middle East. In addition, there have been renewed threats from China toward Taiwan and, in particular, concerns about a global trade war resulting from the current policies of the new US administration. The political course of the new German government will likewise be decisive for economic development in Germany and in Europe as a whole. Nevertheless, the Supervisory Board of PCC SE believes that the company is well positioned for the future, not least due to its far-sighted investment program of recent years and the increasing geographic expansion of its core business in growth markets such as Asia and the USA. The Supervisory Board supports these growth plans and will continue to closely accompany PCC on its future path.

Duisburg, April 2025

Kind regards,

Waldemar Preussner
Chairman of the Supervisory Board of PCC SE

Since going into operation in 2016, the production plant for high-purity monochloroacetic acid (MCAA) has significantly extended our chlorine value chain.

»The Supervisory Board of PCC SE believes that the company is well positioned for the future, not least due to its far-sighted investment program of recent years (…).«

Waldemar Preussner
Chairman of the Supervisory Board of PCC SE

The Supervisory Board of PCC SE

As of December 31, 2024, the Supervisory Board of PCC SE comprised the following three members:

- **Dipl.-Volkswirt Waldemar Preussner (Chairman)**
- **Dr. Hans-Josef Ritzert (Vice Chairman)**
- **Ulrike Warnecke**

Dr. Hans-Josef Ritzert

Vice Chairman of the Supervisory Board of PCC SE

Dr. Hans-Josef Ritzert (65) has been Vice Chairman of the Supervisory Board of PCC SE since 2021. Dr. Ritzert was previously associated with the PCC Group as a consultant. A chemist by profession, he has also served as Managing Director of Evonik Nutrition & Care GmbH and Head of the Evonik China organization, among other senior roles. In addition to his consultancy work for chemical companies and private equity firms, he holds various mandates outside PCC SE, for example as a member of the Supervisory Board of Röhm GmbH, a member of the Board of Directors of Locus Fermentation Solutions and as Chairman of the Supervisory Board of Polyvantis GmbH.

Ulrike Warnecke

Member of the Supervisory Board of PCC SE

Ulrike Warnecke (62) has been a member of the Supervisory Board of PCC SE since July 1, 2024, and is also Vice Chairwoman of the Supervisory Board of PCC Consumer Products S.A. She has held management positions at PCC since the company was founded in 1993. As a member of the Executive Board of PCC SE (August 31, 2021 to June 30, 2024) and previously in the role of Managing Director (2007 to 2021), she was responsible for Finance, Human Resources and Public Relations. Her operational responsibilities included in particular the Group's commodity trading business and she held a range of managerial positions in that domain.

Waldemar Preussner

Chairman of the Supervisory Board of PCC SE

Utilizing his many years of experience in Eastern Europe to harness the opportunities arising there as a result of market liberalization, Waldemar Preussner (66) established in 1993 Petro Carbo Chem Rohstoffhandelsgesellschaft mbH (today: PCC Trade & Services GmbH), a company that remains at the core of the PCC Group. 1998 then saw the carve-out of the holding company PCC AG, and in 2007 its corporate form was changed to that of a European company (Societas Europaea or SE). Waldemar Preussner is the sole shareholder of PCC SE and continues to serve as Chairman of its Supervisory Board. He also holds a number of supervisory board mandates within the PCC Group, in particular at PCC Exol SA (Chair) and at PCC Rokita SA.

PCC. Direktinvest: Issuing bonds since 1998

PCC is one of the most experienced issuers of corporate bonds in Germany

We have been issuing bonds to finance our growth strategy for over 25 years now. Since the first issuance on October 1, 1998, we had placed a total of 95 bonds and one profit participation certificate by the reporting date of December 31, 2024. Of these, we had redeemed 76 bonds and the profit participation certificate by the end of the past fiscal year, with all interest and capital payments having been made on schedule. This has resulted in a close relationship of trust between the approximately 20,000 subscribers to PCC securities and PCC SE.

Within the mix of equity and debt capital, the issuance of bonds (bearer debentures) is an essential financing instrument for the sustainable and profitable growth of our group of companies. In our position as the investment holding company of the PCC Group, bond issuances enable us to respond promptly to new market or investment opportunities and to finance both corporate acquisitions and the organic growth of our Group flexibly and independently of banks. The issuance of bonds to a broad circle of private and institutional investors will therefore remain a central component of our financing strategy. At the same time, we supplement our financing base with targeted project and loan financing.

The relatively small issuance volumes of our bearer bonds in amounts up to 40 million euros provide us with the flexibility necessary to cover our financing requirements. At the same time, we benefit from a balanced process of fund inflows and repayment outflows without excessive peak burdens. In keeping with our conservative business philosophy, we only acquire funds through our security placements

PCC SE bonds in circulation T_I_01

PCC. Direktinvest

ISIN	Issuance date	Maturity date	Coupon	Issuance volume	Nominal value in € k at Dec. 31, 2024
DE000A3511S2	01/02/2024	02/01/2029	6.00 %	40,000	40,000
DE000A30VS56	09/01/2022	10/01/2027	5.00 %	40,000	35,178
DE000A3510Z9	10/02/2023	10/01/2028	6.00 %	35,000	35,000
DE000A3824R1	03/01/2024	05/01/2029	6.00 %	35,000	35,000
DE000A383UJ9	10/01/2024	10/01/2029	5.75 %	50,000	29,682
DE000A3H2VU4	11/02/2020	10/01/2025	4.00 %	30,000	29,653
DE000A3E5S42	05/17/2021	07/01/2026	4.00 %	30,000	29,293
DE000A2YN1K5	10/22/2019	02/01/2025	4.00 %	30,000	29,133
DE000A351K90	04/03/2023	07/01/2028	5.00 %	35,000	28,796
DE000A3MQEN8	11/15/2021	12/01/2026	4.00 %	30,000	26,926
DE000A383EM7	07/01/2024	07/01/2029	5.75 %	30,000	26,213
DE000A2YPFY1	12/02/2019	07/01/2025	4.00 %	30,000	23,818
DE000A30VR40	02/01/2023	04/01/2028	5.00 %	30,000	21,800
DE000A3MQZM5	05/02/2022	04/01/2026	4.00 %	30,000	20,991
DE000A30V2U2	12/01/2022	12/01/2027	5.00 %	20,000	19,858
DE000A383SZ9	12/02/2024	01/01/2030	5.75 %	25,000	18,190
DE000A3MP4P9	10/01/2021	10/01/2026	4.00 %	10,000	10,000
DE000A383S03	12/02/2024	04/01/2027	4.50 %	20,000	8,349
DE000A3MQEM0	11/15/2021	04/01/2025	3.00 %	10,000	7,790
PCC SE bonds in circulation					**475,670**

to the extent needed in each case by PCC as a growth-led investor to promote the further development of the PCC Group.

Committed to credible, transparent financial communications

We regularly publish the relevant current corporate and financial data of PCC in a timely and transparent manner. They are available on the internet at www.pcc.eu under PCC. Direktinvest and at https://pcc.eu/en/pcc-direktinvest/financial-information/, where the audited annual financial statements of PCC SE and the PCC Group are also available as PDF downloads. Our online archive contains all annual reports since their first publication for 2003 and all quarterly reports since their first publication in 2001. Our website www.pcc.eu also contains information on our latest bond issuances and the PCC bonds in circulation.

PCC Group Management in dialog with our investors

Several times a year, the PCC Group management enters into direct personal dialog with the investment community. Every quarter, we hold an investor conference as an online webcast at which the Group's Executive Board presents the recently published quarterly report, explains current business developments, and participates in an interactive Q&A session with the audience. In the fall of each year, we hold our traditional PCC Information Evenings in several major German cities, giving investors and other interested parties the opportunity to meet personally with the Executive Board in an exclusive setting.

PCC SE bonds maturing in 2024 T_I_02

PCC. Direktinvest

ISIN	Issuance date	Maturity date	Coupon	Issuance volume in € k	Redemption volume in € k
DE000A254TZ0	04/01/2020	12/01/2024	4.00 %	35,000	34,503
DE000A2TSEM3	07/01/2019	10/01/2024	4.00 %	30,000	29,946
DE000A2NBJL3	01/01/2019	07/01/2024	4.00 %	25,000	24,985
DE000A2NBFT4	10/01/2018	04/01/2024	4.00 %	25,000	21,104
DE000A3E5MD5	07/01/2021	01/01/2024	3.00 %	10,000	9,545
DE000A2YPFX3	12/02/2019	01/01/2024	3.00 %	20,000	4,511
DE000A3MQA80	03/01/2022	02/01/2024	2.00 %	5,000	1,410
PCC SE bond maturities in 2024					**126,004**

One of six PCC Information Evenings organized in 2024, this photo shows the event held on December 5 in the "Gebläsehalle" (repurposed industrial blower building) of the Duisburg Nord Landscape Park.

In some years – as in the past fiscal year – we also invite our investors to our PCC Investors' Day at the Group headquarters, the PCC Villa in Duisburg, in early summer. More than 1,000 investors attended our last Investors' Day on June 22, 2024. At the start of the event, Waldemar Preussner, Chairman of the Supervisory Board and founder of PCC, welcomed the guests in person. CEO Dr. Peter Wenzel provided information on the business development of the PCC Group and current investment projects. Following the presentations, the management and employees from Duisburg, Essen and Oberhausen made themselves available for personal discussions with the investors.

PCC SE securities in circulation

As of December 31, 2024, 19 bonds with a total nominal volume of around 475.7 million euros were outstanding. After the balance sheet date, PCC SE redeemed the 4.0% bullet bond ISIN DE000A2YN1K5 with a placed volume of 29.1 million euros on February 1, 2025, and effective April 1, 2025, the 3.0% bullet bond ISIN DE000A3MQEM0 with a placed volume of 7.8 million euros. The bonds currently available for subscription from PCC SE can be viewed on the internet at https://pcc.eu/pcc-direktinvest/.

Our Investors Day held at Group headquarters, the PCC Villa in Duisburg, on June 22, 2024, attracted more than 1,000 stakeholders.

PCC shareholdings on the Polish stock exchange

Market value of listed PCC companies at 410.1 million euros

Two PCC Group companies, PCC Rokita SA and PCC Exol SA, are listed on the Warsaw Stock Exchange (GPW). As of December 31, 2024, the value of the share packages held directly by PCC SE amounted to a total of 348.1 million euros, around 26.1 % below the market value of the previous year. The total market capitalization of these listed PCC shareholdings amounted to 410.1 million euros as of the reporting date, likewise equating to a reduction of around 26.1 % compared to the previous year.

Fiscal 2024 was a record year internationally for the equity markets, and the global economy also proved resilient overall with growth of 3.2 %[1]. However, developments were highly mixed on a regional basis. While the USA recorded robust growth, economic momentum in Europe fell short of expectations due to structural challenges compounded by weaker industrial production and demand. Several Asian countries again showed positive developments, while China suffered persistently sluggish domestic demand.

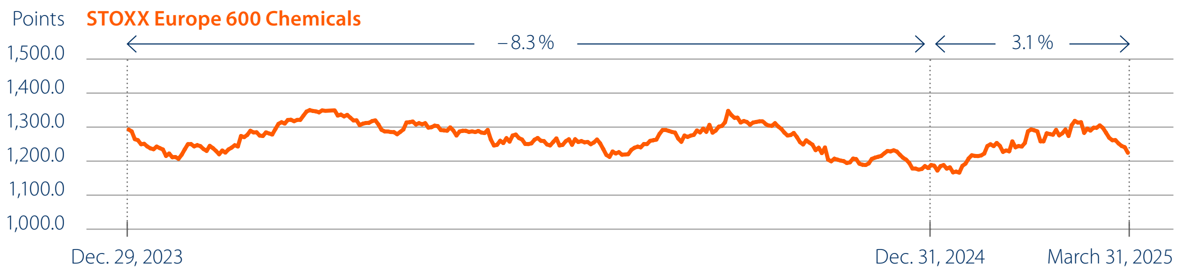
Inflation in the eurozone continued to fall over the course of the year, which enabled both the European Central Bank and the Polish Central Bank to ease their respective restrictive monetary policies. Despite these encouraging interest rate developments, however, there remained a high degree of uncertainty regarding the extent and timing of individual further interest rate changes. This is due in particular to the potential impact of ongoing geopolitical crises such as the war in Ukraine and the conflict in the Middle East.

Against this backdrop, the major overarching share indices performed well, while sector performance was extremely mixed. Share prices in the technology sector rose disproportionately due to the increased use of generative AI technologies. In contrast, the chemical sector was characterized by high consolidation pressure following a number of strategic acquisitions, as well as a difficult business climate and the associated decline in sales. In general, European manufacturing companies were burdened by a sharp rise in wage and non-wage labor costs as well as declining demand within Europe. The associated challenges forced many manufacturing companies in almost all sectors of industry in Europe to reduce their production capacities, companies in the defense industry and defense-related sectors being among the exemptions. By contrast, the high volatility of the energy market, which has also been impacted by the ongoing war in Ukraine in 2024, eased considerably. With declining volatility, the industrial energy price also fell in 2024 due to the lower industrial demand described above, although this did not lead to any significant relief. In this overall context, the price performance of PCC Exol SA and PCC Rokita SA was subdued in 2024.

PCC holds a clear majority of around 85 % in each of its two listed subsidiaries. The main advantages of stock exchange listings are transparent company values, a strengthened equity base for the companies concerned, and also the possibility of financing future investments through additional equity measures. Stock market placements also offer institutional and private investors the opportunity to invest directly in the listed companies.

The European sector index STOXX Europe 600 Chemicals was highly volatile during the 2024 stock market year due to the higher exposure suffered by domestic demand in Europe. As at the reporting date, the STOXX Europe 600 Chemicals closed 8.3 % lower than at the start of the year.

Performance of STOXX Europe 600 Chemicals



1 Source: IMF (International Monetary Fund) World Economic Outlook Update January 2025

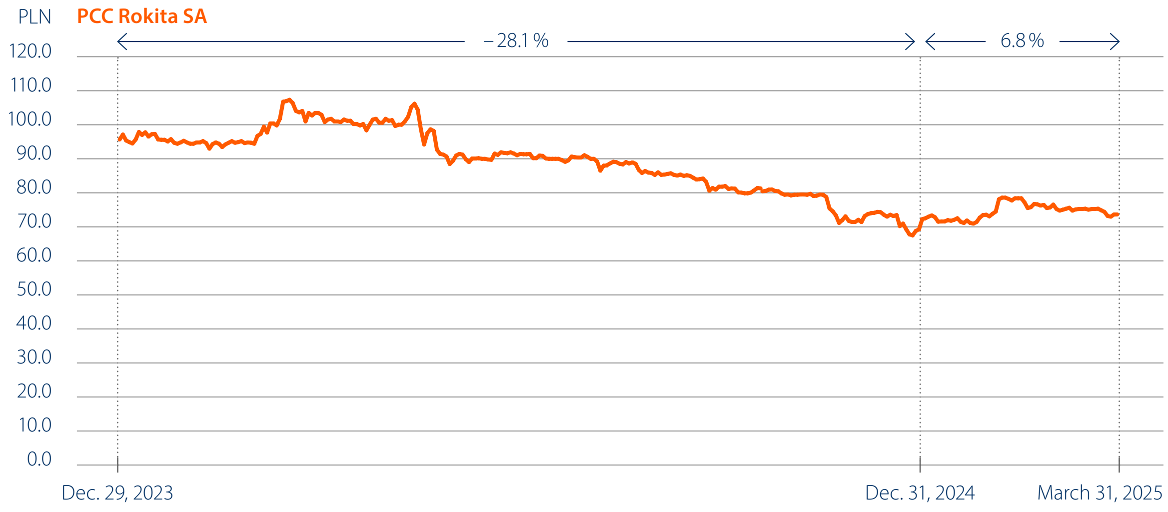
The performance of the share values of the PCC subsidiaries in the local currency of the Polish złoty (PLN) 2024 was negative, recovering after the turn of the year. The złoty appreciated significantly against the euro in 2024, favoring the performance of these affiliates in local currency terms.

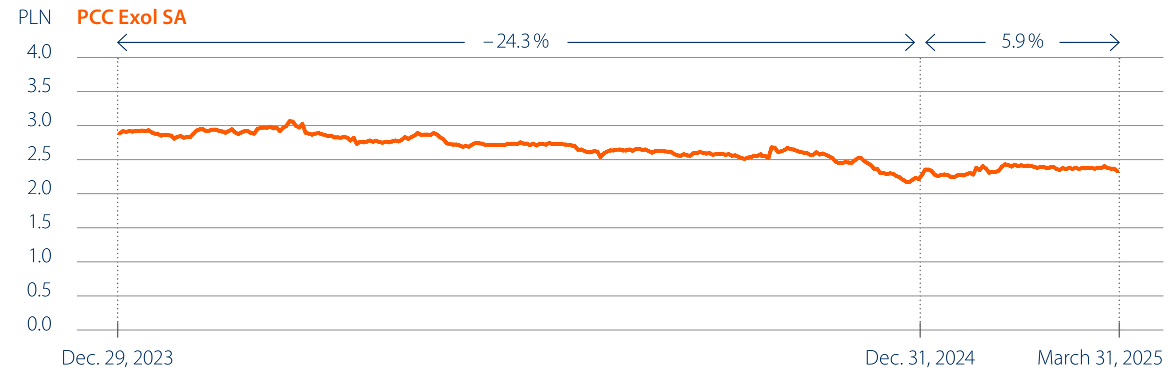
Share price development of listed PCC subsidiaries

The closing price of PCC Rokita SA (PLPCCRK00076) as of December 30, 2024 was PLN 69.0, representing a year-on-year decline of 28.1 %. Market capitalization at the end of the year was thus the equivalent of 320.4 million euros. After the reporting date, the shares of PCC Rokita SA showed encouraging strength due to the brightening business climate. As of March 31, 2025, the shares of PCC Rokita SA were trading at PLN 73.7, representing a price gain of 6.8 % since the beginning of the year. This strong upturn underscores the high level of confidence of capital market participants in our value creation. PCC SE holds 84.26 % of the shares in PCC Rokita SA.

The price performance of PCC Exol SA (PLPCCEX00010) reflects the volatile geopolitical development of its customer countries, with fluctuating demand in the end markets compounded by destocking by the end customers serving those markets. The closing price at the end of 2024 was PLN 2.2, which corresponds to a year-on-year decline of 24.3 %. The market capitalization of PCC Exol SA thus fell to the equivalent of 89.6 million euros. In the first quarter of 2025, the shares of PCC Exol SA impressed with their resilience on the capital market. As of March 31, 2025, they had rallied to PLN 2.33, representing an increase of 5.9 % since the beginning of the year. PCC SE holds 87.09 % of the shares in PCC Exol SA.

Price performance of PCC shares on the Warsaw Stock Exchange (GPW)

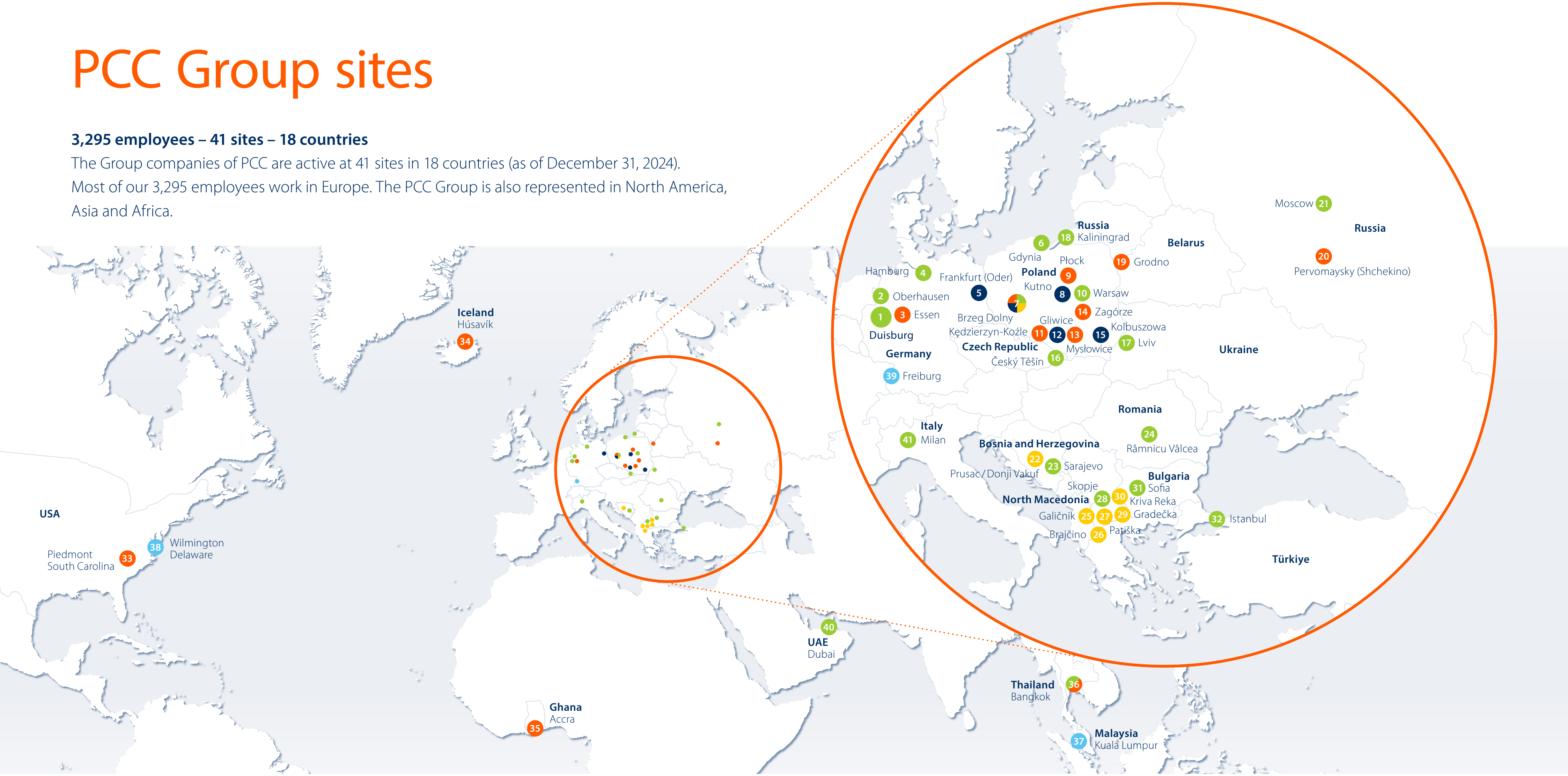




PCC Group sites

3,295 employees – 41 sites – 18 countries

The Group companies of PCC are active at 41 sites in 18 countries (as of December 31, 2024). Most of our 3,295 employees work in Europe. The PCC Group is also represented in North America, Asia and Africa.



Trading / Sales and distribution / Administration

1 Duisburg (Group headquarters)

All the sites indicated in green are trading companies, sales, distribution and administration units or regional offices.

Production sites

- 3 Essen (DE)
- 7 Brzeg Dolny (PL)
- 9 Płock (PL)
- 11 Kędzierzyn-Koźle (PL)
- 13 Mysłowice (PL)
- 14 Zagórze (PL)
- 19 Grodno (BY)
- 20 Pervomaysky (Shchekino) (RU)
- 33 Piedmont, South Carolina (US)
- 34 Húsavík (IS)
- 35 Accra (GHA)
- 36 Bangkok (TH)

Power plants

- 7 Brzeg Dolny (PL)
- 22 Prusac / Donji Vakuf (BA)
- 25 Galičnik (MK)
- 26 Brajčino (MK)
- 27 Patiška (MK)
- 29 Gradečka (MK)
- 30 Kriva Reka (MK)

Container terminals

- 5 Frankfurt (Oder) (DE)
- 7 Brzeg Dolny (PL)
- 8 Kutno (PL)
- 12 Gliwice (PL)
- 15 Kolbuszowa (Depot) (PL)

Projects

- 37 Kuala Lumpur (MY)
- 38 Wilmington, Delaware (US)
- 39 Freiburg (DE)

PCC SE, parent and holding company of the PCC Group, Duisburg (Germany)

Structure of the PCC Group

In addition to the holding company PCC SE, the PCC Group comprises a total of 68 affiliates in Germany and abroad. The fully consolidated Group companies and the joint ventures accounted for using the equity method are shown below (as of December 31, 2024). The percentages indicated for the companies in this segment-related presentation represent the shares held directly or indirectly (via subsidiaries) by PCC SE. A detailed list of the respective shareholdings can be found in the Notes to the Consolidated Financial Statements under Note (44).

Polyols & Derivatives

PCC Rokita SA
Polyols business unit
Brzeg Dolny, PL (84.26 %)

PCC Rokita SA
Lubricants business unit
Brzeg Dolny, PL (84.26 %)

PCC Prodex Sp. z o.o.
Brzeg Dolny, PL (100 %)

PCC Prodex GmbH
Essen, DE (100 %)

PCC Therm Sp. z o.o.
Brzeg Dolny, PL (100 %)

PCC Bulgaria EOOD
Sofia, BG (100 %)

PCC MORAVA-CHEM s.r.o.
Insulation Materials business unit
Český Těšín, CZ (100 %)

PCC Insulations GmbH
Duisburg, DE (100 %)

PCC Synteza S.A.
Kędzierzyn-Koźle, PL (100 %)

PolyU GmbH
Oberhausen, DE (100%)

IRPC Polyol Company Ltd.*
Bangkok, TH (50 %)

Surfactants & Derivatives

PCC Exol SA
Brzeg Dolny, PL (87.09 %)

PCC Chemax, Inc.
Piedmont, SC, US (100 %)

PCC Exol Trade Sp. z o.o.
Brzeg Dolny, PL (100 %)

PCC Consumer Products S.A.
Brzeg Dolny, PL (100 %)

PCC Consumer Products Kosmet Sp. z o.o.
Brzeg Dolny, PL (100 %)

Chlorine & Derivatives

PCC Rokita SA
Chlorine business unit
Brzeg Dolny, PL (84.26 %)

MCAA SE
Brzeg Dolny, PL (100 %)

PCC MCAA Sp. z o.o.
Brzeg Dolny, PL (98.88 %)

PCC Rokita SA
Phosphorus business unit
Brzeg Dolny, PL (84.26 %)

PCC Rokita Trade Sp. z o.o.
Brzeg Dolny, PL (100 %)

Silicon & Derivatives

PCC BakkiSilicon hf.
Húsavík, IS (65.40 %)

PCC Seaview Residences ehf.
Húsavík, IS (100 %)

PCC Silicium S.A.
Zagórze, PL (99.99 %)

Trading & Services

PCC Trade & Services GmbH
Duisburg, DE (100 %)

PCC MORAVA-CHEM s.r.o.
Commodity Trading business unit
Český Těšín, CZ (100 %)

AO Novobalt Terminal
Kaliningrad, RU (100 %)

PCC Exol Kimya Sanayi ve Ticaret Limited Şirketi
Istanbul, TR (100 %)

distripark.com Sp. z o.o.
Brzeg Dolny, PL (100 %)

PCC Energetyka Blachownia Sp. z o.o.
Kędzierzyn-Koźle, PL (84.46 %)

PCC IT S.A.
Brzeg Dolny, PL (100 %)

PCC Italy S.r.l.
Milan, IT (100 %)

PCC Rokita SA
Headquarters business unit
Brzeg Dolny, PL (84.26 %)

PCC Rokita SA
Energy business unit
Brzeg Dolny, PL (84.26 %)

PCC Apakor Sp. z o.o.
Brzeg Dolny, PL (99.59 %)

LabMatic Sp. z o.o.
Brzeg Dolny, PL (100 %)

Ekologistyka Sp. z o.o.
Brzeg Dolny, PL (100 %)

ChemiPark Technologiczny Sp. z o.o.
Brzeg Dolny, PL (100 %)

Aqua Łososiowice Sp. z o.o.
Brzeg Dolny, PL (100 %)

Gaia Sp. z o.o.
Brzeg Dolny, PL (100 %)

Centralna Oczyszczalnia Ścieków Sp. z o.o.
Brzeg Dolny, PL (100 %)

Logistics

PCC Intermodal S.A.
Gdynia, PL (99.10 %)

PCC Intermodal GmbH
Duisburg, DE (100 %)

PCC Autochem Sp. z o.o.
Brzeg Dolny, PL (100 %)

Holding & Projects

PCC Chemicals Corporation
Wilmington, DE, US (100 %)

PCC GulfChem Corporation
Wilmington, DE, US (100 %)

PCC ChloroSilanes Sp. z o.o.
Brzeg Dolny, PL (100 %)

PCC BD Sp. z o.o.
Brzeg Dolny, PL (100 %)

OOO DME Aerosol*
Pervomaysky, RU (50 %)

PCG PCC Oxyalkylates Sdn. Bhd.*
Kuala Lumpur, MY (47.5 %)

S.C. EURO Urethane S.R.L.
Râmnicu Vâlcea, RO (58.72 %)

PCC Thorion GmbH
Duisburg, DE (100 %)

GRID BH d.o.o.
Sarajevo, BA (85.62 %)

PCC HYDRO DOOEL Skopje
Skopje, MK (100 %)

PCC NEW HYDRO DOOEL Skopje
Skopje, MK (100 %)

PCC Izvorsko EOOD
Sofia, BG (100 %)

* Joint venture accounted for using the equity method

Since 2024, we have been operating an oxyalkylates plant in Malaysia on the basis of a 50/50 joint venture with the PETRONAS Chemicals Group.

Group management report

Contents

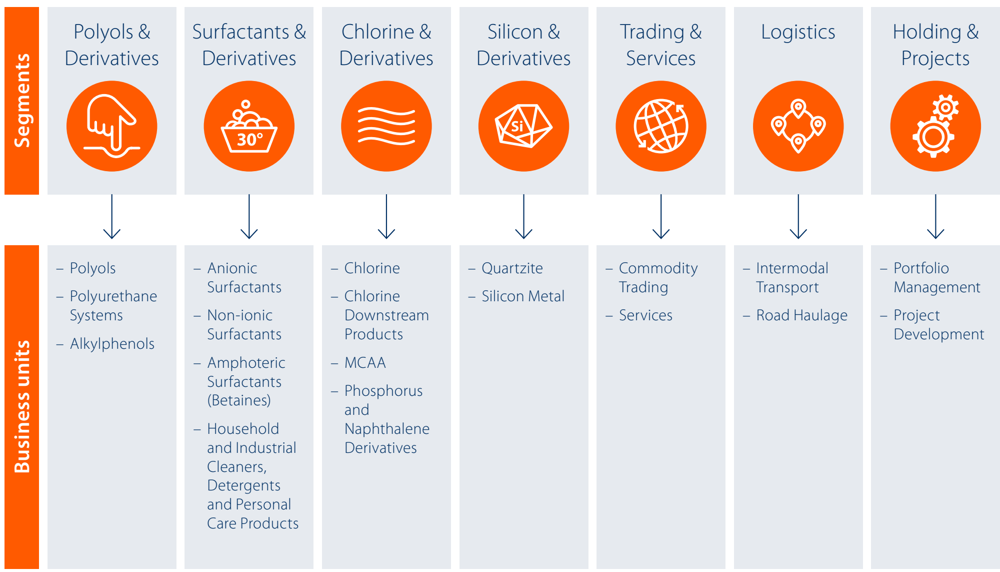
Organization of the PCC Group

The PCC Group currently employs around 3,300 people at 41 sites in 18 countries. The investment portfolio of the Group is divided into seven segments. The six segments Polyols & Derivatives, Surfactants & Derivatives, Chlorine & Derivatives, Silicon & Derivatives, Trading & Services and Logistics are allocated full operational responsibility. Assigned to these six segments are a total of 17 business units that are managed by our international companies and entities. The seventh segment, Holding & Projects, includes not only the holding company PCC SE but also various project companies.

Compared to the previous year, the following changes were made to the investment portfolio of the PCC Group in 2024: There were two additions to the scope of consolidation with PCC Rokita Trade Sp. z o.o., Brzeg Dolny (Poland), in the Chlorine & Derivatives segment, and PCC Exol Trade Sp. z o.o., Brzeg Dolny, in the Surfactants & Derivatives segment; PCC ChloroSilanes Sp. z o.o., Brzeg Dolny, and PCC GulfChem Corporation, Wilmington (Delaware, USA), were also included in the scope of consolidation. These two companies have been assigned to the Holding & Projects segment. Also included in the scope of consolidation are the companies Centralna Oczyszczalnia Ścieków Sp. z o.o., Brzeg Dolny, and PCC Italy S.r.l., Milan, which are allocated to the Trading & Services segment. The disposals from the scope of consolidation result from the merger of PCC Chemicals GmbH and PCC Integrated Chemistries GmbH into PCC SE, each domiciled in Duisburg. Including PCC SE, 49 companies are thus fully consolidated in the PCC consolidated financial statements for 2024. Three joint ventures are accounted for using the equity method.

The corporate strategy of the PCC Group is focused on the creation and continuous enhancement of enterprise value. As a growth-led investor predominantly aligned to the long term, the holding company PCC SE supports its affiliated businesses in their entrepreneurial development and in the expansion of their various specific strengths. The existing investment portfolio is actively managed and continuously optimized. The focus here is particularly on efficiency enhancements and process optimization. The Group's development policy also focuses on the regular appraisal of further potential projects and acquisitions geared to both forward and backward integration. The aim is to diversify into new market segments in line with our expertise while at the same time strengthening our raw materials base and expanding our core business geographically. By contrast, non-core activities are only developed to a certain level of market maturity with a view to then offering them for sale. The main objective remains the long-term securing of further profitable growth for the PCC Group as a whole.

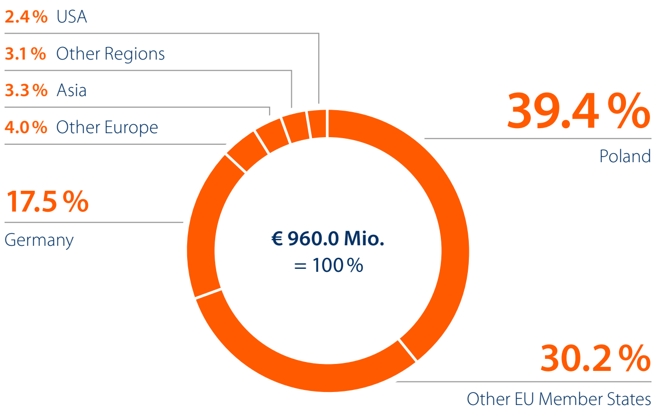
Segments and business units of the PCC Group G_L_01



Core business activities

To facilitate regular internal and external reporting, the business of the PCC Group is divided geographically into seven regions (Germany, Poland, Other EU Member States, Other Europe, USA, Asia and Other Regions). In fiscal 2024, we generated 17.5 % (previous year: 19.5 %) of our sales with customers in Germany, with 39.4 % attributable to customers in Poland (previous year: 38.0 %) and 30.2 % to customers in Other EU Member States (previous year: 28.8 %).

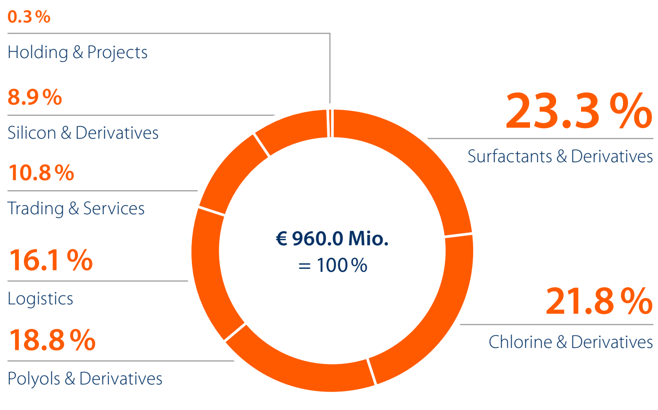
Sales by region G_L_02



At € 960.0 million, sales of the PCC Group in fiscal 2024 were just below the billion euro mark, falling € 33.6 million or 3.4 % short of the previous year's figure of € 993.6 million. Our sales expectations for the 2024 fiscal year were therefore not achieved. Average selling prices continued to fall in some segments. This was offset in some cases by volume growth despite continued weak demand due to the economic situation.

The performance of the six operating segments of the PCC Group varied. While the Chlorine & Derivatives segment recorded the largest nominal year-on-year decline in revenues, the Surfactants & Derivatives, Silicon & Derivatives and Logistics segments were each able to increase their sales. The Logistics segment recorded the largest increase in revenues. The Surfactants & Derivatives segment was the main sales driver in the Group. Volume growth and market share gains in some applications supported this development. The Chlorine & Derivatives segment again made the largest contribution to earnings before interest, taxes, depreciation and amortization (EBITDA) in fiscal 2024, followed by the Logistics, Surfactants & Derivatives and Polyols & Derivatives segments. The only segment with a negative contribution was Silicon & Derivatives, although it should be emphasized that this segment's EBITDA improved by around 23 % compared to the previous year. Nevertheless, this negative contribution pushed the consolidated net result into the red in the mid-double-digit million euro range. Details of the different business developments in the individual segments and the Group as a whole can be found in the following detailed analysis.

Sales by segment G_L_03



Business performance by segment

Polyols & Derivatives

Polyols are basic feedstocks used in the production of polyurethane (PU) foams and PU systems that have a wide range of applications in a large number of industries. Flexible PU foams are used, among other things, in the manufacture of comfortable mattresses. Rigid PU foams are employed in the refrigeration industry for insulation purposes and in the construction industry as sealing foam. Special prepolymer foams are used, for instance, in the production of polishing pads for the automotive industry, while PU systems are employed e.g. in thermal insulation applications, in block constructions incorporating thermal insulation panels, and as polyurethane adhesives for a variety of applications.

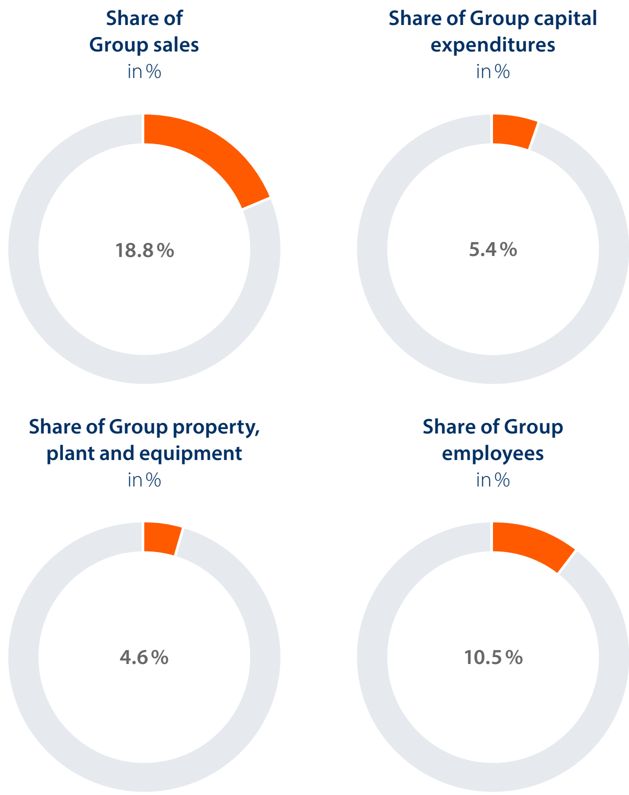
The Polyols & Derivatives segment comprises the Polyols, Polyurethane Systems and Alkylphenols business units. The PCC Group has polyols production facilities in Europe and Southeast Asia. We market our Polyols & Derivatives worldwide with the main sales occurring in the EU.

In fiscal 2024, this segment generated sales of € 180.8 million, which was € 10.3 million or 5.4 % less than in the previous year (€ 191.1 million). At 18.8 %, the share of Group sales was slightly below the previous year's level of 19.2 %. Our sales expectations for this segment for 2024 were not met, due to lower demand in Europe and, in particular, increasingly aggressive competition from China and other Asian countries. This competition not only affected sales by European manufacturers within Europe, but also exports, which further intensified competition within Europe. Imports from China and other Asian countries accounted for around 15 – 20 % of European demand in 2024.

Polyols & Derivatives segment T_L_01

Figures in € m	**2024**	2023	Absolute change	Relative change
Net external sales (consolidated)	**180.8**	191.1	–10.3	–5.4 %
Sales with other PCC segments	**68.4**	70.9	–2.5	–3.6 %
Total segment sales (total operating output)	**249.1**	262.0	–12.9	–4.9 %
EBITDA	**13.5**	9.1	4.4	48.4 %
Property, plant and equipment	**47.7**	58.1	–10.4	–17.9 %
Capital expenditures on intangible assets and property, plant and equipment	**6.8**	5.5	1.3	24.5 %
Employees at Dec. 31	**346**	341	5	1.5 %

Key facts and figures for the Polyols & Derivatives segment 2024 G_L_04



From September 2024, there were signs of a modest increase in demand for polyether polyols, but this demand was predominantly for cheaper standard grades with lower margins. PCC was able to maintain its market share in the polyether polyols product category in 2024. Capacity in the polyester polyols product segment was heavily utilized. The silane-modified polyols product category, which has been newly established in recent years and serves as the basis for PU adhesives, posted a record year in terms of sales volumes and revenue. The production units for polyols and PU systems in Southeast Asia were impacted by increasing competition from China. Against this backdrop, our joint venture in Thailand recorded a decline in sales, but margins and results improved thanks to better purchasing conditions at all levels.

Overall, the Polyols & Derivatives segment achieved a significant year-on-year increase in earnings before interest, taxes, depreciation and amortization (EBITDA) of 48.4 % to € 13.5 million. The number of employees in the segment was 346 (previous year: 341).

We further expanded our market share in 2024 in the Polyurethane Systems business unit, in particular roof spray foams for building insulation. With volumes remaining constant, this business unit benefited from lower raw material costs and was able to keep its margins stable – and in the Polish market in particular we were able to get back to the performance levels achieved in fiscal 2022, which was particularly good for this business. Despite the slump in the construction sector, this business unit managed to increase its EBITDA compared to the previous year. In addition, we added further markets to our portfolio in the past fiscal year, and sales in the Baltic states and France contributed to business in 2024. Expansion into further markets is planned for 2025. PCC obtains most of its key feedstock MDI for polyols production from Asia and only small quantities from Europe. Shortages in the European market therefore have no serious impact on our business.

In the Polyurethane Systems business in Germany, we concentrate on specialty foams and polishing pads for vehicle detailing. Here, PCC significantly increased both sales and EBITDA in the past fiscal year. The expansion of our customer portfolio in recent years paid off in the reporting year with increased sales volumes and corresponding improvements in earnings. Thanks to further fixed cost degression, this business unit achieved a turnaround and returned to profitability.

The Thermal Insulation Panels business entity, whose development had been severely delayed by the coronavirus pandemic, was able – after completing qualification phases with customers – to significantly increase sales volumes and revenue in the past fiscal year compared to the previous year. However, start-up losses are still being recorded here.

The Alkylphenols business unit increased its revenue and EBITDA in 2024. Despite the economic slowdown in the European construction industry, we were able to complete further qualification phases with new customers and thus lay the foundation for further growth in the business unit.

We plan to continuously diversify and expand the Polyols & Derivatives segment's product portfolio in the future in order to strengthen its resilience in the long term. Among other things, the focus will be on developing products for customer-specific applications, together with geographic expansion. The expansion of our market position in Southeast Asia is planned for the current fiscal year, following the commissioning of our new production facility in Malaysia in 2024. We operate this plant for the production of oxyalkylates (a group of chemicals that includes special non-ionic surfactants and polyether polyols) together with our Malaysian joint venture partner PETRONAS Chemicals Group Berhad (PCG). The plant has a production capacity of 70,000 metric tons and is expected to contribute to further growth in the Polyols & Derivatives and Surfactants & Derivatives segments in the coming years, as well as promoting the geographic diversification of the PCC Group as a whole.

Surfactants & Derivatives

Surfactants – or surface-active agents – have an extremely wide range of applications. They reduce the surface tension of a liquid or the interfacial tension between, for example, a solid surface and a liquid. The actions they produce include foaming, wetting, emulsifying and cleaning. Surfactants are basic components of laundry and home care detergents, cleaning agents and personal care products. They are also used, for example, in the textile and agrochemicals industries, as well as in the production of lubricants, paints, coatings, adhesives and plastics.

The Surfactants & Derivatives segment comprises the Anionic Surfactants, Non-ionic Surfactants and Amphoteric Surfactants (Betaines) business units, as well as downstream business activities in the consumer goods sector. The latter's activities focus on household and industrial cleaners, detergents and personal care products, which we market both under PCC's own brand names and as private label products.

The PCC Group operates production sites in Europe together with one in the USA and one in Malaysia. We generally market the products of this segment locally. The main sales markets are the EU member states, where we sell around 50 % of our volumes.

The Surfactants & Derivatives segment generated sales of € 223.7 million in 2024, an increase of 8.3 % compared to the previous year. The share of total sales of the PCC Group increased by 2.5 percentage points to 23.3 %. The number of employees at the end of the fiscal year amounted to 507 (previous year: 495).

Overall, sales volumes in 2024 were higher than in the previous year, in line with our expectations. Sales of specialty products for industrial applications increased, while sales of personal care products and cosmetics declined slightly. Average selling prices were marginally down in 2024 both in this category and for surfactants used in the manufacture of personal care products and cleaning agents. In

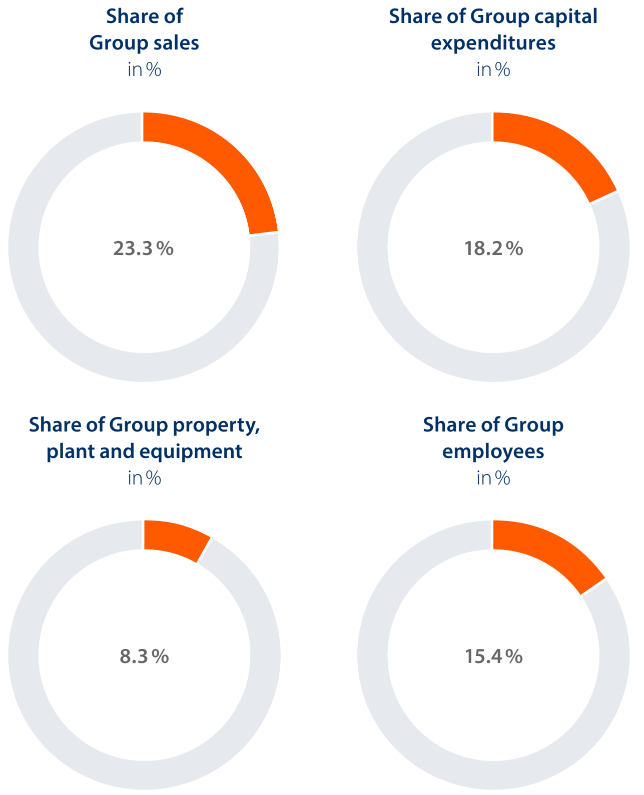
Surfactants & Derivatives segment

T_L_02

Figures in €m	2024	2023	Absolute change	Relative change
Net external sales (consolidated)	**223.7**	206.6	17.1	8.3 %
Sales with other PCC segments	**37.4**	36.8	0.6	1.6 %
Total segment sales (total operating output)	**261.1**	243.4	17.7	7.3 %
EBITDA	**23.6**	25.0	–1.4	–5.8 %
Property, plant and equipment	**86.7**	78.5	8.2	10.5 %
Capital expenditures on intangible assets and property, plant and equipment	**23.0**	14.5	8.5	58.8 %
Employees at Dec. 31	**507**	495	12	2.4 %

Key facts and figures for the Surfactants & Derivatives segment 2024

G_L_05



addition to the economic doldrums in Europe, one of the main reasons for this was increasing competitive pressure, particularly from China and India.

The segment generated earnings before interest, taxes, depreciation and amortization (EBITDA) of € 23.6 million, a decrease of – 5.8 % compared to the previous year. The business involved in the production and marketing of surfactants suffered price declines due to international competition; in addition, rising raw material costs for the production of ethoxylates and surfactants had a negative impact on the earnings situation. In contrast, surfactants for industrial applications, particularly in Western Europe, achieved increases in sales volumes and a modest rise in gross profit. The Consumer Products business consolidated its very good earnings position from the previous year.

At the end of the second quarter of 2024, PCC commenced the commissioning of a new production plant for ethoxylates with a nominal capacity of 35,000 metric tons per year at its production site in Płock, Poland. This is scheduled for completion by the end of the second quarter of 2025. The plant is now to be further ramped up and utilized to capacity. This additional capacity will not only enable PCC to produce additional quantities, but will also allow further diversification of the product portfolio and corresponding product offerings for new areas of application. In addition, the new plant will increase the sustainability of our surfactant production and thus also the competitiveness of this segment.

In the US market, PCC also recorded slight volume growth in the surfactants segment. Despite strong competition, PCC held its own with its product portfolio there and increased its sales. The earnings situation also improved significantly. A new local management and the replacement of other core positions in the team made initial contributions in the short term. In the wake of the change in policy following the inauguration of the new US President in January 2025, we anticipate further growth in our business in the USA.

In the past fiscal year, the Consumer Products business benefited from the continued increase in demand for private label products. The high proportion of household chemicals in the product portfolio also had a positive effect on earnings, as this market segment is generally much more resilient than the cosmetics market.

As in the Polyols & Derivatives segment, the PCC Group also plans to further diversify its product portfolio in the Surfactants & Derivatives segment and thereby continuously expand the proportion of higher-value specialty products. In the same vain, selling and distribution activities are expected to be increasingly application-oriented across all relevant segments, boosted by the introduction of regional managers. These will be responsible for the territories Western Europe, Central and Eastern Europe, and Southern Europe. We are also continuing to internationalize our business in order to further diversify our sales markets. The focus here is on the Asian market in particular, as well as the MENA region and, in the long term, the USA.

By concluding a long-term offtake agreement for ethylene oxide, the PCC Group had already secured its long-term supply of this essential raw material by the end of 2021. However, this contract also requires an increase in production capacities on the PCC side. This expansion work started in 2024 and is scheduled to continue until 2026. In addition, early preparations are underway for the utilization of these new capacities through the progressive broadening of both our customer and our product portfolios.

Chlorine & Derivatives

Chlorine is one of the most important and most-produced raw materials used in the chemical industry. Within the PCC Group, the chemical is used, among other things, for the production of propylene oxide for polyols manufacture, and as a feedstock for the manufacture of monochloroacetic acid (MCAA) and phosphorus derivatives. Chlorine is also employed as a disinfectant and, like various chlorine co- and downstream products, is used in water management and petrochemistry.

The Chlorine & Derivatives segment is divided into four business units: Chlorine, Chlorine Downstream Products, Monochloroacetic Acid (MCAA) and Phosphorus & Naphthalene Derivatives. In fiscal 2024, chlorine and the downstream products were produced exclusively at the site in Brzeg Dolny, Poland, and marketed from there.

Sales revenue in this segment amounted to € 209.7 million in 2024, down 23.9 % on the previous year (€ 275.6 million). The share of Group sales fell by 5.9 percentage points to 21.8 %. The segment employed 431 people at year-end 2024 (previous year: 427).

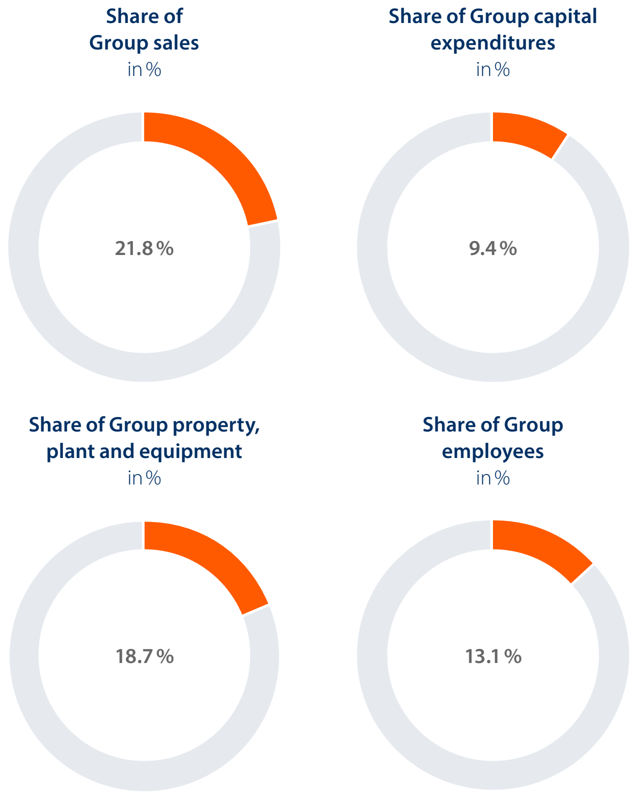
Despite a decline, the Chlorine & Derivatives segment was the main earnings driver of the PCC Group in 2024. However, the low level of business activity in Europe, increasing competitive pressure from China and also the cost increases of recent years led to a decline in the earnings number. PCC's internal use of chlorine for the production of propylene oxide (as a raw material for the manufacture of polyols) and of MCAA likewise declined due to reduced production volumes. This also reduced the volume of chlorine co- and by-products manufactured. The average selling prices for these products continued to fall compared to 2023, with a corresponding impact on the earnings performance of the Chlorine Downstream Products business unit. Earnings were boosted by compensation payments from the Polish government for the use of energy-efficient manufacturing facilities and for CO_2 offsetting.

The segment generated earnings before interest, taxes, depreciation and amortization (EBITDA) of € 59.0 million. This corresponds to a decline of 40.9 % compared to the previous year.

Fiscal 2024 saw the Phosphorus & Naphthalene Derivatives business unit benefit from the import tariffs imposed by the European Union on Chinese products. This strengthened price stability for phosphorus-based flame retardants and led to higher sales to European customers. The strong asymmetrical competition from China reported in the previous year – with some prices offered below the manufacturing cost in Europe – was thus mitigated and average selling prices rose. Overall, this had a positive impact on the earnings situation in this business unit.

In the Monochloroacetic Acid (MCAA) business unit, the past fiscal year was extensively impacted by the production shutdown that took place in the first quarter due to force majeure. Technical difficulties caused by an unplanned catalyst change extended the shutdown to several weeks. Once the technical problems had been resolved, this business unit was able to gradually ramp up production volumes and capacity utilization again from the second quarter onward, consistently achieving full capacity during the summer months. Fiscal 2024 in this business unit was largely characterized by price competition. Due to the outage periods, we produced significantly lower quantities of MCAA overall than in the previous year.

Key facts and figures for the Chlorine & Derivatives segment 2024 G_L_06



Chlorine & Derivatives segment T_L_03

Figures in € m	2024	2023	Absolute change	Relative change
Net external sales (consolidated)	**209.7**	275.6	–65.9	–23.9 %
Sales with other PCC segments	**107.6**	130.4	–22.9	–17.5%
Total segment sales (total operating output)	**317.2**	406.0	–88.8	–21.9 %
EBITDA	**59.0**	99.9	–40.9	–40.9 %
Property, plant and equipment	**195.1**	200.0	–4.9	–2.4 %
Capital expenditures on intangible assets and property, plant and equipment	**11.9**	16.6	–4.7	–28.2 %
Employees at Dec. 31	**431**	427	4	0.9 %

Customers from the crop protection industry reduced their production volumes, particularly in the second quarter, which led to lower sales of MCAA in these applications. However, PCC saw MCAA sales in the USA rise, which had a compensatory effect. Overall, fiscal 2024 proved to be challenging for this business unit, leading to declines in both sales and earnings.

Reduced consumption by internal customers led to lower capacity utilization in our chlor-alkali electrolysis operations. The historic highs in prices for HCl and NaCl experienced in previous years again remained unmatched in 2024. Although sales and earnings in this segment declined overall, they continued to make a significant contribution to the Group's financials.

Silicon & Derivatives

Silicon metal is used, among other things, as an aluminum alloying element and in the chemical industry in siloxane and silicone production. In addition, there is a strong long-term demand for silicon metal in applications such as solar modules, semiconductors and batteries. These applications make silicon metal a key building block in effecting the sustainable transformation of industry, through which we are also making a significant contribution to climate protection.

The Silicon & Derivatives segment is divided into the Silicon Metal and Quartzite business units and thus comprises the silicon metal production company in Iceland and the quartzite quarry in Poland. Quartzite is one of the basic raw materials for the production of silicon metal. This segment also includes a business that organizes housing for employees in Iceland.

Overall, the Silicon & Derivatives segment generated sales of € 85.0 million in the past fiscal year, 18.1 % more than in the previous year (€ 72.0 million). The share of Group sales rose by 1.7 percentage points to 8.9 %. The number of employees increased to 226 (previous year: 207).

The segment's main revenue driver is the silicon metal plant in Húsavík, Iceland, with a nominal annual capacity of 36,000 metric tons. After the plant had only produced at half capacity in the previous year due to the difficult market situation, we increased operations to two furnaces again in fiscal 2024, thus returning to 100 % capacity. Raw material and logistics prices were significantly lower in the reporting year than in the previous year, which led to a reduction in production costs. However, external factors such as electricity shortages in the second and fourth quarters, quality problems with raw materials and interruptions to furnace operations at a production volume of around 100 % of nominal capacity led to losses in the double-digit million euro range. The price-sensitive market environment continues to be determined by cheap imports from China and Brazil. Again in 2024, however, PCC also sold major quantities of silicon metal to German customers in the chemical industry. Due to the lack of harmonization of tariff policies between the European Union and EFTA states such as Iceland and Norway, these markets are unfortunately exposed to tariff-free imports from China, which in some cases leads to prices below manufacturing cost. The PCC Group expects greater political support in this area and has initiated or is supporting various measures with the Icelandic government and the European Commission.

The segment made a loss of € – 33.0 million in terms of earnings before interest, taxes, depreciation and amortization (EBITDA). This corresponds to an improvement in earnings of € 9.7 million or 22.7 % compared to the previous year (€ – 42.7 million). Despite this improvement in earnings, we are not satisfied with the overall development in this business area.

Selling prices in Europe continued to decline over the course of 2024. Due to insufficient water reserves in Iceland, the national electricity supplier reduced the power supply at the end of the fourth quarter to such an extent that we had to cut production capacity again and switch the plant to single-furnace operations. We maintained the reduced production capacity into the first quarter of the 2025 fiscal year. If the economic situation improves, we can ramp up the plant to full capacity at short notice, which is currently planned

Silicon & Derivatives segment

T_L_04

Figures in €m	2024	2023	Absolute change	Relative change
Net external sales (consolidated)	**85.0**	72.0	13.0	18.1 %
Sales with other PCC segments	**6.2**	1.6	4.7	> 100 %
Total segment sales (total operating output)	**91.3**	73.6	17.7	24.1 %
EBITDA	**−33.0**	−42.7	9.7	22.7 %
Property, plant and equipment	**342.6**	332.9	9.7	2.9 %
Capital expenditures on intangible assets and property, plant and equipment	**7.8**	2.0	5.8	> 100 %
Employees at Dec. 31	**226**	207	19	9.2 %

for May 2025. However, if the situation does not improve or even deteriorates, we are not ruling out a shutdown scenario.

The ongoing economic situation of the silicon metal plant is strained due to the developments mentioned above and also cited in the PCC quarterly reports. Various scenarios for the further development of business operations are being examined. At present, a temporary plant shutdown cannot be ruled out. Together with a team of external and internal experts, we are continuing to work on improving productivity. In addition to measures to reduce costs, this also includes a sustainable and continuous increase in the efficiency of furnace operations. Only if it is ensured that the price situation in Europe is decoupled from that in China – where silicon metal is produced under far lower social and environmental standards – will it be possible to operate our plant successfully in the long term.

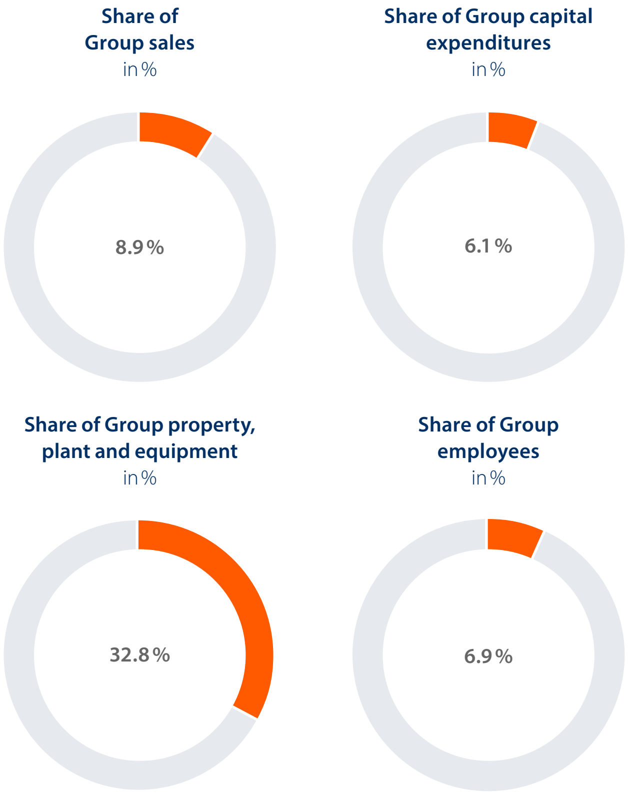
The quartzite quarry in Zagórze, Poland, not only supplies quartzite to Iceland, but also to ferroalloy manufacturers and aluminum smelters in Eastern Europe. We also continue to sell quartzite as ballast for the construction of roads and railroad lines. The fiscal year was a successful one for the quarry, mainly due to high capacity utilization and increased quantities of quartzite for silicon production in Iceland, as well as rising prices. Sales were around 22 % higher than in the previous year. The site also achieved an improvement in EBITDA compared to the previous year.

Trading & Services

The PCC Group can draw on expertise in the trading of petro- and carbon-derived commodities spanning more than three decades. The trading portfolio includes basic chemical feedstocks as well as coking plant by-products, particularly crude benzene. PCC likewise trades to a lesser extent in solid fuels such as coke breeze, small coke and anthracite in small nut sizes. This segment also supports Group companies in the procurement of primary products and raw materials, and includes sales organizations in selected regions. The Conventional Energies business, which primarily supplies the Group's own plants in Poland with process steam and electricity, is also managed in this segment, as are a large number of other internal services in the areas of information technology, infrastructure, analytics, maintenance and repair, and waste disposal.

Key facts and figures for the Silicon & Derivatives segment 2024

G_L_07



The Trading & Services segment comprises the two business units Commodity Trading and Services. It works predominantly out of Germany, Poland and the Czech Republic. The segment also manages sales organizations in Türkiye and Italy.

Overall, the Trading & Services segment generated sales of € 103.8 million in the past fiscal year, down 11.8 % on the previous year (€ 117.6 million). Its share of total consolidated sales decreased

Trading & Services segment

T_L_05

Figures in € m	2024	2023	Absolute change	Relative change
Net external sales (consolidated)	**103.8**	117.6	–13.9	–11.8 %
Sales with other PCC segments	**155.4**	147.9	7.4	5.0 %
Total segment sales (total operating output)	**259.1**	265.5	–6.4	–2.4 %
EBITDA	**12.1**	10.4	1.7	16.4 %
Property, plant and equipment	**137.1**	137.7	–0.6	–0.4 %
Capital expenditures on intangible assets and property, plant and equipment	**26.3**	22.6	3.8	16.6 %
Employees at Dec. 31	**1.023**	1.061	–38	–3.6 %

by one percentage point to 10.8 %. The segment's payroll amounted to 1,023 employees on the reporting date (previous year: 1,061). The activities in the Services business unit in particular are very personnel-intensive.

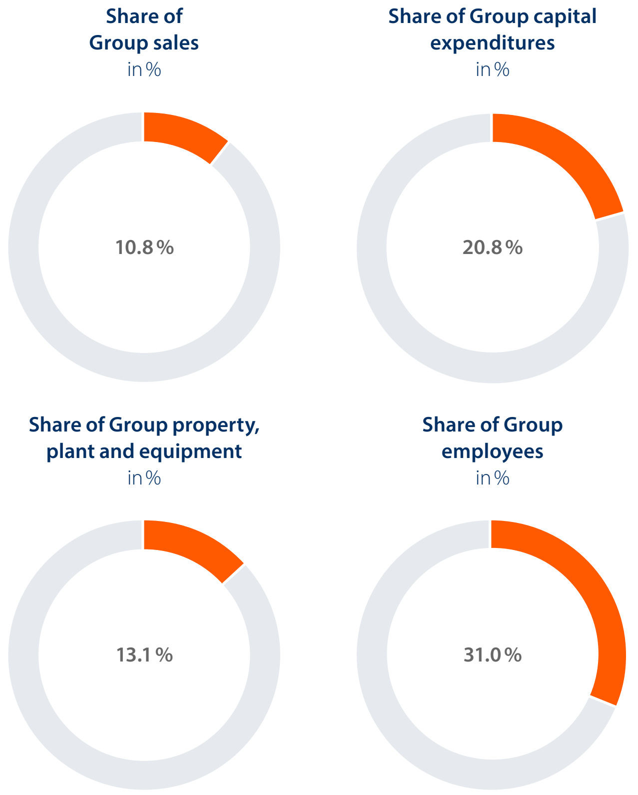
Earnings before interest, taxes, depreciation and amortization (EBITDA) in the Trading & Services segment amounted to € 12.1 million, an increase of € 1.7 million or 16.4 % compared to the previous year.

The largest revenue driver in the segment is the commodity trading business operated from Germany. Volume sales and revenue declined here in 2024. However, excluding the impact of exceptional items from the 2023 fiscal year, the German commodity trading business achieved an increase in earnings before interest, taxes, depreciation and amortization (EBITDA), with the absence of the derecognition and impairment of loan and interest receivables in the mid-single-digit million euro range that occurred in the previous year significantly boosting the earnings result. The commodity trading business in the Czech market was at a low level and operated at a slight loss due to the prevailing economic situation. The commodity trading business serving the Turkish market distributes products primarily from PCC's chemical-producing segments. Although the results from these activities ended the past fiscal year slightly down on the previous year, the trading margins achieved nevertheless yielded a profit. The trading business for the Italian market was not opened until mid-2024 and therefore played no more than a subordinate role this time around.

The business responsible for regional commercial energy supply in Poland, which is also managed in this segment, had a successful fiscal year, benefiting in particular from the advent of new local customers and correspondingly higher sales volumes. This resulted in a 7.5 % increase in sales and significant earnings growth at all levels.

Key facts and figures for the Trading & Services segment 2024

G_L_08



Logistics

The Logistics segment comprises the Intermodal Transport and Road Haulage business units. PCC is the leading provider of container transport services in Poland. Based on several wholly-owned container terminals in Poland and Germany, PCC's Logistics network extends from Eastern Europe to the Benelux countries and via Northern Italy to Greece and Türkiye. The PCC Group's tanker fleet specializes in the Europe-wide road haulage of liquid chemicals.

Sales in the Logistics segment amounted to € 154.6 million in 2024, up 21.0 % on the previous year (€ 127.7 million). This represents the largest increase of any segment in the PCC Group. The share of Group sales rose by 3.2 percentage points to 16.1 %. The number of employees increased to 652 as of the reporting date (previous year: 644).

The Logistics segment is dominated by the Intermodal Transport business unit, whose portfolio includes regular combined transport services both within Poland and on international routes with departure points in Rotterdam, Hamburg and Duisburg, among others. Since 2023, we have also been increasingly providing transportation services from the Polish ports to the Ukrainian border and vice versa. We have likewise expanded our offering to include regular container block train services between the PCC terminal in Gliwice, Poland, and Padua, northern Italy. From there, there are various domestic connections within Italy, as well as routes to Greece and Türkiye via Bari. These new routes should contribute to further growth in this business segment.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by € 6.7 million or 35.1 % to € 25.8 million. The main reason for this positive development is the increased operating rate of the train services.

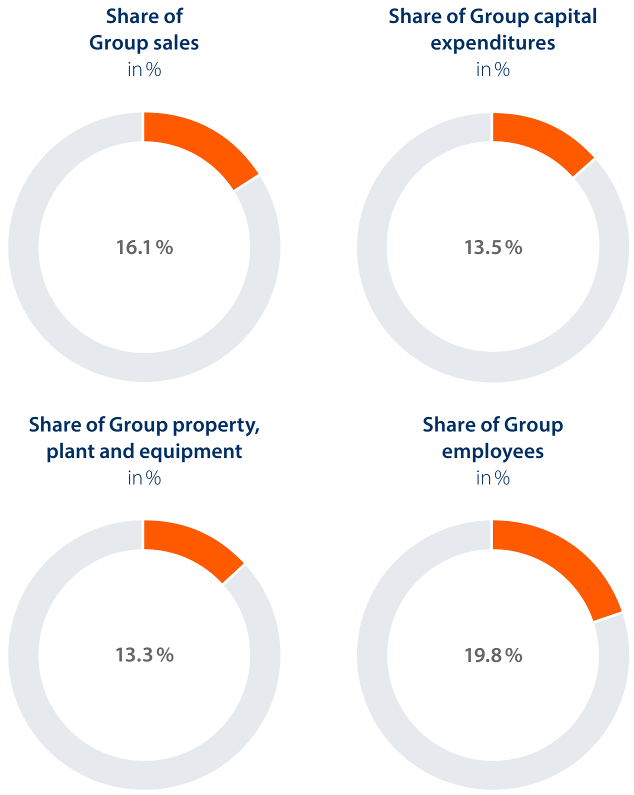
However, the environment for intermodal container transportation remained challenging. The key trading conditions did not improve in 2024, with negative factors including the weakening economy in Europe, high cost pressure, and fierce competition from road transportation. The infrastructure in Poland and Germany, which is in need of modernization, and disproportionately long handling times at seaports and borders, posed additional difficulties. Sometimes chaotic conditions at the Polish-Ukrainian border repeatedly led to delays in the transportation of Ukrainian goods to Polish seaports and also for deliveries in the opposite direction.

Despite these challenges, the Intermodal Transport business unit closed the past fiscal year up on the previous year and thus, for the first time, was able to reap the rewards of the investments made in infrastructure and rolling stock in previous years. In particular, investments in further locomotives and additional platforms for container trailers enabled us to react more flexibly to changes in the market and to plan transportation accordingly, allowing us to mitigate the aforementioned headwinds. Utilization and thus the operating rates of the terminals and train services increased by a double-digit percentage. This business unit thus returned to the earnings level of the record year of 2022. We also took over the market leadership in intermodal transport in Poland in 2024, based on data from the Polish Rail Transport Office. According to these figures, we were the largest Polish provider of combined container transport by rail and road, accounting for 19.6 % of freight revenues and 17.4 % of transported freight weight.

The construction of further terminals should support this development in the long term. We therefore pressed ahead with a corresponding project south of the Polish seaports of Gdynia and Gdańsk in 2024. We are currently planning to obtain further approvals and initial subsidy commitments in the course of the current fiscal year 2025. We are also examining a terminal project on the Ukrainian-Polish border. Additional growth has likewise resulted from the expansion of our intermodal activities in Germany. At the beginning of 2024, PCC received the safety certificate required for the operation of a rail undertaking (RU), which is required under the General Railway Act (AEG) for the operation of such an RU on higher-level networks. On this basis, we can now provide transport services with our own locomotives, which will further strengthen our overall competitiveness. We put the first two locomotives into operation at the beginning of 2024.

Key facts and figures of the Logistics segment 2024

G_L_09



Logistics segment T_L_06

Figures in € m	2024	2023	Absolute change	Relative change
Net external sales (consolidated)	**154.6**	127.7	26.9	21.0 %
Sales with other PCC segments	**17.0**	16.5	0.6	3.5 %
Total segment sales (total operating output)	**171.6**	144.2	27.4	19.0 %
EBITDA	**25.8**	19.1	6.7	35.1 %
Property, plant and equipment	**139.1**	140.5	–1.4	–1.0 %
Capital expenditures on intangible assets and property, plant and equipment	**17.1**	45.6	–28.4	–62.4 %
Employees at Dec. 31	**652**	644	8	1.2 %

The Road Haulage business unit once again recorded positive business development against the background of unfavorable geopolitical and economic influences. However, competition for qualified drivers, the effects of the Russia-Ukraine war and the weakening economy in Germany pushed sales growth in this business into the low single-digit percentage range. In addition, there was cost pressure, mainly from increased personnel expenses, contractor charges and expenses arising from external service contracts. A slight decrease in fuel costs and improved fuel efficiency were not enough to fully compensate for these factors, meaning that earnings before interest, taxes, depreciation and amortization were slightly lower than in the previous year.

Holding & Projects

The Holding & Projects segment manages projects of the PCC Group aligned to the future – for example, the construction of the new oxyalkylates production plant in Malaysia, which we are operating together with our joint venture partner PETRONAS Chemicals Group Berhad (PCG); a further oxyalkylates plant in the USA is in the planning phase. We are also planning a chlor-alkali plant in the USA in this segment, and we have established a German start-up for the development of an innovative composite material made from nano-silicon powder to improve the performance of lithium-ion batteries.

The Holding & Projects segment is divided into the business units Portfolio Management and Project Development. In addition to the Group parent company PCC SE, this segment also includes further intermediate holding and project companies. These operations are managed from the Group headquarters in Duisburg and in some cases have their own organizations in markets such as Malaysia and the USA.

The Holding & Projects segment generated sales of € 2.5 million in the past fiscal year, € 0.6 million less than in the previous year. The share of Group sales remained unchanged from the previous year at 0.3 %.

The segment generated earnings before interest, taxes, depreciation and amortization (EBITDA) of € – 13.0 million (previous year: € – 8.5 million). The number of employees in the segment at the end of the fiscal year rose to 110 (previous year: 90).

The Holding & Projects segment includes two project companies that are accounted for in the consolidated financial statements of the PCC Group using the equity method: the joint venture OOO DME Aerosol, Pervomaysky (Russia), and the joint venture PCG PCC Oxyalkylates Sdn. Bhd., Kuala Lumpur (Malaysia). The latter operates an oxyalkylates plant (special non-ionic surfactants and polyether polyols for a wide range of industrial applications), which commenced commercial production in summer 2024 and whose capacity utilization we have been continuously ramping up ever since. The annual capacity is some 70,000 metric tons. Commissioning was completed on schedule and within budget. The joint venture partner is PCG, one of Southeast Asia's leading chemical groups. Unfortunately, the general weakness of the global economy and the current decline in demand mean that this plant will not be able to reach full capacity as quickly as originally planned. In addition, there is also competition in Asia, primarily from Chinese exports. In the future, PCG PCC Oxyalkylates Sdn. Bhd. will contribute to further growth in our core segments of Polyols & Derivatives and Surfactants & Derivatives with its oxyalkylates production.

We plan to continue the expansion of the core business units of the PCC Group into high-growth regions across all segments. Similar expansion plans to those in Asia therefore also exist in the high-growth US market. In the case of our current oxyalkylates project in the USA, we continued our on-site review following the signing of a long-term but terminable lease agreement in 2023.

However, we shifted significant resources to a second project in the USA, the planning of a chlor-alkali plant in Mississippi on the US Gulf Coast. In December 2024, PCC signed a long-term offtake agree-

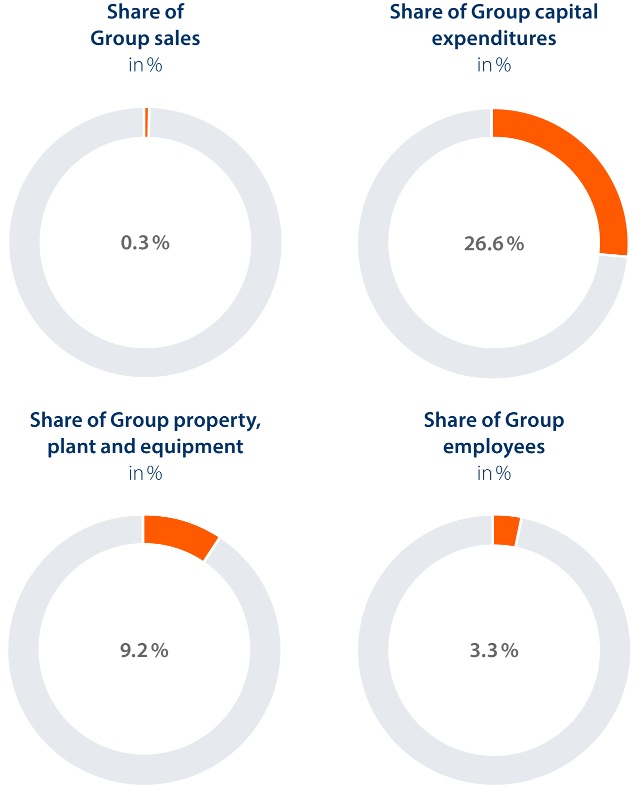
Holding & Projects segment (incl. consolidation)

T_L_07

Figures in €m	2024	2023	Absolute change	Relative change
Net external sales (consolidated)	**2.5**	3.1	–0.6	–19.4 %
Sales with other PCC segments	**1.9**	–	1.9	–
Total segment sales (total operating output)	**4.4**	3.1	1.3	44.0 %
EBITDA	**–13.0**	–8.5	–4.5	–52.8 %
Property, plant and equipment	**96.3**	48.7	47.6	97.9 %
Capital expenditures on intangible assets and property, plant and equipment	**33.6**	35.8	–2.2	–6.0 %
Employees at Dec. 31	**110**	90	20	22.2 %

Key facts and figures for the Holding & Projects segment 2024

G_L_10



ment for this project. The plant is designed for a nominal capacity of 340,000 metric tons per year and is expected to create around 85 new jobs at the site. Together with the future customer and local municipal and state representatives, PCC negotiated a substantial package of investment incentives with tax breaks.

Since the sanctions imposed by the European Union, among others, following the outbreak of the Russian war of aggression against Ukraine in 2023 came into force, the joint venture OOO DME Aerosol, which operates a plant for the production of dimethyl ether (DME) in the Russian region of Tula, has only been selling its products to countries in which the purchase and import of DME from Russia are not sanctioned. The joint venture was able to maintain continuous plant operations and generated a positive cash flow. The local company was therefore able to make regular loan repayments to PCC SE throughout fiscal 2024.

Within the Renewable Energies business, which we manage within the Project Development business unit, a total of five small hydropower plants in North Macedonia and one in Bosnia and Herzegovina were in operation in 2024. Permits are still pending for three further sites in Bosnia and Herzegovina and there is still no sign of a conclusion to this lengthy process, even after recent legal rulings in the country. Nevertheless, the six operating affiliates continued to generate relatively stable cash flows in 2024. In view of the general increase in energy demand and the current climate protection initiatives, we expect increasing flexibility in the potential utilization of these assets in the future.

Fiscal 2024 saw PCC continue its collaboration with the Fraunhofer Institute for Solar Energy Systems ISE and the universities in Freiburg and Duisburg to develop an innovative material made from nanosilicon powder based on our silicon metal from Iceland. Serving as an anode alloy, the material is used to increase the performance of lithium-ion batteries. To further support the project, PCC acquired a further development for full utilization and commercialization in the fourth quarter of 2024. This will enable broader commercialization of the battery solutions. The EU Commission has now classified the battery materials project as a strategic raw materials project in the EU. The benefits associated with this classification include easier access to funding and financing, as well as significantly accelerated approval processes. Assuming successful project implementation, the undertaking could extend the value chain in our Silicon & Derivatives segment and significantly increase its profitability.

A further investment is currently being realized at the Brzeg Dolny site. The PCC Group is building new production facilities for oxyalkylates there, enabling us to further expand our production capacities for specialty polyols and specialty surfactants. Completion of the first construction phase is scheduled for summer 2026.

Business development and financial performance

Development of selected Group indicators

Key financials of the PCC Group

T_L_08

Key financials		2024	2023	Absolute change	Relative change
Sales	€m	**960.0**	993.6	–33.6	–3.4%
– Polyols & Derivatives segment	€m	**180.8**	191.1	–10.3	–5.4%
– Surfactants & Derivatives segment	€m	**223.7**	206.6	17.1	8.3%
– Chlorine & Derivatives segment	€m	**209.7**	275.6	–65.9	–23.9%
– Silicon & Derivatives segment	€m	**85.0**	72.0	13.0	18.1%
– Trading & Services segment	€m	**103.8**	117.6	–13.9	–11.8%
– Logistics segment	€m	**154.6**	127.7	26.9	21.0%
– Holding & Projects segment	€m	**2.5**	3.1	–0.6	–19.4%
Gross profit	€m	**292.4**	307.3	–15.0	–4.9%
EBITDA [1]	€m	**88.0**	112.3	–24.3	–21.7%
EBIT [2]	€m	**1.9**	33.4	–31.5	–94.3%
EBT [3]	€m	**–29.5**	–20.8	–8.7	41.8%
Net result	€m	**–48.0**	–25.0	–23.0	91.7%
Gross cash flow [4]	€m	**71.9**	115.5	–43.7	–37.8%
ROCE [5]	%	**0.1**	2.6	–2.4 [9]	–94.4%
Net debt [6]	€m	**860.1**	775.5	84.5	10.9%
Net debt / EBITDA		**9.8**	6.9	2.9	41.6%
Group equity	€m	**343.1**	389.4	–46.3	–11.9%
Equity ratio [7]	%	**21.4**	24.5	–3.1 [9]	–12.7%
Return on equity [8]	%	**–13.1**	–6.2	–6.9 [9]	<–100%
Capital expenditures	€m	**126.5**	142.5	–15.9	–11.2%
Employees (Dec. 31)		**3,295**	3,265	30	0.9%
– Germany		**162**	163	–1	–0.6%
– International		**3,133**	3,102	31	1.0%

1 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)
2 EBIT (Earnings Before Interest and Taxes) = Operating result = EBITDA – Depreciation and Amortization
3 EBT (Earnings Before Taxes) = EBIT – Interest
4 Gross cash flow = Net result adjusted for non-cash income and expenses
5 ROCE (Return On Capital Employed) = EBIT / (Average equity + Average interest-bearing debt)
6 Net debt = Interest-bearing debt – Liquid funds – Other current securities
7 Equity ratio = Equity capital / Total Assets
8 Return on equity = Net result / Average equity
9 Change in percentage points

Earnings position

Overall, business performance in 2024 remained subdued from the previous year. The general weakness in growth, geopolitical instability, competitive disadvantages in a global context, high energy costs and an unclear outlook had a negative impact on the past fiscal year. The lack of macroeconomic recovery coupled with low public sector investment and restrained private consumption created a difficult environment for the operating business overall. Segments such as Polyols & Derivatives and other areas of basic chemicals were particularly affected by this, while the Surfactants & Derivatives and Logistics segments managed an appreciable upturn. Although economic development in the USA was significantly better, it was mixed in Europe. Countries such as Poland and Spain had comparable growth rates to the USA. In contrast, Germany had to contend with zero growth. The interest rate policy of the European Central Bank (ECB) reverted to interest rate cuts. Inflation rates were declining, so interest rates were reduced to stimulate investment and consumption. The ECB's deposit rate was 2.75 % at the end of 2024. The competitive conditions for goods from Asia, particularly China, continued to have a negative impact on production and pre-production in Europe in the past fiscal year. Differing tariff policies, burdensome regulation and cumbersome bureaucracy, as well as misguided subsidy measures in Europe, created a weak investment environment overall.

The global economy initially recovered after the pandemic with an unexpectedly high growth rate. The megatrend of sustainability and the upturn in green technologies drove new investments worldwide, while inflation remained a challenge for many economies. The German economy experienced a slight recession for the second year in a row in 2024, with gross domestic product (GDP) shrinking by 0.3 %. The global economy faced several challenges and opportunities in 2024, with moderate growth of around 3.5 % expected.

Subdued demand and weak consumption in numerous sectors led to declines in production in many industries. The construction industry was particularly affected as a result of higher interest rates and prices. Private consumption of furniture and consumer electronics, for example, was restrained. Domestic demand in China was similarly weak as in the previous year, with the result that, at times, large volumes of chemical products and silicon metal were exported to Europe. This led to further price competition in Europe due to some of said volumes being imported at low prices.

Overall, the PCC Group ended fiscal 2024 with earnings before interest, taxes, depreciation and amortization (EBITDA) of € 88.0 million, down € 24.3 million or 21.7 % on the previous year. Group sales amounted to € 960.0 million in 2024, a decrease of € 33.6 million or 3.4 %. This sales trend was in line with the general economic situation in the European Union and resulted from falling prices and declining capacity utilization in downstream industries. Together with high and rising costs, particularly in the area of personnel and external service providers, as well as higher maintenance and repair expenses due to unplanned plant shutdowns, this led to a decline in earnings at the EBITDA level.

At € –65.9 million, the Chlorine & Derivatives segment recorded the largest nominal year-on-year decline in sales, while the Surfactants & Derivatives, Silicon & Derivatives and Logistics segments increased their revenues. The Logistics segment achieved the largest increase in sales with a plus of € 26.9 million. The Surfactants & Derivatives segment was the main revenue driver in the Group. There were no significant effects on sales revenue arising from changes in the scope of consolidation in 2024.

The euro is not the functional currency of most PCC Group companies. Consequently, exchange rate effects in the translation of sales and earnings figures have an impact on the consolidated statement of income. Based on exchange rates unchanged from the previous year, sales of the PCC Group would have amounted to € 926.6 million, which would be € 33.4 million or 3.5 % lower than the actual figure. This is due to the exchange rate movements of the currencies of relevance to the PCC Group, particularly the Polish złoty.

The gross profit of the PCC Group declined in 2024, falling to € 292.4 million (previous year: € 307.3 million). The gross yield figure fell to 30.5 % (previous year: 30.9 %). In addition to selling prices, the purchase prices of key raw materials also fell. However, procurement costs for energy and logistics remained almost unchanged compared to the previous year.

Personnel expenses increased year on year from € 138.0 million to € 150.7 million, meaning that fiscal 2024 saw another rise in this expense item. Wages and salaries continued to increase disproportionately due to high inflationary pressure. The number of employees in the Group also rose slightly, increasing by 0.9 % from 3,265 to 3,295 as at the reporting date. The increase was attributable to the Holding & Projects, Silicon & Derivatives and Surfactants & Derivatives segments. The two-furnace operation of the silicon metal plant in Iceland and the commissioning of the new ethoxylates plant in Poland were the main reasons for the increases. By contrast, employment declined in the Trading & Services segment, where we reduced overcapacity. From a regional perspective, 14 of the jobs created were in Poland. In the Rest of Europe region 12 jobs were created, while a total of four jobs were created in all other regions.

Other operating income increased from € 34.0 million in the previous year to € 45.0 million in the past fiscal year. The increase is mainly due to income from the sale of CO_2 certificates in the amount of € 3.0 million (previous year: –) and higher compensation payments in connection with CO_2 certificates in the amount of € 19.4 million (previous year: € 16.1 million). The compensation payments are granted by the Polish state to offset price increases for CO_2 certificates.

Within the business activities of the PCC Group, new products, processes and procedures are continuously being researched and developed, while existing customer solutions are constantly refined. Cross-company project teams are also formed for this purpose. The PCC Group recorded research and development (R&D) expenses of € 8.8 million in the year under review, underscoring its high level of commitment in this area (previous year: € 7.0 million). In addition, expenditure on internally developed intangible assets and property, plant and equipment amounting to € 1.1 million was capitalized (previous year: € 10.2 million).

Capital expenditures amounted to € 126.5 million in 2024 and was therefore 11.2 % below the previous year's level of € 142.5 million. These investments were mainly spread across the Trading & Services, Surfactants & Derivatives and Logistics segments, as well as project developments in the Holding & Projects segment. The PCC Group focused primarily on long-term investments, accompanied by modernization investments. In fiscal 2024, investments were mainly made in the completion of the new ethoxylation plant in Płock and the oxyalkylates plant at the Brzeg Dolny site. These were accompanied by investment measures in infrastructure such as the local electricity grid. PCC also invested in additional locomotives, platforms and container cranes in the Logistics segment. Further funds were made available for the development of state-of-the-art materials for use in lithium-ion batteries. All investments are intended to contribute to future increases in sales and earnings of the PCC Group. At the same time, investments mean an increase in depreciation, amortization and interest expense for the consolidated statement of income, albeit with interest expense being consistently capitalized in the case of investments not yet completed. In the balance sheet as of December 31, 2024, these effects are reflected in the increase in non-current assets and, on the liabilities side, in higher non-current financial liabilities. Depreciation and amortization of intangible assets, property, plant and equipment and right-of-use assets increased year on year to € 86.0 million (previous year: € 78.9 million).

Interest and similar expenses mainly resulted from bond liabilities, liabilities to banks and lease liabilities. These expenses rose by 11.2 % from € 45.2 million to € 50.3 million in the past fiscal year. This increase is mainly due to higher financial liabilities for investments and the general rise in interest rates. Benchmark interest rates in the European Union, Poland and the USA initially peaked in spring 2024 and trended down again in the summer. Both the parent company PCC SE and other Group companies had to implement follow-up financing or refinancing in this adjusted market interest-rate environment. Some non-current financial liabilities are also subject to floating interest rates, with the prevailing level of base interest rates always exerting an almost immediate impact. The PCC Group counters such interest rate increases with hedging transactions. The weighted interest rate of all interest-bearing liabilities increased from 4.7 % in the previous year to 5.1 % in fiscal 2024. Financial liabilities increased by a total of € 55.4 million or 6.1 % year on year. Interest attributable to the creation of a qualifying asset is capitalized during the construction period.

Income and expenses from exchange rate differences are reported in the financial result under foreign currency translation result. In fiscal 2024, the effect on earnings was a plus of € 15.5 million (previous year: € – 13.3 million).

The effective tax rate of the PCC Group in the year under review was – 62.8 % (previous year: – 20.4 %).

Compared to the previous year, earnings before taxes (EBT) decreased by € 8.7 million to € – 29.5 million. The consolidated comprehensive income of the PCC Group decreased from € – 1.7 million in the previous year to € – 37.1 million in the year under review, mainly as a result of the effects already explained above.

Net assets

Total assets grew year on year by € 14.9 million or 0.9 % to € 1,605.0 million as at December 31, 2024. This change is mainly due to an increase in non-current assets as a result of investments and a decrease in current assets, mainly in cash and cash equivalents. Intangible assets rose by € 0.7 million to € 53.0 million. The net carrying amount of property, plant and equipment increased by € 48.3 million or 4.8 % to € 1,044.6 million. Right-of-use assets grew by € 8.1 million or 10.0 % to € 89.1 million. Investments accounted for using the equity method decreased by € 9.2 million to € 4.9 million, essentially reflecting the valuation of the Malaysian joint venture PCG PCC Oxyalkylates Sdn. Bhd. The balance sheet item also includes the pro rata allocation of the results of the Thai joint venture IRPC Polyol Company Ltd. and the Russian joint venture OOO DME Aerosol. If accumulated losses exceed the equity value, this is carried at an updated equity value of zero. As at the reporting date of the past fiscal year, this was still the case for OOO DME Aerosol.

Current assets amounted to € 369.2 million on the balance sheet date, € 16.7 million below the previous year. Inventories rose by € 14.1 million to € 121.8 million. In anticipation of bottlenecks in availability and slightly rising prices for various raw materials, we increased some inventories at the end of the year. Trade accounts receivable rose slightly by € 2.0 million to € 105.3 million. Despite the fall in sales revenue for the year as a whole, we granted slight extensions in payment terms, which led to this increase. Other receivables and other assets grew from € 31.8 million to € 38.4 million. Cash and cash equivalents decreased by € 29.1 million or 22.6 % to € 99.5 million due to the decline in cash flow from operating activities and loss financing. As at December 31, 2024, the cash and cash equivalents balance sheet item included € 3.5 million (previous year: € 4.1 million) in funds that were not freely available. These were almost entirely attributable to funds already earmarked for investment projects.

Financial position

The equity of the PCC Group decreased by € 46.3 million, from € 389.4 million in the previous year to € 343.1 million in the year under review. This development is mainly attributable to the negative consolidated net result and the decline in the minority interests item. Hybrid capital is an equity instrument of the subsidiary PCC BakkiSilicon hf. In accordance with IAS 32, this is classified as equity, as there is neither a contractual obligation to repay the nominal amount nor to pay interest. Instead, repayment is linked to conditions that depend on the decision of the company's management to make distributions to shareholders. As soon as resolutions on distributions to them are passed, the hybrid capital will also be serviced on a pro rata basis.

The revenue reserves / other reserves item fell by € 42.2 million to € 205.9 million, mainly due to the consolidated net result. Minority interests decreased by € 15.0 million to € 58.5 million, mainly due to the losses attributable to those non-controlling shareholders. Other equity items increased by € 10.9 million to € – 5.0 million, primarily as a result of differences from currency translation recognized directly in equity. By contrast, the remeasurement of defined benefit pension obligations as at the reporting date did not result in any significant absolute change compared to the previous year. The measurement of the non-consolidated PCC Organic Oils Ghana LTD at fair value resulted in a change in value of € 0.2 million, which is also reported under other equity items. The equity ratio fell from 24.5 % in the previous year to 21.4 % in the reporting year due to the aforementioned effects.

Long-term investments are financed with long-term debt. Non-current provisions and liabilities increased by 10.7 % to € 887.0 million as at December 31, 2024 (previous year: € 801.5 million). This was mainly due to the increase in non-current financial liabilities, which rose by € 77.0 million or 10.8 % compared to the previous year. Deferred tax liabilities rose to € 18.5 million (previous year: € 16.6 million). Other liabilities increased by € 7.9 million or 12.3 % to € 72.1 million.

Pertaining to bond liabilities, the holding company PCC SE fully redeemed seven bonds with a total volume of € 126.0 million on maturity in the course of 2024 (previous year: € 83.7 million). The issuance volume placed by the end of the year amounted to € 157.4 million (previous year: € 85.6 million) and was achieved through six new issuances. These funds were used in the past fiscal year both for the partial refinancing of maturing liabilities and for the financing of investments. In addition to PCC SE, whose bonds are denominated in euros, other Group companies also issued bonds. The bonds issued in Polish złoty by PCC Rokita SA and PCC Exol SA had a value of € 45.2 million as of the closing date of fiscal 2024 (previous year: € 44.6 million). Unutilized secured credit lines within the PCC Group amounted to € 144.9 million as of the reporting date (previous year: € 61.6 million).

Current provisions and liabilities decreased by € 24.3 million or 6.1 % to € 375.0 million. Tax liabilities decreased by € 1.0 million to € 4.5 million. Trade accounts payable increased by € 21.9 million or 25.1 % to € 109.1 million. Financial liabilities due within the next twelve months decreased by € 21.6 million to € 168.4 million. Other liabilities decreased by € 16.9 million to € 55.5 million.

Provisions for pensions and similar obligations, and other provisions, decreased by € 8.0 million to € 44.1 million.

The net debt of the PCC Group increased in the year under review by € 84.5 million or 10.9 % to € 860.1 million. This was due not only to borrowings for capital expenditures but also to the decline in cash and cash equivalents. Due to the fall in earnings before interest, taxes, depreciation and amortization (EBITDA), the ratio of net debt to EBITDA deteriorated from 6.9 to 9.8. Our goal of guiding this leverage ratio to below 5.0 was therefore not achieved.

Net debt T_L_09

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Cash and cash equivalents	99,493	128,566
Pension obligations	1,331	1,230
Financial liabilities	958,226	902,869
Net debt	**860,064**	**775,533**

Overall, in a geopolitically tense and macroeconomically challenging environment, the company's management considers the development of its net assets, financial position and results of operations in fiscal 2024 to be unsatisfactory. The business performance of the PCC Group was extremely successful in some segments, such as Logistics. As well as increasing sales and earnings, the Intermodal Transport business unit also assumed market leadership in Poland. Although we were able to reduce the high production costs in the Silicon Metal business unit, this was not sufficient in the year under review to enable us to compete with Chinese dumping imports. Across all segments, EBITDA was additionally burdened by high fixed costs, for example for personnel or external service providers, as well as maintenance and repair expenses from unplanned plant shutdowns. For the reasons described above, we were unable to meet our expectation of increasing revenue by 5 – 10 % in fiscal 2024. We were also unable to achieve our expectation of an increase in EBITDA of around 25 % to 30 %. Both shortfalls are due primarily to lower sales volumes than budgeted. In addition, further price declines, particularly in the Chlorine & Derivatives segment, as well as unforeseeable technical difficulties and the associated unplanned plant shutdowns plus additional maintenance and repair expenses, had a negative impact on earnings. Adjusted for the significant losses in the Silicon & Derivatives segment, positive results would nevertheless have been achievable at all earnings levels. Ultimately, however, a loss in the double-digit million euro range was posted.

Opportunities for and risks to future development

The future economic development of the PCC Group is heavily dependent on further economic trends, not only in our main sales markets in Europe but also worldwide. The further development of energy prices and inflation as a whole will also play a major role. Further details can be found in the section "Outlook for fiscal 2025 and beyond".

The ongoing Russia-Ukraine war poses a not inconsiderable political risk for the PCC Group that lies outside our sphere of influence. A further escalation of the war could result in renewed transportation and supply chain problems. The continued existence of our remaining investments in Russia could also be jeopardized. However, this is not expected at the time of preparing this management report. In relation to the total assets of the PCC Group, the proportion of Russian assets is also only in the low single-digit percentage range. In addition to a further escalation of the Russia-Ukraine war, the Middle East conflict, which broke out again in October 2023 and is already causing transport and supply chain problems in the Suez Canal and the Red Sea, could likewise have a negative impact on the global economy. This also applies to a possible escalation of the conflict between China and Taiwan. Similar restrictions on global economic activity could also arise in the context of any new pandemics. Since January 2025, a new president has been in office in the USA, whose decisions, for example with regard to new tariffs, cannot yet be conclusively assessed at the time of preparing this management report. Due to the many current uncertainties, the overall financial impact on the PCC Group cannot be specifically estimated.

A new Bundestag (parliament) was elected in Germany in February 2025. With the swift formation of a new government, PCC believes that confidence in political decisions in Germany and clear communication on the part of the responsible politicians must again prevail. Immediate measures to stabilize the energy supply, a reduction in bureaucracy and measures to boost investment all need to be adopted. We welcome the balanced budget amendment known as Germany's "debt brake" and thus the opportunity to invest a significant volume in German infrastructure over the next twelve years. At the same time, we demand that this additional debt be invested in a targeted and well-managed manner. This is because, supplemented by additional funds from the European Union, such measures might actually trigger a significant demand pull that could jeopardize the inflation targets.

The "European Green Deal" and the "Fit for 55" package of measures adopted by the EU Commission in July 2021 represent a further challenge. The aim of implementing these measures is to achieve the European climate targets by 2055. In addition, the new sustainability reporting obligations are to become mandatory for a large number of European companies from the 2025 financial year. The PCC Group welcomes the concessions and simplifications for reporting entities published in February 2025. We also welcome the postponement of the introduction of mandatory reporting. For the European chemical industry and thus for large parts of the PCC Group, the associated requirements represent a far-reaching transformation of their production processes, which will entail considerable additional costs that cannot yet be specifically estimated. This could also have a negative impact on the future dividend inflows of the Group holding company. At the same time, this transformation and the associated introduction of innovative processes, the development of which the PCC Group is working on at several levels, will open up further growth opportunities in the future. However, one of the main risks lies in the European Union going it alone, which would result in significant competitive disadvantages for producers in the EU with, for example, producers in the USA or Asia having to comply with fewer or no requirements or price regimes such as CO_2 taxes.

PCC's chemical-producing segments are also exposed to the risk of rising environmental protection costs as a result of the tightening of waste, wastewater and other environmental regulations across Europe. Potentially resulting investment obligations could in future have a negative impact on the earnings position of these segments and thus also on the PCC Group as a whole. The same applies to any additional expenses that may arise in connection with the EU's REACH regulation (Regulation concerning the Registration, Evaluation and Authorization of Chemicals). REACH-like regulations are also currently being planned or are already being implemented by other countries. This applies to Türkiye, the USA and some Asian countries, among others. It remains to be seen what consequences this will have for the further development of the PCC Group.

Further risks exist relating to the supply of strategically important raw materials, particularly for the business areas in the chemical-producing and Silicon & Derivatives segments. The number of suppliers for these feedstocks has already fallen in recent time and is being further reduced by trade conflicts or sanctions. Fortunately, the PCC Group was able to conclude a long-term offtake agreement with the most important supplier of the key feedstock ethylene oxide as early as 2021, although this will entail considerable investments on the PCC side both now and in the coming fiscal year. In the long term, these investments will contribute to the further growth of our chemicals activities.

Other indirect factors that can affect the performance of our segments include price change and default risks. These risks should be eliminated as far as possible by taking out trade credit insurance. Price change risks are countered by concluding back-to-back transactions, by means of price formulas and / or by price hedging.

In addition, both PCC SE as a holding company and the operating business areas are exposed to interest rate and foreign exchange risks that can be at least partially reduced by hedging. The exchange rate and foreign currency risk of the PCC Group could be significantly reduced by the introduction of the euro as the official currency in Poland. However, this is not to be expected in the short term.

Further risks may arise from changes to legal or regulatory provisions. For example, current tax law is subject to constant change, including in its administrative application. Future changes to the law and deviating interpretations of the law by the tax authorities or courts cannot be ruled out. This could possibly result in higher tax burdens for the companies of the PCC Group in Germany and abroad.

Negative effects may also result from subsequent changes in the assessment of government support measures and any associated repayment claims. For example, the European Commission examined whether the financial assistance granted directly by the Polish government to PCC MCAA Sp. z o.o. in 2012 and 2013 amounting to the equivalent of around € 16 million was compatible with EU regulations on regional state aid. The financial assistance received was declared correct in February 2025, meaning there should be no clawback ruling against PCC. The matter is therefore considered closed. Similar scenarios cannot be ruled out in the future.

Some Group companies are also confronted with the increasing obsolescence of their assets. This applies in particular to the production facilities of PCC Synteza S.A. As their heavy-duty utilization continues, expenses for maintenance and repair increase, as does the risk of breakdowns and production stoppages.

In our financial planning, we assume that the holding company will continue to receive regular inflows of liquidity from the issuance of corporate bonds in the future. Any obstacles in the market segment for bonds in Germany could lead to liquidity bottlenecks, at least temporarily. We are therefore working continuously to replace the liquidity loans granted to subsidiaries with local bank loans. In addition, any new major projects will only be implemented if appropriate project financing can be secured. In addition to corporate bonds, the development of alternative sources of financing at the institutional level will also be considered in the long term. The latter requires a stable level of indebtedness. At Group level, the aim is to achieve and maintain a leverage ratio of less than 5.0, with ever lower values desirable.

In addition to the financing risk, there are various other risks associated with projects during the planning and construction phases, such as technical, rights ownership or approval risks. Furthermore, it cannot be ruled out that external market conditions may change during the implementation phase and that market developments may not pan out as originally expected. Despite the most careful analysis, an investment project can therefore be significantly delayed or generate a much lower return than planned. The complete failure of a project and thus a total loss of the capital invested by the Group holding company or one of its subsidiaries likewise cannot be ruled out. Depending on the size of the project, this could have a significant negative impact on the liquidity situation. For this reason, the Group holding company will continue to aim for project financing that is based on the viability of the respective project.

Last but not least, the PCC Group is also exposed to personnel risks. The possible departure of key individuals, including from management or from the research and development team, and the associated loss of, for example, long-standing contacts, industry experience or know-how, could potentially have at least a temporary negative impact on the continuation of business activities. In addition, the considerable influence of the sole shareholder of PCC SE may entail a higher risk of poor entrepreneurial decisions than would be the case with a more broadly diversified ownership structure. This risk was reduced in 2021 with the change from a monistic to a dualistic governance system in the Group holding company, thereby strengthening the position of the holding company's operational management. Notwithstanding this reorganization, the sole shareholder, who is also Chairman of the Supervisory Board of PCC SE, remains in close and accessible proximity, thus maintaining the ability to react quickly and flexibly to new investment opportunities and to align activities in a timely fashion to the continued sustainable growth of the PCC Group.

The increasing focus on higher-value products and the diversification of sales markets currently being implemented represent, in the view of management, the main opportunities for the future growth of the PCC Group. In addition, there will be further investments in modernization and expansion aimed at both backward and forward integration. In this way, we aim firstly to further expand our market position in the individual segments, and secondly to enhance our sustainability and secure our future viability by investing in efficient and environmentally friendly production facilities. In the long term, the PCC Group should benefit from these investments in the form of rising profits. Additional earnings potential could arise from the sale of non-core activities or market-ready projects and affiliates.

Internal control system and risk management in relation to the Group accounting process

The consolidated financial statements of PCC SE as of December 31, 2024, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) as endorsed by the European Union (EU) and applicable as of the reporting date. In addition, the provisions to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB) have been observed.

The consolidated financial statements of the PCC Group are prepared in a multi-stage process using standardized consolidation software from insightsoftware Deutschland GmbH ("IDL konsis"). The financial statements pre-consolidated by individual subsidiaries and audited by the respective auditors are combined in the consolidated financial statements of the holding company. PCC SE is responsible for providing support and assistance with regard to the consolidation system, the uniform Group chart of accounts and the implementation of consolidation measures. Uniform accounting and reporting guidelines apply to the companies included in the consolidated financial statements. This covers the accounting and valuation principles to be applied in accordance with the applicable IFRS regulations.

All companies included in the consolidated financial statements have a binding uniform schedule for the preparation of their financial statements and the performance of the audit. Both automated and manual controls are integrated into the entire preparation process. The organizational regulations ensure that all business transactions and the preparation of the annual financial statements are recorded, processed and documented completely, promptly, correctly and on an accrual basis. Before a final report is submitted to PCC SE, a quality-assurance assessment process is carried out in the subsidiaries of the PCC Group by their own committees or with the direct involvement of management. This internal procedure concludes with a formal written confirmation of the system's effectiveness, together with a signed release of the financial statements of the individual companies or subgroups and related information for incorporation in the consolidated financial statements.

Internal control system and risk management in relation to the ongoing control of affiliates

PCC SE controls its affiliates on the basis of a rolling three-year planning regime, with the budget for the current fiscal year being reviewed twice annually. Any necessary adjustments are documented in Forecast I or Forecast II, as the case may be. However, the original budget remains the point of reference for the ongoing interim reporting of the individual companies. The binding submission dates for budget planning, Forecast I and Forecast II, and also for the individual monthly reports, are communicated and agreed for the following 12 months at the end of each fiscal year on the basis of a Group-wide reporting calendar.

The ongoing performance of the individual affiliates is the subject of regular review meetings. These are attended not only by members of the Group financial control and performance management teams but also by members of the associated departments of the individual affiliates or business areas and the senior management of PCC SE, together with the representatives of the management or executive body of each individual business unit and entity. The members of the Executive Board and of the Supervisory Board of PCC SE also perform supervisory board duties at various affiliates. Both within these oversight bodies and in the aforementioned review meetings, any deviations from budget at the affiliates and business units are discussed and countermeasures considered. The implementation of the latter is the responsibility of the local management in each case.

Aided by a Treasury Information Platform available throughout the organization, PCC SE also continuously reviews developments in relation to the liquidity situation and exposure to foreign exchange fluctuations within the Group. Aside from weekly cash flow reports, the Group Controlling department also prepares a six-month liquidity plan – updated at the beginning of each month – on the basis of the data and information submitted. Liquidity planning at PCC SE is undertaken by senior management with a 24-month horizon in respect of bond financing. The information is then made available to the Supervisory Board. Fluctuations in liquidity and temporary cash requirements in the individual business entities and segments can thus be quickly identified and then resolved within the Group.

Sustainability report / Non-financial report

The "Sustainability report / Non-financial report" is a voluntary submission that contains information pursuant to Sections 289b to 289e HGB (German Commercial Code) and Sections 315b and 315c HGB. In compliance with Section 317 (2) sentence 4 HGB, it is excluded from the audit.

Economic, environmental and social sustainability is an important component of the PCC Group strategy and all companies of the PCC Group are committed to an ethically correct and sustainable approach in their business activities. The economic component of sustainability, i.e. securing our long-term corporate success and increasing our enterprise value, goes hand in hand with sustainability in the ecological and social senses. An understanding of sustainable development that encompasses all three aspects forms the basis of our Group-wide strategy for sustainable, valuable growth. The following general objectives serve as our sustainability vision:

PCC's sustainability vision

The PCC Group is committed to its ecological and social responsibility. Our vision is to make a strong contribution to climate protection and sustainable development. To this end, we aim to halve the greenhouse gas emissions of our chemical production by 2030 compared to 2020 (Scope 1 and 2). We intend by then to have completely eliminated coal from our power generating activities. And we want to see our Group completely net-climate-neutral by 2050.

Explanations of the terminology used for Scopes 1 and 2 can be found in the "Non-financial report" section that follows.

How we intend to implement this sustainability vision in our business activities is reflected in our mission statement on sustainability:

PCC's sustainability mission statement

PCC is an innovative and rapidly expanding group of companies with extensive investment activities. In order to achieve our sustainability goals, we implement all our investment projects, particularly those relating to our manufacturing operations, using state-of-the-art, energy-efficient and resource-saving technologies aligned to an ever-decreasing carbon footprint. In addition, we continue to research and develop products that meet high sustainability standards and exhibit usage profiles that offer reduced greenhouse gas emissions.

The Sustainability Report of the PCC Group is structured as follows:

- **Brief description of the business model**
- **Corporate Social Responsibility at PCC**
- **Sustainability in the PCC Group segments**
- **Non-financial report**

Brief description of the business model

PCC is a Group geared to value growth with a focus on chemicals, silicon and logistics. The Group holding company PCC SE and headquarters of the PCC Group are located in Duisburg. Waldemar Preussner, who is the sole shareholder and Chairman of the Supervisory Board of PCC SE, founded Petro Carbo Chem Rohstoffhandelsgesellschaft mbH in 1993, the nucleus of today's PCC Group. In the year under review, the PCC Group, with around 3,300 employees in 18 countries, reported consolidated sales of € 960.0 million. The majority of this revenue, around 64.0 %, was generated by the chemical-producing segments Polyols & Derivatives, Surfactants & Derivatives and Chlorine & Derivatives, primarily at their sites in Poland. PCC generated consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of € 88.0 million. Capital expenditures in fiscal 2024 amounted to € 126.5 million, 11.2 % less than in the previous year.

PCC's Group strategy is geared toward sustainable growth with the aim of creating or continuously increasing enterprise value. In order to enable new sustainable growth on an ongoing basis, we constantly review projects and acquisitions with the aim of competence-related diversification into new market segments. We may also only develop activities that are not part of our core business up to a certain level of market maturity and then make them available for sale.

The largest site of the PCC Group is located in Poland, around 40 kilometers northwest of Wrocław (Breslau) in the Polish town of Brzeg Dolny. We produce chemicals such as polyols, surfactants and chlorine, as well as chlorine co- and downstream products, phosphorus derivatives and other specialty chemicals there. Through the Silicon & Derivatives segment, we manage our silicon metal plant in Iceland. The main focus of the Trading & Services segment remains the founding business of commodity trading. In the Logistics segment, our focus is on intermodal container logistics, which we deploy to connect European destinations on the basis of our own transshipment terminals. Managed by the Holding & Projects segment are future-aligned projects such as our new production facility for specialty chemicals in Malaysia, which went into operation in 2024.

Corporate Social Responsibility at PCC

The Corporate Social Responsibility (CSR) of the PCC Group, i.e. our responsibility for our impact on society as a "corporate citizen", relates to the specific contribution we make to sustainability. The basis for our CSR is provided by the Code of Ethics and Conduct of the PCC Group. This is binding for all employees in the Group and stipulates, in particular, the high priority assigned to environmental protection and health and safety, as well as prescribing a culture of trust, fairness and reliability in our dealings with colleagues and business partners.

Building on these rules of conduct, PCC SE has established binding Group-wide sustainability guidelines that define the policy framework for sustainable business practices within the PCC Group:

PCC's sustainability policy:

- The PCC Group is committed to an ethical and sustainable approach in all business activities.
- All actions are based on the principles of the worldwide Responsible Care® initiative. This represents the efforts of the chemical industry to continuously improve environmental protection and general and occupational health and safety – irrespective of legal requirements.
- PCC strives for a corporate culture in which continuous improvement, long-term competitiveness and outstanding performance are in line with the principles of sustainable development and our ethical standards.
- PCC assumes ethical responsibility for sustainable, economically effective, ecologically sound and fair business practices.
- The Group's social responsibility is an integral part of our corporate philosophy.
- All employees of the PCC Group are trained according to their function, authority and qualifications to assume the responsibilities incumbent upon them.

For PCC, CSR means in particular taking appropriate and responsible account of the concerns of all stakeholders at all Group sites. As an international group of companies operating in many different markets, PCC maintains in some cases very close relationships with a wide variety of interest groups: Aside from our employees from various cultures, these include our customers, suppliers and other business partners, the residents neighboring our 41 locations in 18 countries, the private subscribers to bonds issued by PCC SE, institutional investors and banks, not to mention government and public institutions such as regulatory authorities or universities.

An important principle of our CSR is open and transparent communication with our stakeholders. For example, we present our quarterly and annual reports to our investors live in internet-based interactive investor conferences. In late fall, we traditionally hold information evenings in several major German cities, these events having only been suspended for two years during the coronavirus pandemic for safety reasons. At these evening engagements, the members of the Group's Executive Board provide investors, bondholders and stakeholders with information covering the latest business developments, taking questions from the audience and making themselves available for personal discussions. In addition, we also invite our investors to PCC Investor Days at our Group headquarters in Duisburg every few years, most recently in June 2024 when we welcomed more than 1,000 guests.

The extended principles of CSR within the PCC Group include the rejection of all forms of corruption and discrimination, unconditional respect for human rights, a commitment to fair working conditions, and compliance with high safety standards for all our employees, as well as fulfillment of all environmental requirements. We take ownership of socially accepted standards, thereby underpinning them further. We also commit to compliance with standards that go beyond general CSR norms, for example by having the PCC production companies participate in environmental protection initiatives such as the Carbon Disclosure Project, the United Nations Global Compact or the chemical industry's Responsible Care® initiative.

The Group management assumes responsibility for our strategic positioning and mission statements relating to Group-wide areas of importance, such as transparency in communication with our investors. Meanwhile, the individual Group segments and business units serve as the actual drivers of the dialog with diverse interest groups at our different sites. It is they who implement our sustainability strategy in practice.

Sustainability in the PCC Group segments

Sustainability in the chemical-producing segments

We are increasingly strengthening our commitment to sustainability in the Group segments operating in the chemicals production sector (Polyols & Derivatives, Surfactants & Derivatives and Chlorine & Derivatives). We continue to improve the efficiency of our production facilities, protecting the climate and the planet's limited natural resources through the adoption of particularly energy-saving technologies and the increased use of renewable raw materials. Take surfactants, for example: Our surfactant production facility in Poland is one of the most advanced in Central and Eastern Europe. Our Group company PCC Exol SA, the surfactant manufacturer of the PCC Group, was the first company in Poland to have implemented and registered to the Good Manufacturing Practice (GMP) system certified by the European industry association EFfCI. The company also participates in the Carbon Disclosure Project (CDP), which involves reporting on its environmental impact. In addition, we use the raw material palm kernel oil for our surfactant production which is obtained sustainably in Ghana, West Africa. The palm kernels required for our organic production there are not harvested on large plantations, but are collected from small farmers. 300 smallholders who regularly supply our company with palm kernels are currently undergoing a regular certification phase by the Roundtable on Sustainable Palm Oil (RSPO). In addition, the Group companies PCC Exol SA and PCC Consumer Products Kosmet Sp. z o.o. are RSPO-certified.

PCC Rokita SA, the largest PCC company and one of the biggest chemical companies in Poland, is also increasingly focusing on sustainability and is steadily expanding its portfolio of environmentally compatible and climate-friendly products. For example, chlorine supplied by PCC Rokita SA under the PCC Greenline® brand is exclusively manufactured using an environmentally friendly and resource-conserving membrane process. And we also ensure that only energy from renewable sources is used for production of PCC Greenline® chlorine. Through substantial investment in the modernization and expansion of its production capacities, PCC has, since acquiring a majority stake in PCC Rokita SA in 2003, created a flourishing chemicals subgroup that is now also an important factor for the region, for example as a major and multi-award-winning employer.

In the chemical-producing segments, we realize sustainability not only through modern and efficient production methods, but also in the chemicals we produce. Our innovative chemical substances render items and commodities that many people use in everyday life more durable, safer and more environmentally compatible. They ensure, for example, that hydraulic oils need to be changed less frequently and homes can be insulated more effectively; they make cosmetics even more skin-friendly and facilitate the manufacture of high-convenience foams that are also virtually free of emissions of volatile organic compounds, as well as being exceptionally flame-retardant.

We underline this claim with our product portfolio of sustainable chemicals under the aforementioned brand name PCC Greenline®, which comprises around 180 products. ROKAmina K30B, for example, is a high-purity amphoteric surfactant that we recommend as an environmentally friendly and compatible ingredient in natural cosmetic products. To manufacture this surfactant, PCC Exol SA uses, among other things, a palm kernel oil derivative obtained from oil palm kernels from sustainably managed smallholder farms. Another PCC Greenline® product is EXOcare®TE20 Flakes MB, based on renewable vegetable raw materials, a product used in hair cosmetics, for example, to give hair elasticity and suppleness. PCC Greenline® also includes CAMOLIN® liquid soap, which is 100 % vegan, i.e. is manufactured without animal-derived ingredients, and contains at least 98 % ingredients of natural origin.

Sustainability in the Silicon & Derivatives segment
Our silicon metal plant in Iceland makes particular use of the island's rich geothermal resources. The plant's energy supply is thus covered entirely by renewable energy sources (said geothermal energy, but also hydropower); moreover, the installation of state-of-the-art filters makes the plant virtually free of dust emissions. Its carbon footprint is therefore exceptionally low compared to other silicon plants worldwide, a fact confirmed in 2023 by the ISCC Carbon Footprint Certification (CFC) of the greenhouse gas balance of our silicon metal. We are also working to further improve this balance by increasing the use of renewable raw materials. See also the section on "Measures" under "Environmental issues" in the non-financial report.

Sustainability in the Trading & Services segment
The Group-internal service entities managed within this segment include, in particular, the Conventional Energies business which primarily supplies the production facilities of PCC in Poland with steam and electricity. Here, dust emissions have been significantly reduced in recent years through the installation of modern electrostatic precipitators at the PCC cogeneration plant located at the Brzeg Dolny chemical site. As a CHP facility, this plant not only supplies energy for PCC's chemical production, but also provides a large proportion of the households in the town with district heating. In Poland, the coal-fired heating of homes still predominates, as was also the case in Brzeg Dolny prior to PCC commencing its supply operations.

Sustainability in the Logistics segment
The mainstay of our Logistics segment is the intermodal container transshipment business. We run combined transport operations throughout Europe on the basis of five wholly-owned container handling terminals in Poland and Germany, facilities that have been greatly expanded and modernized in recent years. We therefore efficiently combine environmentally friendly rail and flexible road transport, thus supporting the transfer of traffic from road to rail in line with demands expressed by the European Union.

Sustainability in the Holding & Projects segment
In the Holding & Projects segment, we manage, in particular, the Renewable Energies business, which focuses on the construction and operation of small hydropower plants that are exceptionally environmentally friendly due to their relatively low impact on nature. Six of these power plants, five in North Macedonia and one in Bosnia and Herzegovina, have so far been connected to their respective national grids.

Initiatives and certifications
PCC affiliates are involved in a whole range of certification procedures and initiatives. For example, our chemical-producing companies PCC Rokita SA, PCC Exol SA and PCC Synteza S.A. all participate in the chemical industry's global Responsible Care® initiative. Our production companies have also received several awards for their sustainability and can point to high ratings and rankings in this domain. For example, two of our companies were awarded Gold certification in the renowned EcoVadis sustainability assessment: PCC Exol SA (2024) and PCC MCAA Sp. z o.o. (2023). PCC Rokita SA (2024) and PCC BakkiSilicon hf. (2024) achieved silver status. The commitment of the Group holding company PCC SE to sustainability is underscored by its participation in the Renewable Carbon Initiative. The main certifications and initiatives assigned the five sustainability aspects of non-financial reporting are indicated in the following.

Non-financial report

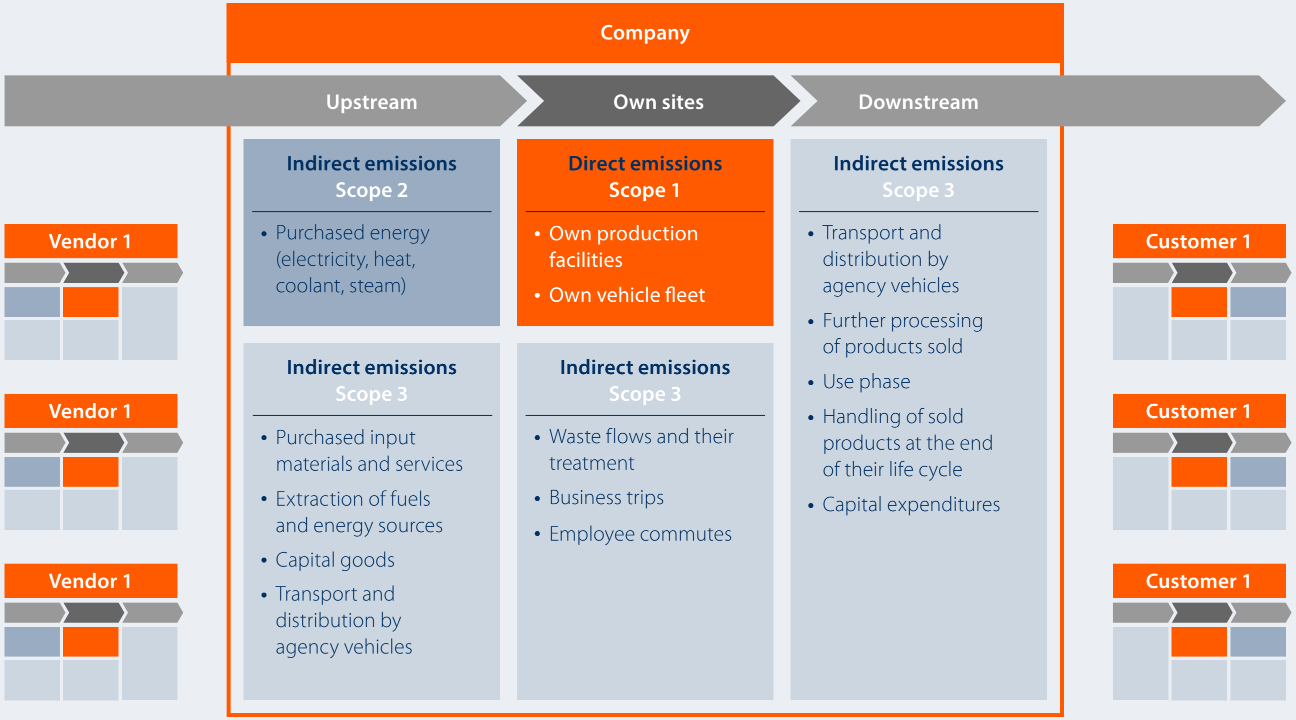
In compliance with Germany's CSR Directive Implementation Act (CSR-RUG) adopted on April 19, 2017, the PCC Group has published annually since fiscal 2017 a voluntary non-financial report pursuant to Sections 315b and 315c in conjunction with Sections 289c to 289e HGB (German Commercial Code). PCC SE presents its non-financial report as an integral part of the annual Group management report. Unless otherwise stated, the performance indicators relate to the companies included in the scope of consolidation. No adjustments are made in respect of the previous year to reflect changes to the scope of consolidation in the year under review.

This non-financial report is based on the requirements of the German Sustainability Code [DNK] and summarizes the key facts on the five aspects specified, namely environmental issues, employee issues, respect for human rights, social issues and the fight against bribery and corruption.

In addition, the general section of this non-financial report describes measures and initiatives of the PCC Group and individual companies that demonstrate our Group's multifaceted commitment to our social responsibility as a corporate citizen.

In the following we provide a report on the guidelines, risks, measures and goals as well as the key non-financial indicators for each of the five sustainability aspects mentioned. Our approach here is to present the PCC Group as a whole; hence we refrain from mentioning individual affiliates.

What do we mean when we talk about Scope 1, 2 and 3 emissions?



The classification of emissions according to different "scopes" (i.e. sources categories) has its roots in the Greenhouse Gas (GHG) Protocol introduced by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol has become an international standard and is instrumental in harmonizing greenhouse gas balances and reporting. The classification into scopes serves in particular to make the reporting process more manageable, since emissions occur at a large number of points along the value chain and can be controlled to very different degrees by individual protagonists.

In the approach adopted, **Scope 1** includes all emissions that are within a company's direct sphere of influence, for example emissions from its own production facilities or from company vehicles.

Scope 2 includes all emissions resulting from purchased energy in the form of electricity, heat, coolant or steam. Here, the reporting entity has no direct control, but can exert a relatively large influence, for example by choosing environmentally friendly energy suppliers.

All emissions occurring in upstream and downstream processes, as well as all emissions not directly related to energy consumption and production, are attributed to **Scope 3**. This includes a wide range of emission categories, such as all emissions attributable to the production of purchased raw / input materials, emissions from the transport of goods by third-party companies, business trips using means of transport that are not within the company's control, emissions from the disposal of waste streams by external disposal companies, or emissions from the further processing of goods sold. This diversity illustrates the complexities involved in recording and presenting all the emissions that a company contributes to. This is also one reason why Scope 3 emissions reporting is not mandatory under the GHG Protocol. Moreover, each company decides for itself which of the categories of these Scope 3 emissions it needs to publish, so a direct comparison between companies is not possible.

Due to the complexities and constraints described above, PCC SE has decided to include all Scope 1 and Scope 2 emissions in its reporting in accordance with the international reporting standard. We are making every effort to record and continuously reduce Scope 3 emissions in collaboration with our partners and stakeholders, and aim to also integrate these activities into our non-financial reporting as comprehensively as possible in the near future.

Scope 2 emissions are calculated using both the location-based method and the market-based method. The location-based approach uses average emission factors for a region (e.g. a country), which then are applied to local energy consumption, for calculation purposes. The market-based approach, on the other hand, uses for calculation purposes certain emission factors that originate either from the energy supplier or from a specific electricity product. Using the market-based approach serves to increase the transparency of the company's purchase of energy from renewable sources.

1. Environmental issues

Environmental issues primarily affect the interests of the residents living near our sites and other local population groups. In addition, entrepreneurial activities such as those of the PCC Group contribute to the tackling of global environmental concerns (such as the fight against climate change). We are committed to complying with all applicable regulations, provisions and standards with regard to environmental protection and to implementing all our investments using modern, environmentally friendly and efficient technologies, particularly energy-saving technologies. Aside from the safety of our employees and local residents, we regard the preservation of the environment as of paramount importance.

PCC policy in relation to environmental issues

1. The great importance we attach to environmental protection in the PCC Group has a decisive influence on our choice of manufacturing processes and products; it also greatly informs our commitment to sustainability and safety. This is likewise recorded in our Code of Ethics, which is binding on the entire PCC Group.

2. We implement all our investment projects using advanced, environmentally acceptable and thus also energy-saving and economically efficient technologies.

3. PCC strives to minimize raw material and energy consumption in its production processes and continuously analyzes possibilities for improving working methods, manufacturing processes and products. Our aim here is to ensure that these are all safe and acceptable to employees, customers, the public and other stakeholders.

4. All employees are jointly responsible for the protection of people and the environment in their sphere of activity. The laws, regulations and internal guidelines on environmental protection, health, plant safety and occupational safety must be strictly observed at all times. Every line manager and supervisor is obliged to instruct, oversee and support their employees in the exercise of this responsibility. The commercial exploitation of natural resources such as air, water and geological materials may only take place within the framework of a previously granted permit. The same applies to the construction and operation of production facilities as well as their modification or expansion. Any unauthorized release of substances is forbidden.

5. Waste must be disposed of in accordance with statutory regulations. If third parties are involved for this purpose, it must be ensured that they also comply with prevailing environmental regulations and the corresponding specifications of PCC.

Measures

PCC's business activities, and especially our production operations, exert an effect on the environment. Significant environmental impacts include emissions of air pollutants, consumption of raw materials and feedstocks, handling of hazardous substances, consumption of water and energy, wastewater pollution, waste disposal, accidents and noise emissions.

Companies of the PCC Group continuously combat these impacts by analyzing all areas and activities from which adverse effects on the environment and on the efficient use of resources may emanate, and by taking limiting measures where necessary, at the same time carefully taking into account the information provided by all interest groups, in particular local residents. This direct dialog with stakeholders at the local level is among the tasks and duties assigned to the respective Group companies.

One example that demonstrates how PCC takes environmental concerns into account in its investment projects is the silicon production plant in Iceland. Silicon production is extraordinarily electricity-intensive, but the energy supply of the PCC plant is covered entirely by regenerative sources, primarily geothermal energy. Last year, our plant was the first in the world to receive certification of the greenhouse gas balance for silicon metal in accordance with the new ISCC Carbon Footprint Certification (CFC) standard. Following an audit at the production site in Húsavík by an independent certification body, the certificate was issued confirming a greenhouse gas footprint of 3,102.56 kilograms of carbon dioxide equivalent (CO_2e) per metric ton of silicon metal as manufactured in the twelve-month reference period from July 1, 2022 to June 30, 2023. This is around a factor of 3.5 below the global industry average. Moreover, the dust emissions generated during silicon production are also almost completely removed from the ambient air in our plant by particularly effective filter systems. Our goal is also to operate the plant so that it is climate-neutral throughout. Due to the nature of the chemical reaction, which constitutes a reduction process, CO_2 is produced even if renewable energies are exclusively used. In order to make these emissions climate-neutral, the reducing agent coal currently being used is increasingly being substituted in the process by sustainably produced charcoal. As a result, more and more biogenic CO_2 will be produced in the process instead of fossil CO_2. This biogenic CO_2 was previously removed from the atmosphere by the timber vegetation used; therefore, when it is emitted, it does not contribute to an increase in the CO_2 concentration. And the silicon metal and its by-products produced are also expected to contribute to sustainability and climate protection in the future. Silicon powder, for example, serves as the starting material for a novel anode alloy being developed by us in collaboration with the Fraunhofer Institute for Solar Energy Systems ISE. The anode material is expected to improve the performance of lithium-ion batteries, a key component in the process of energy transformation.

The Logistics segment's largest business area is that of intermodal container transport, a system that efficiently combines environmentally friendly rail transport on long-distance routes and flexible road transport over the shorter distances. Compared to road-only transport, our combined intermodal transport services enabled emissions savings of 459,754 metric tons of the greenhouse gas CO_2 in 2024 (previous year: 391,561 tCO_2) with a total productive output of 3,701.7 million ton-kilometers (previous year: 3,152.7 million tkm). These calculations are based on data from the European Environment Agency of November 5, 2015 for the reference year 2014.

In recent years, the Conventional Energies business entity has reduced dust emissions from our cogeneration plant at the Brzeg Dolny chemical site with the installation of modern electrostatic precipitators.

And the Renewable Energies business entity focuses on the operation of environmentally friendly small hydropower plants.

Numerous certifications, the signing of public agreements and memberships of initiatives document the commitment of PCC's affiliates to environmental issues.

Certifications and initiatives in relation to environmental issues

Initiative	Company
Certification of environmental management systems to ISO 14001:2015	– PCC Rokita SA – PCC Exol SA – LabAnalityka Sp. z o.o. – PCC BakkiSilicon hf. – PCC MCAA Sp. z o.o. – PCC Consumer Products Kosmet Sp. z o.o. (PCC CP Kosmet) – PCC Synteza S.A.
Certification of quality management systems to ISO 9001:2015	– PCC Rokita SA – PCC Exol SA – PCC CP Kosmet – LabAnalityka Sp. z o.o. – PCC BakkiSilicon hf. – LabMatic Sp. z o.o. – PCC MCAA Sp. z o.o. – PCC Autochem Sp. z o.o. – OOO DME Aerosol – PCC Prodex Sp. z o.o. – PCC Synteza S.A.
SGS certification of quality management systems to	– PCC Prodex GmbH
Certification of energy management systems to ISO 50001:2018	– PCC Rokita SA – PCC Exol SA
Member of the Renewable Carbon Initiative (RCI)	– PCC SE
"Gold Status" rating of the sustainability platform for CSR reporting, EcoVadis (2024)	– PCC Exol SA
"Silver Status" rating of the sustainability platform for CSR reporting, EcoVadis (2024)	– PCC BakkiSilicon hf. – PCC Rokita SA
"Silver Status" rating of the sustainability platform for CSR reporting, EcoVadis (2023)	– PCC MCAA Sp. z o.o.

Initiative	Company
ISCC Carbon Footprint Certification	– PCC BakkiSilicon hf.
Certification in Good Manufacturing Practice (EFfCI)	– PCC Exol SA
Certification in Good Manufacturing Practices – Cosmetics – to ISO 22716	– PCC CP Kosmet
IFS HPC certification of the safety and quality of products / processes of suppliers and manufacturers of household and personal hygiene chemical products	– PCC CP Kosmet
SQAS (Safety and Quality Assessment System) certifications for tank cleaning and transport services	– PCC Intermodal S.A. – PCC Autochem Sp. z o.o.
Authorised Economic Operator	– PCC Rokita SA – PCC Intermodal S.A.
Membership of the global chemical industry initiative Responsible Care®	– PCC Rokita SA – PCC Exol SA – PCC Synteza S.A.
Participation in the Global Compact of the United Nations	– PCC Exol SA
Certified member of the Roundtable on Sustainable Palm Oil	– PCC Exol SA – PCC SE
Participation in the Carbon Disclosure Project aligned to combating climate change	– PCC Exol SA

Initiative	Company
Membership of the European Chemical Industry Council, CEFIC, for the safe usage of surfactants	– PCC Exol SA
Membership of the European Committee of Organic Surfactants and their Intermediates	– PCC Exol SA
Product certifications through Ecocert according to the cosmetics standard COSMOS: Ecocert Cosmos	– PCC Exol SA
Product certification according to the standards COSMOS NATURAL / COSMOS ORGANIC	– PCC Organic Oils Ghana Ltd.
Organic Agriculture Europe product certification by Ecocert to EU Regulation EC 834/2007	– PCC Organic Oils Ghana Ltd.
Product certification by Ecocert to USDA NOP (National Organic Program)	– PCC Organic Oils Ghana Ltd.
Rainforest Alliance Certification	– PCC Organic Oils Ghana Ltd.
Inclusion in the Green Chemistry Cluster (Poland) for the promotion of sustainable innovation	– PCC Rokita SA
Member of the initiative Charter for Sustainable Cleaning of the A.I.S.E.	– PCC CP Kosmet
Products listed in the accepted ACPs of ÖKO-TEX	– PCC Rokita SA
Certification according to ISO 17025:2018-02 "General requirements for the competence of testing and calibration laboratories"	– LabAnalityka Sp. z o.o.

Performance indicators

The PCC Group determines the performance indicators relevant to its business activities on an annual basis. In addition to emissions of greenhouse gases (GHG) in the definition of Scope 1, these include both energy consumption and water usage as environmental issues. Scope 1 defines greenhouse gas emissions arising directly from our own assets or those controlled by PCC companies. In the case of energy consumption, all energy sources that are recorded individually, i.e. electricity, gas, heat, steam, fuel oil, gasoline and diesel, are added together without any distinction being made in the data record. The water consumption data relate to both water for the production process and wastewater. Similarly, we do not differentiate as to whether usage, consumption or emissions are due to the manufacture of a saleable end product or to internal further processing.

The electricity consumption of all companies of the PCC Group in 2024 was 1,019.9 GWh (previous year: 804.8 GWh). Of this, 556.4 GWh, or 54.6 %, was generated from renewable energy sources (previous year: 339.0 GWh, or 42.1 %). Our silicon metal plant in Iceland, which is powered exclusively with green electricity (primarily geothermal energy) and was once again producing with its two furnaces at full nominal capacity in 2024, made a major contribution to the share of renewable energy sources. It is for this reason in particular that the proportion of renewable energy increased compared to the previous year, when only one furnace was in operation. The specific electricity consumption of our portfolio companies rose to 0.67 MWh per metric ton of product in 2024, from 0.51 MWh in the previous year. Specific electricity consumption in relation to sales rose to 1,062.4 MWh per million euros (previous year: 810.0 MWh).

The absolute gross emissions of greenhouse gases in Scope 1 fell by 10.5 % in 2024 compared to the previous year, to 230.7 thousand metric tons of CO_2 equivalent (tCO_2e) (previous year: 257.6 thousand tCO_2e). As in previous years, carbon dioxide itself accounted for the majority of greenhouse gas emissions. Adjusted for emissions

Energy

T_L_10

Environmental indicator	Unit	2024	2023	Absolute change	Relative change
Electricity consumption					
On the basis of fossil fuel sources	GWh	**463.5**	465.8	–2.3	–0.5 %
On the basis of renewable sources	GWh	**556.4**	339.0	217.4	64.1 %
Total electricity consumption	GWh	**1,019.9**	804.8	215.1	26.7 %
Share of renewable energy sources in electricity procurement	%	**54.6**	42.1	12.4[1]	29.5 %
Energy generation					
Electricity on the basis of fossil fuel sources	GWh	**29.1**	46.1	–17.0	–36.9 %
Electricity on the basis of renewable sources	GWh	**17.5**	24.0	–6.5	–27.1 %
Steam on the basis of fossil fuel sources	GWh	**359.5**	351.4	8.1	2.3 %
Heat on the basis of fossil fuel sources	GWh	**34.8**	35.6	–0.7	–2.1 %

1 Change in percentage points

Greenhouse gas emissions (GHG Protocol)

T_L_11

Environmental indicator	Unit	2024	2023	Absolute change	Relative change
Direct emissions (Scope 1, gross)	t '000 CO_2e	**230.7**	257.6	–26.9	–10.5 %
Direct emissions (Scope 1, gross), covered by the EU Emissions Trading Scheme	t '000 CO_2e	**214.2**	229.2	–14.9	–6.5 %
Indirect emissions (Scope 2), location-based	t '000 CO_2e	**299.4**	351.2	–51.8	–14.8 %
Indirect emissions (Scope 2), market-based	t '000 CO_2e	**232.0**	279.4	–47.4	–17.0 %
Indirect emissions (Scope 2), offset	t '000 CO_2e	**61.2**	75.4	–14.2	–18.8 %

from non-fossil, i.e. renewable, raw materials such as timber, Scope 1 emissions amounted to 214.2 thousand metric tons of CO_2e (previous year: 229.2 thousand tCO_2e). In specific terms, i.e. per metric ton produced or traded, gross emissions of Scope 1 greenhouse gases decreased by 8.4 % to 0.15 tCO_2e. In relation to sales, gross emissions of greenhouse gases fell by 7.3 % to 240.3 tCO_2e per million euros.

Water consumption and wastewater at the portfolio companies of the PCC Group essentially arise in the manufacturing processes of the chemical-producing segments. Absolute water consumption decreased by 0.9 % to 5,884.3 thousand m^3 in 2024. In terms of quantities generated, specific consumption remained unchanged from the previous year at 3.8 m^3 per metric ton. In relation to revenues, water consumption rose year on year to 6.1 thousand m^3 per million euros (previous year: 6.0 thousand m^3).

Goals

In its sustainability vision, the PCC Group acknowledges its ecological and social responsibility. The objective is to make a strong contribution to climate protection and sustainable development. Thus, the PCC Group is striving in the long term to reduce specific consumption and usage, particularly of water. Greenhouse gas emissions from PCC chemical production are to be halved by 2030 compared to 2020 (Scopes 1 and 2). By then, PCC's energy generation is to be completely coal-free, with the share of energy supplied from renewable sources to be further increased. By 2050, the Group as a whole aims to be net-climate-neutral.

Other environmental influences

T_L_12

Environmental indicator	Unit	2024	2023	Absolute change	Relative change
Water					
Water consumption	'000 m^3	**5,884.3**	5,938.5	−54.2	−0.9 %
Relative water consumption	m^3 / t product	**3.8**	3.8	0.1[1]	1.3 %

1 Based on the total output of all products and intermediate products

Electricity consumption

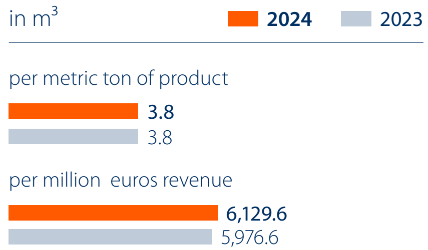
G_L_12

Scope 1 emissions

G_L_13

Water consumption

G_L_14



2. Employee issues

PCC invests in technical safety and training so as to continuously improve occupational health and safety not only within the PCC Group but also along the value chain. We regularly review compliance with our safety, health and environmental standards. The occupational health and safety management systems of the largest production companies of the PCC Group, in particular PCC Rokita SA and PCC Exol SA, are certified to ISO 45001:2018. Continued investment in modern production facilities makes a significant contribution to occupational safety.

In addition, PCC specifically promotes the individual development of its employees. They are granted scope to work independently on a results-led basis and opportunities to take on responsibility. Employee initiative and creativity are specifically encouraged, with decision-making authority assigned within the scope of each individual's potential. They are supported in their personal development through tailored preparation for new tasks with thorough on-the-job training. In its human resources management, PCC attaches great importance to diversity, both cultural and professional. Discrimination is not tolerated within the PCC Group in any form whatsoever. And regulations governing gender equity and equality are binding.

PCC policy in relation to employee issues

In its Code of Ethics, PCC recognizes the four basic principles of the International Labour Organization (ILO). These are:

- Freedom of association and the right to collective bargaining
- Rejection of forced labor
- Rejection of child labor
- Rejection of discrimination in employment and occupation

This means that all employees have the right to fair, courteous and respectful treatment. PCC does not tolerate any discrimination or harassment of employees. Specifically, discrimination or harassment on the grounds of descent, race, religion, origin, gender, disability, age, marital status, sexual orientation, political opinions or membership of trade unions or political parties is prohibited at PCC.

Together with protection of the environment, the safety and protection of our employees and of local residents are of the highest priority. PCC is therefore committed to ensuring safe working conditions at all times. For example, we implemented a highly comprehensive range of home office solutions at short notice during the coronavirus pandemic of recent years. In the event of an accident or malfunction, PCC takes the appropriate measures to avert, mitigate and repair the damage as quickly and effectively as possible and duly informs the relevant authorities.

The provisions on equality between men and women must be complied with. The equity imperative encompasses in particular areas such as task allocation, pay, training, professional development and promotion. All forms of sexual harassment in the workplace are prohibited. Sexual harassment is defined as any conduct with a sexual connotation which is undesirable to the person concerned and degrades their dignity.

Bullying as the deliberate exclusion and humiliation of employees is likewise not tolerated. Bullying is defined as systematic, persistent or repeated hostile behavior with the purpose of isolating a person at the workplace or within the workforce or even from the workplace.

PCC takes all reasonable measures to prevent discriminatory conduct and harassment. All employees are called upon to report any and all cases of discrimination or harassment observed in their working environment to their supervisor, the human resources department or the compliance officer.

Measures

Within the PCC Group, there are risks to employees with regard to occupational health and safety, particularly in the manufacturing PCC companies. PCC is actively working to create a safe environment for its people, continuously improving working conditions by using advanced technologies and investing in modern production facilities.

PCC ensures that all employees enjoy equal opportunities in every dimension for their professional development, in relation to access to further training and in terms of their promotion opportunities. The companies of the PCC Group support their employees through flexible work-time models. The scope on offer ranges from working time accounts, part-time contracts and early retirement arrangements, to home office agreements. PCC encourages open communication between employees and, to the full extent possible, with our stakeholders.

PCC's commitment to employee issues is evidenced by numerous certifications, the signing of public agreements and membership of initiatives:

Certifications and initiatives in relation to employee issues

Initiative	Unternehmen	Initiative	Unternehmen
Certification of occupational health and safety management systems to ISO 45001:2018	– PCC Rokita SA – PCC Exol SA – PCC CP Kosmet – PCC MCAA Sp. z o.o. – PCC Synteza S.A.	Sedex Members' Ethical Trade Audit Certification for sustainable and ethical conduct in business relationships	– PCC Exol SA
Certification in Good Manufacturing Practices – Cosmetics – to ISO 22716	– PCC CP Kosmet	Certified member of the Roundtable on Sustainable Palm Oil	– PCC Exol SA – PCC SE
Certification in Good Manufacturing Practice (EFfCI)	– PCC Exol SA	"Gold Status" rating of the sustainability platform for CSR reporting, EcoVadis (2023)	– PCC Exol SA
Membership of the global chemical industry initiative Responsible Care®	– PCC Rokita SA – PCC Exol SA – PCC Synteza S.A.	"Silver Status" rating of the sustainability platform for CSR reporting, EcoVadis (2023)	– PCC Rokita SA – PCC BakkiSilicon hf. – PCC MCAA Sp. z o.o.
Participation in the Global Compact of the United Nations	– PCC Exol SA	SQAS (Safety and Quality Assessment System) certifications for tank cleaning and transport services	– PCC Intermodal S.A. – PCC Autochem Sp. z o.o.
Membership of the European Chemical Industry Council, CEFIC, for the safe usage of surfactants	– PCC Exol SA	Authorised Economic Operator	– PCC Rokita SA – PCC Intermodal S.A.
Membership of the European Committee of Organic Surfactants and their Intermediates	– PCC Exol SA	Signatory of the Diversity Charter promoting employee diversity in companies and combating discrimination	– PCC Rokita SA – PCC Exol SA

Performance indicators

The PCC Group is an internationally active conglomeration, as is reflected not only in the worldwide sale and distribution of products and services but also in the diversity of our employees. In 2024, the PCC affiliates around the world had in their employ people from a total of 32 nations (previous year: 30). The number of employees rose by 0.9 % to 3,295 as at December 31, 2024 (previous year: 3,265). The share of women increased slightly to 25.9 % (previous year: 25.4 %).

The proportion of women in the first and second levels of management at PCC affiliates rose from 21.7 % in the previous year to 23.6 %.

Employees

T_L_13

Social indicator	Unit	2024	2023	Absolute change	Relative change
Employees	Number	**3,295**	3,265	30	0.9 %
Proportion female	%	**25.9**	25.4	0.5 [1]	1.8 %
Employees in managerial positions [2]	Number	**127**	120	7	5.8 %
Proportion female in managerial positions [2]	%	**23.6**	21.7	2.0 [1]	9.0 %
Employees under 30 years of age	Number	**659**	660	–1	–0.2 %
Employees between 30 and 50 years of age	Number	**1,844**	1,821	23	1.3 %
Employees over 50 years of age	Number	**792**	784	8	1.0 %
Average time in Group employ	Years	**9.5**	9.4	0.1	1.2 %
Average age	Years	**41.1**	40.9	0.2	0.5 %
Nationalities	Number	**32**	30	2	6.7 %

1 Change in percentage points
2 First and second management levels

PCC invests heavily across the Group in employee training and continuing professional development, with a total of 45,781.5 hours spent on this last year (previous year: 47,153.0 hours). Occupational health and safety is invariably given high priority on the training agenda. Occupational accidents resulting in incapacity for work of more than one day amounted to 50 in 2024 (previous year: 55). The number of sick days due to accidents at work fell across the Group to 2,040 (previous year: 2,250). And the number of sick days due to accidents at work per employee decreased to an average of 0.62 (previous year: 0.69).

PCC rewards the commitment of its people appropriately and respects all employee rights of freedom of organization and co-determination. All forms of discrimination are forbidden. Backed up by insights revealed in personal discussions, the relatively high average period of service with the PCC Group of 9.5 years (previous year: 9.4 years) offers an indication of employee satisfaction. The average age of 41.1 years (previous year: 40.9 years) is evidence that PCC values the expertise of older employees while also providing entry opportunities for young people, thus encouraging diversity and promoting good team performance through a mix of complementary skills and experience.

Employees G_L_15

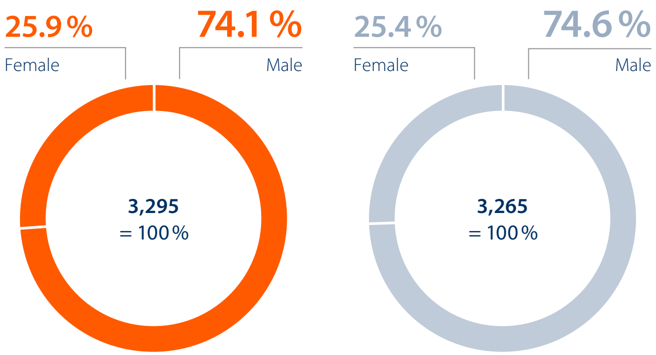
in years ■ 2024 ■ 2023

Occupational health and safety T_L_14

Social indicator	Unit	2024	2023	Absolute change	Relative change
Training and occupational development	Hours	**45,781.5**	47,153.0	−1,371.5	−2.9 %
Training and occupational development per full-time employee	Hours / FTE	**13.9**	14.4	−0.5	−3.8 %
Incidences of employee absenteeism > 1 day	Number	**50**	55	−5	−9.1 %
Lost-time injuries	Hours	**2,040.0**	2,250.0	−210.0	−9.3 %
Deaths	Number	**0**	0	–	–
Reported human right violations	Number	**0**	0	–	–

Employees across the Group G_L_16

in % ■ 2024 ■ 2023



Goals
PCC has set itself the goal of continuously raising the standards of health and safety for the Group's employees, constantly paying particular attention to accident prevention and health protection at the workplace as well as to preventative healthcare measures. Beyond a safe, pleasant working environment based on mutual awareness and appreciation, it is a central objective of PCC to offer all employees opportunities for ongoing development, for example through targeted training. In addition, there are to be further improvements in family/career compatibility, one of the aims being to increase the proportion of women at all levels of the Group.

3. Respect for human rights

PCC respects the protection of international human rights in accordance with the UN Charter of Human Rights, recognizes them unreservedly and supports them within its sphere of influence. Violations of human rights are not tolerated and are duly sanctioned. In addition to this categorical requirement, respect for and protection of human rights are also important aspects of initiatives in which PCC companies participate. One example of this is PCC Exol SA's membership of the UN Global Compact, the world's largest and most important initiative for sustainable and responsible corporate governance.

Overall, it can be seen that the sites of the PCC companies are predominantly located in countries with a positive human rights record, particularly in Europe. Swapping these sites for those with a poorer human rights record and possibly lower production costs is not an option for PCC SE – neither for the Group as a whole, nor for the individual PCC companies.

Measures

PCC is actively committed to respecting human rights, particularly in new regions in which the PCC Group has previously not been active. The same human rights standards apply throughout the PCC Group, i.e. irrespective of location, as documented in particular by our participation in a number of initiatives:

Certifications and initiatives to promote respect for human rights

Initiative	Company	Initiative	Company
Membership of the global chemical industry initiative Responsible Care®	– PCC Rokita SA – PCC Exol SA – PCC Synteza S.A.	Product certification confirming health and environmental compatibility issued by the PZH (Polish National Institute of Public Health)	– PCC Prodex Sp. z o.o.
Participation in the Global Compact of the United Nations	– PCC Exol SA	Products that have been awarded the Halal Certificate	– PCC MCAA Sp. z o.o.
Signatory of the Diversity Charter promoting employee diversity in companies and combating discrimination	– PCC Rokita SA – PCC Exol SA		

Performance indicators

As in the previous year, no violations of human rights by or within the PCC Group were reported in 2024. Any potentially reported violation would be investigated by the Group management and sanctioned upon confirmation.

Goals

The PCC Group is committed to continuing to attach paramount importance to respect for human rights going forward. The respect for human rights enshrined in the Code of Ethics of the PCC Group is obligatory for all executive and supervisory bodies, managers and employees in the PCC Group. This applies in particular, but not exclusively, to new locations in regions in which PCC has not previously been commercially active. PCC believes that monitoring of compliance with human rights must be intensified at such places.

4. Social issues

The companies of the PCC Group have various stakeholders. The value added statement shows that the largest portion of the total operating output generated in the Group has flowed back to our most important stakeholders, namely our employees, albeit with other stakeholders also receiving a substantial share. We also take the interests of our stakeholders into account in other ways. The Group companies are members of international organizations in the field of CSR and implement corresponding programs in this domain. PCC SE and its subsidiaries promote social initiatives and institutions; PCC also supports its employees in their voluntary social engagement and actively promotes dialog with local communities. PCC's social responsibility remit includes cooperation with universities and other educational institutions, as well as providing support to sport and culture. Sponsorship money is only granted on the legal basis applicable in each case. This also requires the approval of the Executive Board of PCC SE, or the executive board or senior management of the respective Group companies. Cash payments and other financial contributions to politicians, political parties, associations or other political organizations are strictly prohibited.

Performance indicators

In the form of wages and salaries, employer contributions for social insurance, pension benefits and other benefits, € 147.1 million and thus 88.3 % of the value added generated in fiscal 2024 went to our employees (previous year: € 138.0 million or 75.3 %).

The state received € 17.2 million through the payment of taxes such as corporate income tax or property tax, accounting for 10.3 % of the value added of the PCC Group (previous year: € 25.0 million or 13.6 %). Investors, bond subscribers and also minority shareholders in affiliates received a share of € 36.6 million through interest payments or dividends, representing 21.9 % of value added (previous year: € 33.6 million or 18.4 %). In the reporting year, the consolidated net result equated to a deduction of € – 34.2 million or – 20.5 % from the value added remaining in the company (previous year: € – 13.4 million or – 7.3 %).

Achievements related to social issues

PCC SE and its subsidiaries are directly involved in the local communities in which they operate. At our Group headquarters in Duisburg, for example, PCC SE has been supporting the homeless charity Gemeinsam gegen Kälte Duisburg e.V. ("Joint Action Against the Cold") for a number of years now. PCC also sponsors local and regional sports and cultural events.

Value added and distribution

T_L_15

in € k	2024	2023	Absolute change	Relative change
Distribution of value added				
Value added, total	**166,636.2**	183,210.0	–16,573.8	–9.0 %
Distribution				
Employees	**147,144.3**	138,011.6	9,132.7	6.6 %
State / Taxes	**17,152.6**	24,991.5	–7,839.0	–31.4 %
Investors / Lenders	**50,330.5**	45,241.3	5,089.3	11.2 %
Minority shareholders	**–13,767.1**	–11,596.7	–2,170.4	–18.7 %
Net result	**–34,224.1**	–13,437.7	–20,786.4	<–100 %

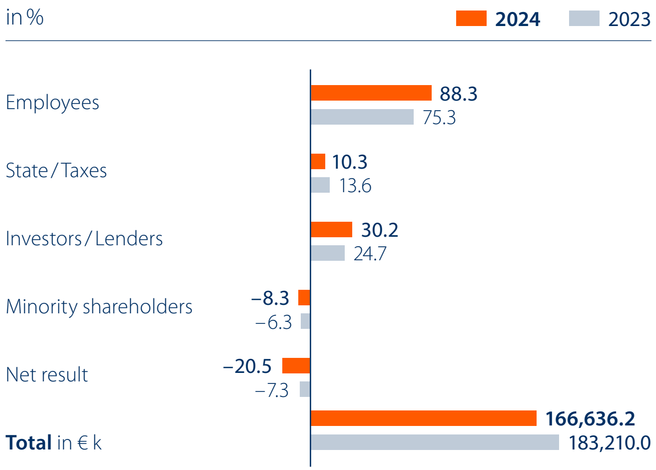
For example, the holding company is the name sponsor of the PCC Stadium in Duisburg-Homberg, located near the Group's headquarters, and the main sponsor of VfB Homberg e.V., the regional soccer team based there. As of year-end 2024, the PCC Group was providing support to 35 projects with donations in the amount of € 70.9 k (previous year: € 55.8 k in donations for 69 projects).

Goals

PCC has set itself the goal of continuing to drive value creation within the Group for the benefit of all stakeholders. PCC strives to augment its commitment to its social responsibilities through greater participation of its Group companies in international organizations and initiatives in the field of CSR, and is implementing an increasing number of corresponding programs in pace with this effort. PCC also intends to further expand its social engagement, including its collaborations with universities and other educational institutions.

Distribution of value added

G_L_17



5. Combating bribery and corruption

PCC does not tolerate any form of active or passive corruption, extortion or bribery. Our commitment in this regard is set out in the PCC Code of Ethics, which is binding on all employees of the PCC Group.

Measures

Business relations with suppliers and partners are to be conducted exclusively according to objective factual and commercial criteria. Personal interests have no role to play in such transactions. The prohibition on receiving or giving gifts applies not only to direct financial consideration but also to other benefits which could jeopardize the commercial independence of either party. Complementary to the relevant tax regulations and approval obligations, PCC has a strict policy in place governing the granting and acceptance of benefits, gifts or invitations.

Performance indicators

In order to ensure compliance with statutory provisions and achievement of the objectives that exist in this domain, all related measures are only approved once all the bodies responsible have conducted their own thorough examinations. The penalties and fines imposed on PCC for non-compliance with laws and regulations amounted to € 8.0 k (previous year: 0). In the reporting year, there were no business relationships rejected due to compliance violations (previous year: 1).

Anti-corruption measures

T_L_16

Social indicator	Unit	2024	2023	Absolute change	Relative change
Donation requests received	Number	**14**	3	11	> 100 %
Total amount donated to political parties or their representatives	€ k	**–**	–	–	–
Projects supported	Number	**35**	69	–34	–49.3 %
Projects supported	€ k	**70.9**	55.8	15.1	27.1 %
Penalties and fines due to legal violations	€ k	**8.0**	–	8.0	–
Business relationships rejected due to compliance violations	Number	**–**	1	–1	–100.0 %
Business relationships terminated due to compliance violations	Number	**–**	–	–	–

Anti-corruption initiatives

Initiative	Company
Membership of the global chemical industry initiative Responsible Care®	– PCC Rokita SA – PCC Exol SA – PCC Synteza S.A.
Participation in the Global Compact of the United Nations	– PCC Exol SA

Goals

PCC will continue to take uncompromising action against bribery and corruption on the basis of its zero-tolerance policy. Our goal is to ensure that the Group remains untainted by cases of this nature.

Events after the reporting date

The bond carrying the code ISIN DE000A2YN1K5 issued by PCC SE with a placed volume of € 29.1 million was redeemed in full on February 1, 2025. It was issued on October 22, 2019 with a coupon of 4.0 % p.a.

Effective February 3, 2025, PCC SE issued a new bond carrying the code ISIN DE000A4DFDS9 with a maturity date of April 1, 2030. The bond has a coupon of 5.75 % p.a.

The bond carrying the code ISIN DE000A3MQEM0 issued by PCC SE with a placed volume of € 7.8 million was redeemed in full on April 1, 2025. It was issued on November 15, 2021 with a coupon of 3.0 % p.a.

Effective April 1, 2025, PCC SE issued a new bond carrying the code ISIN DE000A4DFLK9 with a maturity date of July 1, 2030. The bond has a coupon of 5.5 % p.a.

Outlook for 2025 and beyond

The focus of the PCC Group in fiscal 2025 will once again be on its predominantly long-term strategy of portfolio company development. This will, as ever, include enhancing the core activities and competitiveness of the PCC Group through further capital expenditures. Green-field and brown-field projects will also be given due consideration as opportunities arise. This applies in particular with regard to the geographic expansion of core business units into new markets. The future issues of sustainability and climate protection and the associated transformation of all production processes will continue to come to the fore. This will be associated with further investments in efficient and environmentally friendly production facilities, through which the future viability of the PCC Group should be decisively strengthened. Certainly, the strategy of active investment portfolio management combined with ongoing portfolio optimization will be continued in the coming years. The primary objective remains a continuous and sustainable increase in enterprise value.

The business performance of the PCC Group in 2025 is also heavily dependent on future economic trends in Germany, Europe and the rest of the world. At the time of preparing this report, political representatives and various institutes and banks are predicting that economic output in Germany will grow only marginally in 2025, if at all. It should also be noted that these forecasts were made before the Bundestag (German parliament) resolution to adjust Germany's "debt brake". Possible effects of the USA's latest tariff policy have also not been taken into account. Stronger growth is expected for the European Union and the global economy as a whole. In their latest forecasts for 2025, both the Deutsche Bundesbank (Germany's central bank) and the Ifo Institute expect real gross domestic product (GDP) in Germany to grow by 0.2 %. The average growth rate of real GDP in the eurozone is projected to be 0.8 % in 2025. The International Monetary Fund (IMF) and the OECD are forecasting growth of 2.8 % and 3.1 % respectively for the global economy in 2025. The US economy is expected to achieve growth of 2.2 % in 2025, despite mounting uncertainties. The US economy performed well in 2024 and GDP grew by 3 % or more in three of the four quarters. It should be noted, however, that all such forecasts are subject to considerable variation due to the ongoing Russia-Ukraine war and other international conflicts and political uncertainties, as well as the latest US tariff policy. Additional risks for the global economy as a whole could also arise from China's Taiwan policy. OECD forecasts put economic growth in China at 4.8 % in 2025. This would once again be too low to stimulate domestic demand in China.

The adjustment to the "debt brake" resolved by the Bundestag in March 2025 will enable significant investments in the German economy, infrastructure, defense and future technologies. It is therefore reasonable to expect that the forecasts mentioned above will be revised upwards in the course of 2025. This should then also have a positive impact on the labor market.

The European Central Bank's (ECB) deposit rate reached its most recent high of 4.00 % in September 2023 to combat inflation. Since June 2024, the ECB has begun to gradually reduce the interest rate. After seven steps of 25 basis points each to date, it currently stands at 2.25 %. In the wake of expected investments in the EU and Germany following the announcement of the packages of measures now planned, it remains to be seen how the ECB will react.

The current Group planning for the years 2025 to 2027, which was prepared between September and November 2024, assumes that sales in 2025 will be 5 – 10 % higher than in the previous year and should once again exceed the € 1 billion mark. This forecast is based on both higher sales volumes and higher selling prices in almost all business areas, driven by increasing utilization of existing capacities and the addition of new capacities in selected segments. In addition, the operating rate of our intermodal transport business is also expected to grow in the 2025 fiscal year thanks to additional routes and more frequent services.

The PCC Group is planning for earnings before interest, taxes, depreciation and amortization (EBITDA) before exceptional items to be 40 – 50 % higher than in 2024. The main drivers here are further loss reductions in the Silicon & Derivatives segment, continued growth in the Logistics segment and the utilization of new capacities in the Surfactants & Derivatives segment. Our budgeting for 2025 is based on energy costs remaining at a level comparable to that of the fourth quarter of 2024. We likewise expect expenses for personnel and external services, among other costs, to continue to rise in fiscal 2025, but to decrease in relation to sales, with higher volumes and selling prices generally assumed. With further increases in depreciation and amortization and high interest expenses, the PCC Group is planning for a loss before taxes, although this should be around 40 – 50 % lower than in fiscal 2024.

An increase in sales of between 10 – 15 % is anticipated for the Polyols & Derivatives segment. Despite intense competition from Chinese suppliers in the area of polyether polyols and feedstocks in general, we want to continue to defend our position in the market segment for specialty polyether polyols and thus to hold on to our market share. This should lead to EBITDA at the previous year's level in the Polyols & Derivatives segment. In the Surfactants & Derivatives segment, PCC expects an increase in sales of 8 – 12 % compared to the previous year. We intend to achieve this primarily through capacity utilization of the new plant at our Polish production site in Płock. In particular, it will become increasingly possible to produce small volumes with higher margins there to meet specific customer demand. The Consumer Products business managed in this segment should also see a further increase in capacity utilization in 2025 due to persistently high demand for private label products, particularly in Eastern Europe. Sales growth and a simultaneous increase in EBITDA form the basis for our budgetary planning here.

The Chlorine & Derivatives segment is budgeting for an increase in sales of 1 – 5 % compared to the previous year. Due to the dependence on economic developments, this budgetary assumption is on the cautious side. The growth prospects for 2025 are similarly subdued in the Chlorine Downstream Products business unit as well as in the MCAA business unit and for phosphorus-based flame retardants. For Europe, this is mainly due to the low growth forecast in the EU. As further price declines are anticipated in the Chlorine Downstream Products business unit in particular, budgeting has been based on the expectation that EBITDA will be 25 – 30 % lower than in fiscal 2024.

In the Silicon & Derivatives segment, budgeting for the production of silicon metal is based on further slight increases in volumes and a recovery in market prices in the second half of 2025. The planning assumes full-capacity operation throughout the year. However, the shortage of electricity supply since December 2024 had not been taken into account at the time the budget was drawn up. In light of this development, it will not be possible to meet the volume targets. Moreover, the planning for this segment assumes continued aggressive cost-cutting and savings. The improvement and efficiency program initiated in December 2024 is expected to deliver initial results from the second quarter of 2025. Raw material purchase prices are generally expected to come in lower than in the previous year. Some contracts were concluded in the past fiscal year and are already taking effect. Contracts with price escalation clauses will take effect with a slight time lag. With all these measures, the segment is expected to achieve sales growth of 10 – 15 % and an increase in EBITDA of 60 – 80 %. This means that a loss, albeit significantly reduced, is still forecasted at the end of the year. In order to bring the Silicon Metal business unit into the profit zone long-term, the price levels prevailing must be decoupled from Chinese dumping prices – silicon must be priced in line with the market in Europe. In fiscal 2025, the local Icelandic company will also have to be provided with further funding from PCC SE in order to compensate for the budgeted losses. Depending on market price developments, a temporary plant standstill cannot be ruled out.

Sales growth of 30 – 50 % is anticipated for the Trading & Services segment. This forecast is derived in roughly equal parts from volume- and price-related budgeting assumptions. In particular, the Commodity Trading business unit, sales activities in peripheral markets and the utility business are expected to contribute to this growth. The budget thus foresees an increase in EBITDA 20 – 30 %.

The Logistics segment plans in fiscal 2025 to build on the very good performance of 2024. Service frequencies, capacity utilization and container handling volumes are to be continually expanded or increased. Revenue is expected to increase by between 10 % and 20 %. Efficiency gains are planned through the expansion of transport services utilizing the segment's own locomotives and platforms. Even before taking into account any positive effects arising from a peace plan in Ukraine and the associated increase in the flow of goods through Poland to Ukraine, PCC is budgeting for EBITDA growth of 30 – 40 % in this segment.

Based on a higher EBITDA of the PCC Group, pre-tax earnings should also experience an upturn. The planning assumptions are currently based on an improvement in EBT of 50 – 80 %, meaning there will still be a slight loss on an annualized basis. Depreciation, amortization and interest charges remain high and will increase as a result of new investments and further borrowings to finance them.

The planning assumptions were prepared on the basis of the known premises from the third and early fourth quarter of fiscal 2024. Any intensification of conflicts or wars, new conflicts, political unrest or trade wars could exert a negative impact on the guidance. By contrast, peace plans, stability in German and European energy policy, clear tariff strategies and protection of European industries could have a positive impact on the aforementioned. In addition, effects from the adjustment of the "debt brake" and the resulting significant investment packages have not yet been taken into account. Possible effects from the latest US tariff policy have likewise not been factored in.

For the following years 2026 and 2027, we expect the economic situation in Europe to recover. New investments, rising demand and new growth, for example in the construction sector, should then also lead to rising volumes and prices. Sales are expected to increase by a further 30 – 40 % in the following years. With lower cost increases flowing into the budgeting process, this should also lead to a sharp rise in earnings. Both EBITDA and earnings before taxes are expected to increase at rates in the high double-digit million euro range each year during this period. Depreciation and amortization charges will continue to increase as a result of the realization of further investments, with the latter contributing to additional sales and earnings potential as the years progress. PCC consistently strives to achieve the optimum mix between equity and borrowings when it comes to financing capital expenditures. For this reason, financial liabilities will also continue to increase in the budget plans for the years 2025 – 2027. However, with the anticipated greater rates of increase in EBITDA, the leverage ratio should move back to our target of 5.0. A beneficial drop in this key metric has already been factored into the budget for the 2025 fiscal year.

The finalization and further expansion of the capacities of the chemical production facilities in Poland, the turnaround in silicon metal production and the geographic expansion of core business areas in the USA are the strategic cornerstones of our budget planning going forward, with continuous efficiency improvements and cost savings in all business areas providing the underlying foundation.

Duisburg, April 29, 2025
PCC SE

The Executive Board

Dr. Peter Wenzel | Riccardo Koppe | Dr. rer. oec. (BY) Alfred Pelzer

Consolidated financial statements

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Aerial view of our production site near the Polish town of Brzeg Dolny, Lower Silesia. PCC Rokita SA and PCC Exol SA in particular are based here.

Consolidated balance sheet

T_A_01

Assets in € k	(Note)	Dec. 31, 2024	Dec. 31, 2023
Non-current assets		**1,235,832**	1,204,205
Intangible assets	(19)	53,011	52,316
Property, plant and equipment	(20)	1,044,573	996,288
Right-of-use assets	(21)	89,136	81,042
Investments accounted for using the equity method	(12)	4,866	14,078
Non-current financial investments	(22)	12,610	17,133
Other non-current financial assets	(23)	15,333	18,013
Deferred tax assets	(34)	15,705	24,659
Other receivables and other assets	(26)	597	675
Current assets		**369,195**	385,924
Inventories	(24)	121,780	107,701
Trade accounts receivable	(25)	105,338	103,320
Other receivables and other assets	(26)	38,370	31,789
Income tax receivables		4,213	14,548
Cash and cash equivalents	(38)	99,493	128,566
Total assets		**1,605,026**	1,590,129

Equity and liabilities in € k	(Note)	Dec. 31, 2024	Dec. 31, 2023
Equity	(27)	**343,067**	389,393
Subscribed capital		5,000	5,000
Capital reserve		56	56
Revenue reserves / Other reserves		205,891	248,130
Other equity items / OCI		–5,013	–15,924
Minority interests	(28)	58,464	73,460
Hybrid capital	(29)	78,671	78,671
Non-current provisions and liabilities		**886,976**	801,457
Provisions for pensions and similar obligations	(30)	1,263	1,146
Other provisions	(31)	5,236	6,640
Deferred tax liabilities	(34)	18,499	16,574
Financial liabilities	(32)	789,853	712,889
Other liabilities	(33)	72,124	64,207
Current provisions and liabilities		**374,983**	399,279
Provisions for pensions and similar obligations	(30)	67	84
Other provisions	(31)	37,544	44,256
Current tax liabilities		4,459	5,463
Trade accounts payable		109,086	87,179
Financial liabilities	(32)	168,373	189,980
Other liabilities	(33)	55,454	72,317
Total equity and liabilities		**1,605,026**	1,590,129

Consolidated statement of income

T_A_02

Figures in € k	(Note)	2024	2023
Sales revenue	(6)	**959,985**	**993,621**
Change in inventory of finished products and work in progress		6,899	–36,406
Purchased goods and services	(7)	674,492	649,871
Other internal costs capitalized	(8)	23,358	19,648
Personnel expenses	(9)	150,688	138,005
Other operating income	(10)	45,028	33,956
Other operating expenses	(11)	113,594	109,722
Income from investments accounted for using the equity method	(12)	–8,545	–948
Earnings before interest, taxes, depreciation and amortization (EBITDA)	(40)	**87,951**	**112,272**
Depreciation and amortization	(13)	86,050	78,871
Operating profit (EBIT)	(40)	**1,901**	**33,401**
Interest and similar income	(14)	4,611	5,602
Interest and similar expenses	(14)	50,331	45,241
Currency translation result	(15)	15,491	–13,345
Other financial income		352	132
Other financial expenses		1,505	1,338
Earnings before taxes (EBT)	(17)	**–29,480**	**–20,789**
Taxes on income	(16)	18,511	4,245
Net result		**–47,991**	**–25,034**
Net result attributable to Group		–34,224	–13,438
Net result attributable to minority interests		–13,767	–11,597

Consolidated statement of comprehensive income

T_A_03

Figures in € k	2024	2023
Net result	**–47,991**	–25,034
Income and expenses recognized in equity for future recycling through profit or loss	**11,109**	**24,299**
Exchange differences on translation of foreign operations	11,109	24,284
Deferred taxes	–	15
Income and expenses recognized in equity not for future recycling through profit or loss	**–199**	**–978**
Remeasurement of defined benefit pension plans	–43	15
Other changes	–166	–990
Deferred taxes	11	–3
Total income and expenses recognized in equity	**10,910**	**23,321**
Total comprehensive income	**–37,081**	**–1,714**
Share of comprehensive income attributable to Group	–23,314	9,883
Share of comprehensive income attributable to minority interests	–13,767	–11,597

Consolidated statement of changes in equity

T_A_04

Figures in € k	Subscribed capital	Capital reserve	Revenue reserves / Other reserves	Other equity items / OCI	**Equity attributable to Group**	Minority interests	Hybrid interests	**Total Group equity**
Jan. 1, 2023	5,000	56	276,807	–39,245	**242,618**	97,342	79,240	**419,201**
Dividends paid to shareholders	–	–	–14,050	–	**–14,050**	–15,298	–	**–29,348**
Changes in consolidation scope and other consolidation effects	–	–	–1,189	–	**–1,189**	3,012	–	**1,823**
Hybrid capital	–	–	–	–	**–**	–	–569	**–569**
Comprehensive income	–	–	–13,438	23,321	**9,883**	–11,597	–	**–1,714**
Net result	–	–	–13,438	–	**–13,438**	–11,597	–	**–25,034**
Other income and expenses recognized in consolidated equity	–	–	–	23,321	**23,321**	–	–	**23,321**
– Currency translation differences	–	–	–	24,284	**24,284**	–	–	**24,284**
– Remeasurement of defined benefit pension plans	–	–	–	15	**15**	–	–	**15**
– Fair value measurement of financial assets	–	–	–	–990	**–990**	–	–	**–990**
– Deferred taxes recognized in OCI	–	–	–	12	**12**	–	–	**12**
Dec. 31, 2023	5,000	56	248,130	–15,924	**237,262**	73,460	78,671	**389,393**

Continued on next page

T_A_05

Figures in € k	Subscribed capital	Capital reserve	Revenue reserves / Other reserves	Other equity items / OCI	**Equity attributable to Group**	Minority interests	Hybrid interests	**Total Group equity**
Jan. 1, 2024	5,000	56	248,130	–15,924	**237,262**	73,460	78,671	**389,393**
Dividends paid to shareholders	–	–	–5,500	–	–5,500	–5,346	–	–10,846
Changes in consolidation scope and other consolidation effects	–	–	–2,515	–	–2,515	4,117	–	1,601
Hybrid capital	–	–	–	–	–	–	–	–
Comprehensive income	–	–	–34,224	10,910	**–23,314**	–13,767	–	**–37,081**
Net result	–	–	–34,224	–	–34,224	–13,767	–	–47,991
Other income and expenses recognized in consolidated equity	–	–	–	10,910	10,910	–	–	10,910
– Currency translation differences	–	–	–	11,109	11,109	–	–	11,109
– Remeasurement of defined benefit pension plans	–	–	–	–43	–43	–	–	–43
– Fair value measurement of financial assets	–	–	–	–166	–166	–	–	–166
– Deferred taxes recognized in OCI	–	–	–	11	11	–	–	11
Dec. 31, 2024	5,000	56	205,891	-5,013	**205,933**	58,464	78,671	**343,067**

Consolidated statement of cash flows

T_A_06

Figures in € k	2024	2023
Net result	**–47,991**	–25,034
Depreciation and amortization	86,050	78,871
Write-downs of financial investments	1,224	963
Expense (+), income (–) from income tax	18,511	4,245
Expense (+), income (–) from interest	45,719	39,639
Change in provisions for pensions and other provisions	–8,016	–6,149
Interest received	2,172	2,782
Income taxes paid	–9,643	–48,757
Increase (+), decrease (–) in individual value adjustments for receivables and other assets	255	1,667
Gains (–), losses (+) from disposal of non-current assets	–1,140	–1,076
Write-ups of intangible assets, property, plant and equipment and right-of-use assets	–9	–335
Result from intestments accounted for using the equity method	8,545	948
Other non-cash gains (–) / expenses (+)	–23,827	67,757
Gross cash flow	**71,851**	**115,521**
Increase (–), decrease (+) in inventories	–14,079	41,738
Increase (–), decrease (+) in trade accounts receivable	–2,165	36,332
Increase (–), decrease (+) in accounts receivable from affiliated companies	–993	–6,560
Increase (–), decrease (+) in other assets	13,634	–22,393
Increase (+), decrease (–) in trade accounts payable	21,814	–11,719
Increase (+), decrease (–) in accounts payable to affiliated companies	177	352
Increase (+) / decrease (–) in other liabilities	–8,125	4,418
Cash flow from operating activities	**82,114**	**157,689**

Continued on next page

T_A_06

Figures in € k	(Note)	2024	2023
Proceeds from disposal of property, plant and equipment		6,918	1,150
Proceeds from disposal of right-of-use assets		554	1,350
Proceeds from disposal of investments accounted for using the equity method		800	–
Proceeds from disposal of non-current financial investments		–	31
Proceeds from disposal of other non-current financial assets		1,933	309
Capital expenditures on intangible assets		−6,170	−3,878
Capital expenditures on property, plant and equipment		−85,936	−123,464
Capital expenditures on non-current financial investments		−68	−2,453
Cash flow from investing activities		**−81,970**	**−126,956**
Dividends paid to majority shareholder and owner		−5,500	−14,050
Dividends paid to minority interests		−5,346	−15,298
Proceeds from issuance of bonds		167,864	99,142
Payments for redemption of bonds		−136,530	−102,172
Proceeds from banks		77,757	78,764
Payments to banks		−68,272	−69,587
Payments in respect of lease liabilities		−18,175	−16,796
Payments for the partial acquisition of shares in an affiliate without gain of control		–	−78
Interest paid		−42,557	−35,651
Cash flow from financing activities		**−30,760**	**−75,726**
Changes in cash and cash equivalents due to cash transactions		−30,617	−44,992
Changes in cash and cash equivalents due to foreign exchange rates		1,544	9,778
Cash and cash equivalents at the beginning of the period		128,566	163,780
Cash and cash equivalents at the end of the period	(38)	**99,493**	**128,566**

Notes to the consolidated financial statements

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Other disclosures

Summary of significant accounting and valuation policies

(1) General disclosures

PCC Societas Europaea (PCC SE) is a non-listed corporation under European law headquartered in Duisburg and the parent company of the PCC Group. Its address is Moerser Str. 149, 47198 Duisburg, Germany. PCC SE is recorded in the Commercial Register of Duisburg District Court under reference HRB 19088.

The consolidated financial statements of PCC SE have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the IFRS Interpretations Committee (IFRS IC), which had been adopted by the European Commission for use in the EU by the reporting date and whose application was mandatory as of December 31, 2024. In addition, the requirements of Section 315e (3) HGB (German Commercial Code) in conjunction with Section 315e (1) HGB have been observed. The consolidated financial statements are based on the going concern principle.

The reporting date for the preparation of the consolidated financial statements is December 31, 2024, which is also the reporting date for the annual financial statements of PCC SE. The fiscal year of the Group corresponds to the calendar year.

The annual financial statements and subgroup financial statements of the subsidiaries included in the consolidated financial statements have also been prepared as at this reporting date. The financial statements of PCC SE and those of the consolidated subsidiaries have been prepared in accordance with uniform accounting and valuation policies.

The consolidated financial statements have been prepared in euros. The reporting currency is the euro. Unless otherwise indicated, all amounts are stated in thousands of euros (€ k); rounding differences may therefore arise.

Individual items of the balance sheet and the statement of income of the PCC Group have been partially aggregated in the interests of clarity. These items are explained in the Notes appended. The consolidated statement of income has been prepared using the nature of expense method.

In accordance with IAS 1.60, the PCC Group presents current and non-current assets and current and non-current liabilities in the balance sheet as separate classification groups, some of which are additionally broken down by their respective maturities as of December 31, 2024, in these notes to the consolidated financial statements.

The Executive Board of PCC SE finalized these financial statements in its meeting of April 29, 2025, whereupon they were presented to the Supervisory Board for examination and approval for publication, and then released to the operator of the German Federal Gazette for publication.

(2) Changes in accounting policies, and standards and interpretations for which application is not yet mandatory

Mandatory standards and interpretations applied for the first time

The amendments to IAS 1 "Presentation of Financial Statements" clarify that the classification of liabilities as current or non-current is based on the rights that the entity has at the reporting date.

Liabilities are now classified as non-current if the entity has a substantive right at the reporting date to defer settlement of the liability for at least 12 months. The management's intention to exercise or not to exercise a substantive right has no influence on the assessment. In addition, conditions contained in loan agreements (e.g. financial covenants) that an entity must fulfill within 12 months of the reporting date have no influence on the classification of a liability as current or non-current. Conversely, conditions that an entity must fulfill by or on the reporting date are decisive for classification.

The amendments to IFRS 16 "Leases" stipulate that the seller or lessee must subsequently measure the lease liability in such a way that no gain or loss is realized in relation to the retained right of use.

The amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" relate in particular to additional mandatory disclosures in the Notes in connection with supplier financing agreements.

The listed accounting standards to be applied for the first time have no material impact on the consolidated financial statements of PCC SE.

Standards and interpretations for which application is not yet mandatory

The IASB has published the following standards and interpretations or amendments thereto that were not yet applicable in fiscal 2024. Some of these standards and interpretations have not yet been adopted into EU law (endorsement mechanism) and are not applied by the PCC Group. The PCC Group is currently examining the extent to which new standards and interpretations that are not yet mandatory will have an impact on the consolidated financial statements. With the exception of IFRS 18, it is currently expected that the standards and interpretations listed as not yet mandatory will have no material impact on the consolidated financial statements.

The new standard IFRS 18 "Presentation and Disclosure in Financial Statements" is due to replace the previous standard IAS 1 and contains updated requirements for the presentation and disclosure of

Mandatory standards and interpretations applied for the first time T_A_07

Standard / Interpretation	Initial application mandatory per IASB as of	Initial application mandatory in the EU as of
Amendments to IAS 1 Presentation of Financial Statements: – Classification of Liabilities as Current or Non-current – Classification of Liabilities as Current or Non-current – Deferral of Effective Date – Non-current Liabilities with Covenants	January 1, 2024	January 1, 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	January 1, 2024	January 1, 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	January 1, 2024	January 1, 2024

Standards and interpretations for which application is not yet mandatory T_A_08

Standard / Interpretation	Initial application mandatory per IASB as of	Initial application mandatory in the EU as of
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	January 1, 2025	January 1, 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments	January 1, 2026	Not yet known
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity	January 1, 2026	Not yet known
Annual Improvements to IFRSs	January 1, 2026	Not yet known
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027	Not yet known
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027	Not yet known
IFRS 14 Regulatory Deferral Accounts	January 1, 2016	No EU endorsement

information in financial statements. The main new features of IFRS 18 relate to the introduction of subtotals in the statement of income and the classification of income and expenses into the categories of operating, investing and financing. The standard also introduces new disclosure and explanation requirements for key performance indicators defined by company management. IFRS 18 further defines extended guidelines for determining whether items are to be included in the primary financial statements or in the Notes, as well as for the aggregation and disaggregation of items. The specific extent of the impact of the initial application of IFRS 18 on the presentation of the PCC consolidated financial statements is currently still being analyzed.

(3) Scope of consolidation

The consolidated financial statements of the PCC Group cover PCC SE and all material subsidiaries. Subsidiaries and associates regarded individually and in aggregate as being immaterial in terms of portraying a true and fair view of the net assets, financial position and results of operations of the Group have been omitted from the consolidation process and are recognized as financial investments in equity instruments. For a detailed schedule of shareholdings in accordance with Section 313 (2) HGB (German Commercial Code), please refer to Note (44).

Scope of consolidation T_A_09

Fully consolidated subsidiaries	Germany	International
Jan. 1, 2024	8	36
Additions	–	6
Disposals	2	–
Dec. 31, 2024	**6**	**42**

In fiscal 2024, there were two additions to the scope of consolidation: PCC Rokita Trade Sp. z o.o. in the Chlorine & Derivatives segment, and PCC Exol Trade Sp. z o.o. in the Surfactants & Derivatives segment, both based in Brzeg Dolny (Poland). In addition, the companies PCC ChloroSilanes Sp. z o.o., Brzeg Dolny, and PCC GulfChem Corporation, Wilmington (Delaware, USA), were added to the scope of consolidation. These two companies have been assigned to the Holding & Projects segment. The companies Centralna Oczyszczalnia Ścieków Sp. z o.o., Brzeg Dolny, and PCC Italy S.r.l., Milan, are allocated to the Trading & Services segment and have also been included in the scope of consolidation.

The disposals from the scope of consolidation result from the merger of PCC Chemicals GmbH and PCC Integrated Chemistries GmbH into PCC SE, each domiciled in Duisburg.

(4) Consolidation methods

The consolidated financial statements of the PCC Group include the separate financial statements of PCC SE and all material German and international subsidiaries over which PCC SE exercises control, prepared on the basis of uniform accounting and valuation policies.

The subsidiaries are fully consolidated from the date of acquisition. The date of acquisition is the date on which the parent company gained control of these Group companies. Subsidiaries are included in the consolidated financial statements until control of these companies is no longer exercised.

The acquisition of subsidiaries is accounted for using the purchase method. The consideration transferred in the course of a business combination is measured at fair value. This is determined from the aggregate of the fair values of the assets transferred, liabilities assumed from the former owners of the acquiree, and equity instruments issued by the Group in exchange for control of the acquiree. Any transaction costs associated with the business combination are recognized through profit or loss.

The purchase price is allocated to the acquired assets and liabilities at the date of initial consolidation. If this allocation results in a positive difference between the acquisition cost and the pro rata net assets acquired, this difference is capitalized as goodwill. In the event of a negative difference, this is immediately recognized as income in the statement of income. Any goodwill arising is tested for impairment at least once a year. Further details are provided in Note (19).

All intercompany receivables and payables as well as income and expenses are eliminated in the course of consolidation. Intercompany profits and losses, if material, are eliminated.

Investments in associated companies and joint ventures accounted for using the equity method are recognized in the consolidated balance sheet at cost. In subsequent periods, the equity method carrying amount is adjusted to reflect the Group's share of net income and dividends received. Any difference arising on initial consolidation is recognized using the equity method. The Group assesses at each reporting date whether there is any indication that an investment in an associate or joint venture may be impaired. If this is the case, the difference between the carrying amount and the recoverable amount is recognized as an impairment loss and included in "Result from investments accounted for using the equity method" in the consolidated statement of income.

(5) Explanatory notes to the accounting and valuation methods

Impact of the war in Ukraine and economic factors influencing the financial statements

The business performance of the PCC Group in fiscal 2024 was characterized by the persistently weak economy in Germany and the European Union as a whole. Another negative factor was the continuing high competitive pressure from the Far East, particularly from China and India, and also from Brazil in the case of silicon metal. Moreover, the ongoing geopolitical uncertainties caused by the war in Ukraine and the Middle East conflict continued to weigh on the European economy and thus also on the business activities of the PCC Group.

Property, plant and equipment

In accordance with IAS 16, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Costs for the repair and maintenance of property, plant and equipment are generally expensed. Regular maintenance of major items of plant and equipment or the replacement of significant components is capitalized where an additional future benefit is expected. Scheduled straight-line depreciation is based on the following useful lives:

Useful lives of property, plant and equipment T_A_10

Figures in years	2024	2023
Buildings and structures	3 – 119	4 – 118
Plant and machinery	2 – 81	2 – 81
Other facilities, factory and office equipment	2 – 118	2 – 102

The useful lives indicate the range between the de facto shortest and the de factor longest useful life. For the useful lives of right-of-use assets, please refer to Note (21).

An item of property, plant and equipment is derecognized either upon disposal or when no further economic benefit is expected from its continued use. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the statement of income in the period the asset is derecognized. Reversals of impairment losses are recognized in other operating income.

Residual values, useful lives and depreciation methods are reviewed at the end of each fiscal year and adjusted if necessary.

Intangible assets

Acquired intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. If the requirements for capitalization of internally generated intangible assets are met, these are also capitalized. Intangible assets are generally amortized on a straight-line basis over their estimated useful lives. Useful lives of between one and 44 years are assumed. With the exception of goodwill, intangible assets capitalized within the Group have finite useful lives. The intangible assets of the PCC Group mainly comprise concessions for the operation of technical facilities.

Research and development costs are recognized in accordance with IAS 38 "Intangible Assets". Costs for research activities are recognized as expenses in the period in which they are incurred. An internally generated intangible asset resulting from the development activities of an internal project qualifies for capitalization if the completion of the intangible asset is technically feasible and internal use or sale is possible. In addition, there must be the intention and the financial resources to complete, use or sell the intangible asset. These assessments require far-reaching estimates by the respective management. Expenditure attributable to the intangible asset during its development must also be reliably determinable.

Inventories

Inventories are those assets that are consumed in the production process or in the rendering of services (raw materials and supplies), that are in the process of production (work in progress) or that are held for sale in the ordinary course of business (finished goods and merchandise). They are initially recognized at acquisition or production cost. Inventories are subsequently measured at the lower of cost – determined using the first-in, first-out (FIFO) method or the weighted average cost method – and net realizable value, which is the estimated selling price in the ordinary course of business, minus the estimated costs of completion, and minus selling expenses.

Borrowing costs

Directly attributable borrowing costs incurred in the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. They are capitalized until the asset is ready for its intended use. The relevant borrowing costs are recognized using the relevant interest rate. All other borrowing costs are expensed in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when a PCC Group company becomes a party to a financial instrument. Financial assets are derecognized once the contractual rights to cash flows from the financial assets expire or the financial assets are transferred with all material risks and rewards. Financial liabilities are derecognized when the contractual obligations are discharged, canceled or expire. Regular-way purchases and sales of financial instruments are generally recognized on the transaction date, which is the date that the Group commits to purchase or sell the instrument.

Classification and measurement of financial instruments per IFRS 9

In accordance with IFRS 9, financial assets and liabilities are classified into the following categories based on their nature and their intended use:

(a) **Financial instruments measured at amortized cost (aC)**
Financial assets are classified as aC if they are held within a business model that is designed to collect the contractual cash flows (strict business model condition). In addition, the asset must be structured in such a way that it only leads to fixed-term cash flows that represent interest and principal payments on the outstanding nominal amount (cash flow condition). Financial liabilities are generally classified as aC unless they are financial liabilities held exclusively for trading purposes, derivatives or liabilities for which the fair value option has been exercised. Within the PCC Group, the measurement category aC includes trade accounts receivable, as well as receivables and loans disclosed under other receivables and other assets, and other financial assets. Cash and cash equivalents are also included in this measurement category. All financial liabilities, with the exception of derivatives that are measured at fair value through profit or loss, are also measured at amortized cost. Financial assets and liabilities are initially measured at fair value, which is generally the nominal value of the receivable or the loan amount granted. Non-interest-bearing or low-interest-bearing non-current receivables and loans are carried at their present value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added to the fair value of the financial assets or financial liabilities. Subsequent measurement of financial instruments classified as aC is at amortized cost using the effective interest method. Changes in value are recognized in the statement of income.

(b) **Financial assets measured at fair value through other comprehensive income (FVtOCI)**
Financial assets are classified as FVtOCI if they are held in a business model for the purpose of both collecting contractual cash flows and making sales (moderated business model condition). In addition, the asset must be structured in such a way that it only leads to fixed-term cash flows that represent interest and principal payments for a capital transfer (cash flow condition). Equity instruments never satisfy the cash flow condition, but may be voluntarily measured as FVtOCI. Within the PCC Group, investments in subsidiaries that are not fully consolidated for reasons of materiality are allocated to the FVtOCI measurement category. This category also includes investments in associates and joint ventures that are included in the consolidated financial statements using the equity method. In principle, financial liabilities cannot be allocated to the FVtOCI category. They are initially recognized at fair value, which in most cases corresponds to cost. Transaction costs directly attributable to the acquisition or issuance of financial assets are added to the fair value of the financial assets. Changes in fair value on subsequent measurement are deferred directly in equity and only recognized in profit or loss on disposal (recycling). Conversely, amounts recognized for equity instruments remain in equity upon disposal of the financial instrument (no recycling).

(c) **Financial instruments measured at fair value through profit or loss (FVtPL)**
All financial instruments that do not meet the conditions for inclusion in the first two categories are generally allocated to the FVtPL category. These include equity instruments, unless they have been voluntarily allocated to the FVtOCI category, derivatives and all other financial instruments held for trading purposes. In addition and in certain cases, the fair value option for the classification of financial instruments can be exercised voluntarily, but then irrevocably. The initial and subsequent measurement of financial instruments in the FVtPL category is at fair value. Changes in value are recognized in the statement of income. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities are immediately recognized through profit or loss.

Financial assets and liabilities are offset and presented as a net amount in the balance sheet only when there is a legally enforceable right to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

An accounting provision for expected impairment losses is recognized in respect of financial assets measured at amortized cost. For trade accounts receivable, expected default rates are determined on the basis of historical defaults and future estimates (Stage 2 of the impairment model). In order to take into account the business model, the respective customer structure and the economic environment of the geographic region, specific default rates are determined for the individual Group companies. Additional differentiation is made by classifying the receivables portfolio on the basis of the length of time overdue. If there is objective evidence that trade receivables or other financial assets measured at amortized cost are impaired, they are tested individually for impairment (Stage 3 of the impairment model). This is the case, for example, if insolvency proceedings have been opened against the debtor of a receivable or there is other substantial evidence of impairment, such as a significant deterioration in creditworthiness. Impairment losses are recognized in an allowance account on the asset side of the balance sheet. The gross value and the allowance (value adjustment) are not derecognized until the receivable is uncollectible. For reasons of materiality, no expected impairment losses are recognized in respect of contract assets or other financial assets.

Derivative financial instruments are initially measured at the fair value attributable to them on the date on which the contract is entered into. Subsequent measurement is also at fair value as of the respective reporting date. The method of recognizing gains and losses depends on whether the derivative financial instrument has been designated as a hedging instrument and, if so, on the nature of the hedged item. The PCC Group designates certain derivative financial instruments either (a) as a hedge of the fair value of a recognized asset or liability or an unrecognized firm commitment (fair value hedge), (b) as a hedge of the exposure to variability in cash flows associated with a recognized asset or liability or an anticipated highly probable forecasted transaction (cash flow hedge), or (c) as a hedge of a net investment in a foreign operation (net investment hedge).

At the inception of the transaction, the Group documents the hedging relationship between the hedging instrument and the hedged item, the objective of its risk management and the underlying strategy for undertaking the hedge. In addition, at the inception of the hedge and on an ongoing basis, the Group documents its assessment of whether the derivatives that are used in hedging transactions extensively compensate for changes in the fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in other comprehensive income. The ineffective portion of such changes in fair value is recognized directly through profit or loss. Amounts deferred in equity are reclassified to the statement of income in the period in which the hedged item affects profit or loss.

When a hedge expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss held in equity at that time remains in equity and is not recognized in the statement of income until the originally hedged future transaction occurs. If the future transaction is no longer expected to occur, the cumulative gain or loss held in equity is immediately transferred to the statement of income.

Trade accounts receivable

Trade accounts receivable are stated at amortized cost. Receivables sold under open factoring arrangements are derecognized at the time of purchase by the factor. Only the remaining pro rata amount that is not purchased continues to be recognized in receivables. In the case of silent factoring, the receivable is not derecognized until the factor makes payment. At the same time, a receivable is recognized in a settlement account with the factor under other assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank credit balances with an original term of up to three months, as well as highly liquid short-term financial investments. They are measured at amortized cost.

Trade accounts payable; bank overdrafts

Trade accounts payable, bank overdrafts and other liabilities are stated at their repayment amount.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation to a third party as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Non-current provisions are recognized at the present value of future outflows of resources and accrue interest over the period until the expected claim is made.

Taxes on income

The income tax expense comprises the current tax expense and deferred taxes. The current tax expense is calculated on the basis of taxable income.

The PCC Group recognizes deferred taxes in accordance with IAS 12 for differences between the carrying amounts of assets and liabilities in the balance sheet and their tax base. Deferred tax liabilities and deferred tax assets are essentially recognized for all taxable temporary differences. Deferred tax assets are recognized on unused tax losses carried forward only to the extent that it is probable that taxable profit will be available against which such claims can be utilized. The carrying amount of deferred income tax assets is examined on each closing date and reduced to the extent that it is no longer probable that sufficient income will be available against which the deferred tax asset can be wholly or partially realized. Deferred income tax claims not recognized in an earlier period are reassessed at each closing date and recognized to the extent that it currently appears probable that future taxable profits will allow realization of the deferred tax asset.

Deferred tax liabilities and deferred tax assets are netted where there is a legally enforceable right to do so and where they involve the same tax jurisdiction. Current taxes are calculated on the basis of the taxable income of the company for the reporting period. The tax rates applied for each company are those applicable as of the closing date.

Leases

Lease agreements are accounted for in accordance with IFRS 16 "Leases". A lease exists if a contract entitles the holder to use an identified asset for a specified period of time in return for payment of a consideration.

Leases in which the PCC Group is the lessee are accounted for using the rights-of-use model. For leases with a term of less than twelve months (short-term leases) and for leases involving low-value assets, the exemption per IFRS 16.5 is applied. The right-of-use asset and lease liability are not recognized for these leases. Instead, the payments are recognized as an expense in the statement of income on a straight-line basis. All contractually agreed payment obligations are included in the measurement of lease liabilities. Application of the exemption allowed under IFRS 16.15 eliminates the need to distinguish between lease payments and payments for non-lease components. The existing payment obligations are discounted at the PCC Group's incremental borrowing rate where it is not possible to determine the implicit interest rate, and the present value thus determined is recognized as a lease liability. The corresponding right-of-use asset is recognized in the same amount. Initial direct costs and advance payments increase the acquisition value of the right-of-use asset, while lease incentives received reduce it. Subsequently, the right-of-use asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The lease liability is amortized using the effective interest method.

Contractually defined renewal, extension, purchase and termination options ensure future operational flexibility for the PCC Group when entering into lease agreements, but also require discretionary decision-making. All current knowledge and future expectations that support the exercise or non-exercise of the options are taken into account when determining the lease term. If it can be assumed with reasonable certainty that the renewal option will be exercised, the imputed term also includes such additional periods. Changes of term are considered where, over time, a change occurs in the assessment of the likelihood that the existing option will be exercised or not exercised.

Revenue recognition

In accordance with IFRS 15, the PCC Group realizes its sales revenues mainly through the sale of self-manufactured chemical products, through the trading of chemical raw materials and commodities, and through the provision of wide-ranging logistics and transport services. The Group also generates revenue from electricity generation, primarily on the basis of renewable energies.

In recognizing revenue, the Group follows the five-step model of IFRS 15:

(1) Identification of contracts with a customer
(2) Identification of distinct performance obligations
(3) Determination of the transaction price
(4) Allocation of the transaction price to the distinct performance obligations
(5) Revenue recognition on fulfillment of the distinct performance obligations

Revenue is recognized, net of sales taxes / value-added tax, discounts, allowances and rebates, when, or as, the customer obtains control of and benefits from the goods and / or services. The majority of the performance obligations of the PCC Group are performed at a point in time. The relatively minor recognition of revenue over a period of time occurs primarily in the sale of electricity and the rendering of services. In principle, the sales transactions of the PCC Group are not based on any significant financing component. The average payment term is 14 days. The PCC Group applies various common Incoterms, the choice of which depends on the product and delivery conditions, and also the need to control the transfer of risk.

The Group recognizes contractual liabilities in respect of performance obligations that have not yet been fulfilled but for which the customer has already provided consideration, and discloses these amounts under other liabilities in the balance sheet. However, when the Group satisfies a performance obligation, the Group recognizes the right to consideration as a contract asset in other receivables and other assets, unless said claim is not linked solely to the passage of time.

Interest income is recognized pro rata temporis using the effective interest method. Dividend income is recognized at the time when the right to receive the payment arises.

Government grants

Government grants pursuant to IAS 20 are recognized in the consolidated financial statements of the PCC Group as deferred income to the extent that it is certain that the conditions attached to the grants will be fulfilled and that the grants will actually be received. Release to the statement of income occurs other operating income over the depreciable life of the related asset.

Exploration and evaluation of mineral resources

Expenditure on successful exploration wells and on non-successful development wells is capitalized in accordance with IFRS 6. These expenditures are generally recognized as assets under construction until exploration is completed. When a positive discovery is made and production begins, the expenditure is reclassified to plant and machinery. The capitalized expenses are amortized over the maximum number of production years determined by expert appraisal. Should an annual review of the discoveries result in a change in this period, the amortization period is adjusted accordingly. If, in subsequent periods, it is also determined that the finds are unusable, an impairment loss is recognized.

Foreign currency translation

The consolidated financial statements are presented in euros, the functional currency of the parent company. Each entity within the Group determines its own functional currency. Items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially translated into the functional currency at the spot rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at each reporting date using the spot exchange rate at that date. All exchange differences are recognized through profit or loss. Exceptions to this rule are translation differences arising from foreign currency borrowings to the extent that they are accounted for as hedges of a net investment in a foreign operation. These are deferred directly in equity until the disposal of the net investment and are only recognized in the statement of income upon such disposal. Deferred taxes arising from the translation differences of these foreign currency loans are likewise recognized directly in equity.

For entities whose functional currency is the euro, non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate applicable at the date when the fair value was determined.

Any assets and liabilities resulting from the acquisition of a foreign operation are recognized as assets and liabilities of the foreign operation and translated at the closing spot rate.

For entities whose functional currency is not the euro, the assets and liabilities of the foreign operation are translated into euro at the closing rate. Income and expenses are translated at the weighted average exchange rate for the fiscal year. The resulting translation differences are recognized as a separate component of equity. The cumulative amount recognized in equity for a foreign operation is released to income upon disposal of that foreign operation. The exchange rates of the major currencies used in the consolidated financial statements are shown in the table below:

Foreign currency exchange rate T_A_11

	Closing rate		Average rate	
for € 1	Dec. 31, 2024	Dec. 31, 2023	2024	2023
Belarusian ruble (BYN)	3.4054	3.6528	3.5397	2.9206
Bosnian convertible mark (BAM)	1.9558	1.9558	1.9558	1.9558
Bulgarian lev (BGN)	1.9558	1.9558	1.9558	1.9558
Czech koruna (CZK)	25.1850	24.7240	25.1200	24.0040
Icelandic króna (ISK)	143.9000	150.5000	149.3100	149.1300
Malaysian ringgit (MYR)	4.6454	5.0775	4.9503	4.9320
North Macedonian denar (MKD)	61.4950	61.4950	61.5319	61.4932
Polish złoty (PLN)	4.2750	4.3395	4.3058	4.5420
Romanian leu (RON)	4.9743	4.9756	4.9746	4.9467
Russian ruble (RUB)	115.6804	100.2150	100.4052	92.4486
Thai baht (THB)	35.6760	37.9730	38.1811	37.6311
Turkish lira (TRY)	36.7372	32.6531	35.5734	25.7597
Ukrainian hryvnia (UAH)	43.9266	42.2079	43.4588	39.5619
US dollar (USD)	1.0389	1.1050	1.0824	1.0813

Use of assumptions and estimates

The preparation of the consolidated financial statements for the year ended December 31, 2024 in conformity with IFRSs requires management to make a number of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and also the reported amounts of revenues and expenses during the reporting period. The main areas in which assumptions and estimates are used are in determining the useful lives of non-current assets and in the recognition and measurement of other provisions, pension provisions and corporate income taxes. Estimates are also used in determining lease terms and in calculating the discount rate in accounting for leases. Furthermore, in order to determine whether goodwill is impaired, it is necessary to determine the value-in-use of the cash-generating unit to which the goodwill is allocated. The calculation of the value-in-use requires an estimate of future cash flows from the cash-generating unit and a suitable discount rate for the present value calculation. In addition, discretionary decisions, estimates and assumptions are subject to increased uncertainty, particularly due to the fluctuating and sometimes erratic development of inflation and interest rates, as well as considerable volatility on the energy markets resulting from the war in Ukraine. Unforeseeable supply chain disruptions, for example due to blockades of sea routes and militant attacks on merchant ships, also contribute to this uncertainty. Estimates are based on empirical values and other assumptions that are deemed appropriate under the given circumstances. They are reviewed on an ongoing basis, but may deviate from the actual values. In considering the war in Ukraine and other trouble spots in the Middle East and around the world – and the associated effects on the economy – it is difficult to predict the duration and extent of possible effects on the net assets, financial position, results of operations and cash flows of the Group. The carrying amounts of the items affected by estimates can be found in the following sections of these Notes or in the balance sheet.

Notes to individual items of the consolidated statement of income

(6) Sales revenue

Sales revenues in the 2024 financial year amounted to € 960.0 million (previous year: € 993.6 million). This figure includes € 1.6 million (previous year: € 1.4 million) in sales proceeds from contractual obligations at the beginning of the reporting period. Revenues comprised € 805.3 million from the sale of goods and € 154.7 million from the provision of services, primarily in the form of transport services.

The majority of revenues from the sale of goods relate to the manufacture and sale of chemical products, which are mainly recognized at a point in time. In total, sales recognized at a specific point in time amounted to € 936.4 million and sales recognized over a specific period of time totaled € 23.6 million. Group sales in the reporting segments are distributed across various geographic markets. For more information, please refer to the segment report under Note (17).

(7) Purchased goods and services

Purchased goods and services T_A_12

Figures in €k	2024	2023
Cost of raw materials, supplies and merchandise	506,324	503,313
Cost of external services	146,474	129,254
Transport and warehouse costs	21,695	17,303
Purchased goods and services	**674,492**	649,871

The cost of materials increased by € 24.6 million compared to the previous year to € 674.5 million. This was mainly due to higher costs for purchased support services, plus freight, transportation and storage services.

(8) Other internal costs capitalized

The total of other internal costs capitalized essentially derives from manufacturing costs in respect of work or assets capitalized, with any material intercompany profits eliminated. This item increased from € 19.6 million in the previous year to € 23.4 million in fiscal 2024.

(9) Personnel expenses

Personnel expenses T_A_13

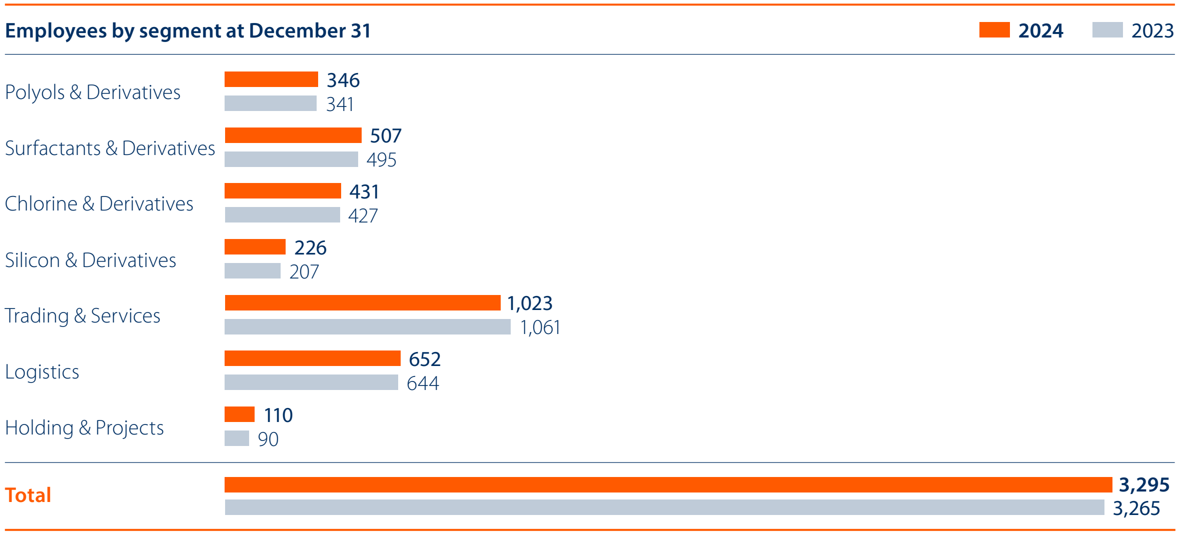
Figures in €k	2024	2023
Wages and salaries	125,316	115,962
Social security contributions	23,446	20,355
Pension costs	1,926	1,688
Personnel expenses	**150,688**	138,005

Personnel expenses rose from € 138.0 million in the previous year to € 150.7 million this time. Fiscal 2024 thus represents another year in which personnel expenses have risen.

Wage and salary increases continued to rise disproportionately due to high inflationary pressure. The number of employees also rose slightly.

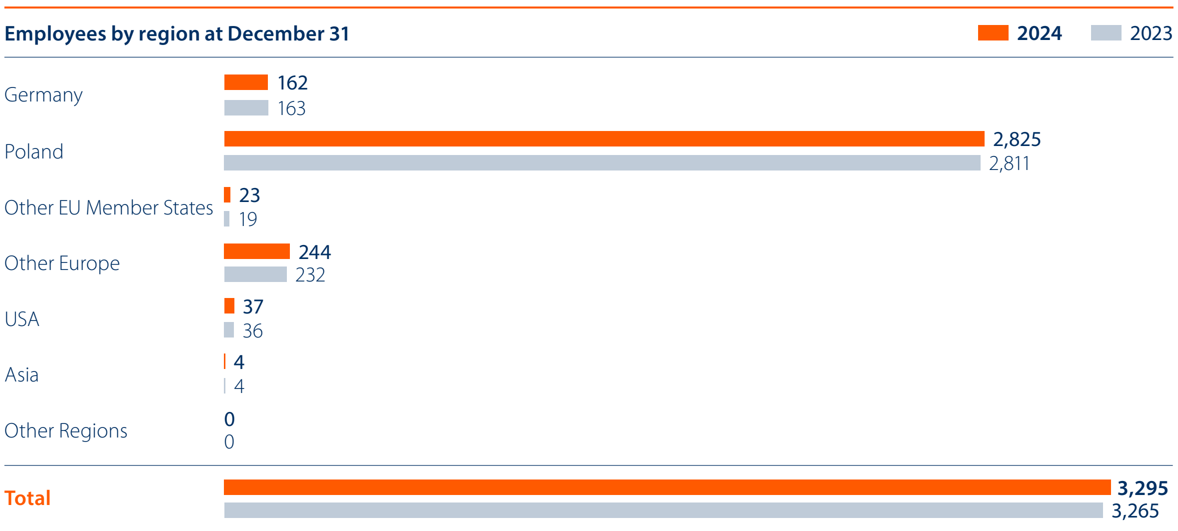
As of December 31, 2024, the PCC Group employed a total of 3,295 people (previous year: 3,265). On average for 2024, the PCC Group employed 3,289 people (previous year: 3,297). The majority of the increase was attributable to the Holding & Projects segment and the Silicon & Derivatives segment. After silicon metal production had only been operating at half-capacity in the previous year due to the difficult market situation, business operations were ramped up again in fiscal 2024 to two furnaces and thus to 100 % capacity. This was accompanied by the number of employees again increasing. The breakdown of employees by Group segment as at the balance sheet date is as follows:

G_A_01



Geographically, the number of employees as at the balance sheet date was distributed as follows:

G_A_02



(10) Other operating income

Other operating income increased by € 11.1 million from € 34.0 million in the previous year to € 45.0 million in the year under review. The rise is mainly due to income from the sale of CO_2 certificates and higher compensation payments in connection with CO_2 certificates.

These payments are granted by the Polish state as compensation for price increases in CO_2 certificates. As in the previous year, sundry other operating income comprises various items that are not individually material.

Other operating income T_A_14

Figures in € k	2024	2023
Income from compensation payments in connection with CO_2 certificates	19,441	16,145
Income from subsidies and grants	4,834	3,445
Income from release of other provisions	3,676	1,467
Income from sale of CO_2 certificates	3,007	–
Income from contractual penalties received	1,754	2,645
Income on disposal of property, plant and equipment	1,568	468
Income from costs recharged	1,152	2,522
Income from insurance reimbursements	426	774
Rental and similar income	246	237
Income from release of value adjustments and ECL on accounts receivable	101	180
Income from derivatives	12	42
Income from write-ups on property, plant and equipment	9	320
Income from deconsolidation	–	646
Sundry other operating income	8,803	5,065
Other operating income	**45,028**	33,956

(11) Other operating expenses

Other operating expenses increased by € 3.9 million from € 109.7 million in the previous year to € 113.6 million in the year under review. As in the previous year, maintenance and repair expenses constituted the largest single item at € 24.6 million. These expenses were mainly attributable to the asset-intensive business activities of the chemicals sites.

As in the previous year, expenses attributable to non-consolidated affiliated companies represent the second largest single item within other operating expenses and include expenses for quality assurance, and laboratory and administrative services.

The other taxes item includes all tax expenses that are not income taxes. Domestic and foreign income taxes and deferred taxes are reported separately in the tax result and explained in Note (16).

As in the previous year, sundry other operating expenses comprise various items that are not individually material.

Research and development expenses amounted to € 8.8 million in the 2024 reporting period (previous year: € 7.0 million). In addition, expenses for internally developed intangible assets and property, plant and equipment in the amount of € 1.1 million were capitalized (previous year: € 10.2 million).

Other operating expenses T_A_15

Figures in €k	2024	2023
Maintenance and repair expenses	24,580	31,825
Expenses charged by affiliated, non-consolidated companies	14,003	12,617
Insurance premiums	10,775	10,106
General business expenses	9,694	7,333
Legal, other consultancy and audit expenses	8,803	7,684
Other taxes	8,366	8,700
Travel and hospitality expenses	5,333	4,690
Non-wage personnel expenses	3,925	3,181
Rent and similar expenses	3,443	3,546
Marketing, selling and distribution expenses	2,892	2,178
Losses on disposal of property, plant and equipment	109	6
Increase in individual value adjustments and ECL on accounts receivable	53	346
Sundry other operating expenses	21,618	17,510
Other operating expenses	**113,594**	**109,722**

(12) Result from investments accounted for using the equity method

Due to loss allocations exceeding the equity value of OOO DME Aerosol, Pervomaysky (Russia), the equity value for this company is reported as zero. The losses are carried forward in a sub-ledger and initially offset against future profits before a positive share of earnings is reported in the consolidated income statement. The negative pro rata annual result of OOO DME Aerosol amounts to € –0.7 million (previous year: € –3.3 million). As at the reporting date of December 31, 2024, the cumulative losses therefore amounted to € 8.1 million (previous year: € 7.4 million).

The equity value of IRPC Polyol Company Ltd. Bangkok (Thailand), was adjusted in the reporting year, essentially due to the positive pro rata annual income of the company, and amounted to € 2.6 million as at the reporting date (previous year: € 2.1 million). The other changes relate to currency translation effects.

Effective April 5, 2024, PCC SE and PETRONAS Chemicals Group Berhad (PCG) each sold 2.5 % of their shares in the joint venture PCG PCC Oxyalkylates Sdn. Bhd., Malaysia, to the Malaysian state-owned company Mentri Besar, Terengganu (Incorporated). The equity value of PCG PCC Oxyalkylates Sdn. Bhd., Kuala Lumpur (Malaysia), was adjusted in the year under review by the negative pro rata annual result of the company and amounted to € 2.3 million as of the reporting date (previous year: € 12.0 million).

PCC SE has issued the financing bank of PCG PCC Oxyalkylates Sdn. Bhd. with a guarantee. At the time of preparation of these consolidated financial statements, utilization of this guarantee is not anticipated.

Development of the carrying amounts of investments accounted for using the equity method T_A_16

Figures in € k	2024	2023
Equity value at Jan. 1	**14,078**	15,263
Disposals	–800	–
Proportionate net profit / loss for the year	–9,259	–4,271
Reversal of negative value carried forward	713	3,323
Other changes	133	–237
Equity value at Dec. 31	**4,866**	14,078

Financial information on investments accounted for using the equity method T_A_17

	OOO DME Aerosol		IRPC Polyol Company Ltd.		PCG PCC Oxyalkylates Sdn. Bhd.	
Figures in € k	2024	2023	2024	2023	2024	2023
Statement of income data						
Sales revenue	9,108	7,784	32,707	34,072	1,965	–
EBITDA	3,078	3,146	1,520	1,145	–9,356	–2,003
EBT	–1,642	–7,055	680	329	–18,731	–2,224
Net Result	–1,471	–6,645	708	329	–18,735	–2,225
Balance sheet data at Dec. 31						
Non-current assets	15,871	17,861	5,885	5,880	99,139	93,379
Current assets	1,733	1,369	13,262	12,905	11,447	3,106
Non-current liabilities	27,485	28,389	2,537	2,511	87,056	67,325
Current liabilities	2,584	3,801	10,870	11,593	17,040	4,705

(13) Depreciation and amortization

Depreciation and amortization increased by € 7.2 million from € 78.9 million in the previous year to € 86.0 million in the year under review. Amortization of intangible non-current assets related to industrial property rights and similar rights and also internally generated and developed intangible assets. No impairment losses were recognized on goodwill either in the reporting period or in the previous year. Further information on goodwill can be found in Note (19).

Fiscal 2024 saw impairment losses of € 2.2 million recognized on intangible assets, property, plant and equipment and right-of-use assets (previous year: € 2.6 million). These mainly relate to capitalized project costs in the Holding & Projects segment, as the projects concerned are no longer being pursued.

Depreciation and amortization T_A_18

Figures in € k	2024	2023
Amortization of intangible assets	2,619	2,068
Depreciation of property, plant and equipment	66,345	62,186
Depreciation of right-of-use assets	17,085	14,617
Depreciation and amortization	**86,050**	**78,871**

(14) Interest result

The result from interest income and interest expenses declined from € – 39.6 million in the previous year to € – 45.7 million in the year under review. As in the previous year, the largest single item was interest expenses on bearer bonds. Interest expenses from bonds also recorded the highest absolute increase compared to the previous year. This is due on the one hand to a higher level of bond liabilities and on the other to a generally higher interest rate level. Both the parent company of the PCC Group and several subsidiaries issue bonds to finance investments and also to refinance maturing liabilities. Note (32) contains a detailed presentation of the bond liabilities and their maturities.

Interest attributable to investment projects that constitute a qualifying asset is capitalized during their construction period in accordance with IAS 23. In the past fiscal year, interest expenses of € 2.0 million were capitalized (previous year: € 0.9 million). The financing cost rate amounted to 7.0 % (previous year: 5.8 %). The weighted interest rate of all interest-bearing liabilities amounted to 5.1 % in fiscal 2024 (previous year: 4.7 %).

Interest result T_A_19

Figures in € k	2024	2023
Interest and similar income	**4,611**	**5,602**
Interest income from deposits	1,772	2,208
Interest income on bank balances	1,963	1,974
Income from discounting of non-current provisions	85	375
Interest income from derivative financial instruments	196	230
Interest income on loans to affiliated companies	595	815
Interest and similar expenses	**50,331**	**45,241**
Interest expenses on bearer bonds	25,544	20,950
Interest expenses on bank liabilities	20,624	19,037
Interest expenses on factoring arrangements	532	200
Interest expenses from discounting of non-current provisions	222	249
Interest expenses on leases	2,713	2,530
Interest expenses from derivative financial instruments	685	2,273
Interest expenses on loans received from affiliated companies	11	2
Interest result	**–45,719**	**– 39,639**

(15) Foreign currency translation result

Income and expenses from currency translation are reported under financial result. While income from currency translation increased from € 64.4 million in the previous year to € 81.5 million in the reporting year, expenses from currency translation decreased from € 77.8 million in the previous year to € 66.0 million in fiscal 2024. On balance, this resulted in a positive result of € 15.5 million. In the previous year, there was a negative result of € – 13.3 million. The main factors influencing the result from foreign currency translation are the exchange rate movements of the currencies of relevance to the PCC Group, primarily the Polish złoty and the US dollar.

Foreign currency translation result T_A_20

Figures in € k	2024	2023
Exchange rate gains	81,462	64,414
Exchange rate losses	65,971	77,759
Foreign currency translation result	**15,491**	**– 13,345**

(16) Taxes on income / Tax expense

The income taxes paid or owed in the individual countries and the deferred taxes recognized in profit or loss are reported as taxes on income. Taxes on income comprise trade and corporation tax, the solidarity surcharge payable in Germany, and the corresponding foreign income taxes. Other taxes include property taxes, wealth taxes and other comparable types of taxes. They are allocated to other operating expenses.

Taxes on income are mainly attributable to the segments Silicon & Derivatives in the amount of € 9.6 million, Holding & Projects in the amount of € 2.8 million, Trading & Services in the amount of € 2.8 million and Surfactants & Derivatives in the amount of € 2.1 million. From a regional perspective, € 9.2 million was attributable to Other Europe, € 7.1 million to Poland and € 2.1 million to Germany.

The relationship between the actual and expected tax expense or income based on the consolidated income result is shown in the table overleaf. As in the previous year, the expected tax expense or income is based on a simplified income tax rate of 30 %. The effective tax rate of the PCC Group in the year under review was – 62.8 % (previous year: – 20.4 %).

Taxes on income T_A_21

Figures in € k	2024	2023
Current taxes on income, Germany	1,277	2,952
Current taxes on income, abroad	6,113	12,268
Current income tax expense	**7,390**	**15,220**
Expenses (+) / income (–) from deferred taxes	11,121	– 10,975
Taxes on income	**18,511**	**4,245**
Other taxes incl. sales taxes, VAT, customs, excise and other duties	8,366	8,700
Tax expense	**26,877**	**12,945**

The BEPS Pillar Two regulations were transposed into German law at the end of 2023 [MinStG] and came into force on January 1, 2024. The PCC Group falls within the scope of these regulations. The PCC Group conducted an analysis as of the reporting date to determine the extent to which the Group is affected by, and the jurisdictions in which it is exposed to, potential impacts in connection with a Pillar Two top-up tax. The first step was to check whether the transitional CbCR Safe Harbor regulations are relevant. This analysis showed that one jurisdiction does not fall under the Transitional CbCR Safe Harbor regulations. The Transitional CbCR Safe Harbor test is not relevant for the Russian Federation. However, a simplified Pillar Two calculation did not result in any top-up tax owing as at December 31, 2024.

Tax loss carryforwards exist in individual Group companies. The adjacent table shows the time bands in which tax loss carryforwards for which deferred taxes have been recognized can be used.

The loss carryforwards for which deferred taxes were recognized decreased by € 30.9 million compared to the previous year, mainly due to losses from silicon metal production in Iceland that were no longer deductible. In addition to a temporary electricity shortage, quality problems with raw materials and interruptions to furnace operations, cheap, tariff-free imports from China and Brazil in particular led to a market price level below production costs and thus to the loss situation in the Silicon Metal business unit. Loss carryforwards for which no deferred taxes were recognized amounted to € 317.4 million (previous year: € 179.8 million) and mainly arose in the Group holding company.

Reconciliation to effective income tax T_A_22

Figures in € k	2024	2023
Earnings before taxes	**–29,480**	**–20,789**
Anticipated income tax charge at parent company tax rate	0	0
Effects arising from tax rate changes	–2	–
Foreign tax rate differentials	–2,917	–2,193
Result from investments accounted for using the equity method	–8,545	948
Non-taxable income	–55,337	–27,215
Non-deductible expenses	124,722	23,400
Deduction of losses for which deferred taxes have been recognized	–1,015	–
Deduction of losses for which deferred taxes have not been recognized	–1,286	–4,014
Taxes relating to other periods	146	–293
Result in special economic zones	–5,835	–8,335
Permanent differences	–17,334	14,871
Other effects	–14,087	7,077
Effective income tax	**18,511**	**4,245**

Maturity profile of usable tax loss carryforwards T_A_23

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Usable within:		
1 year	–	475
2 years	491	–
3 years	733	417
4 years	7,042	602
5 years and thereafter	129,458	167,017
Can be carried forward indefinitely	1,602	1,708
Usable tax loss carryforwards	**139,326**	**170,218**

Segment report

(17) Business segment report

The PCC Group currently has around 3,300 employees at 41 sites in 18 countries. The investment portfolio is divided into seven segments. The six segments Polyols & Derivatives, Surfactants & Derivatives, Chlorine & Derivatives, Silicon & Derivatives, Trading & Services and Logistics are allocated full operational responsibility. Assigned to these six segments are a total of 17 business units that are managed by our international companies and entities. The seventh segment, Holding & Projects, includes not only the holding company PCC SE but also other companies and entities that either function as intermediate holding companies or are still in the project development stage. These include PCG PCC Oxyalkylates Sdn. Bhd. and PCC GulfChem Corporation.

The pooling of the businesses into the six operating segments strengthens synergy effects and sharpens the profile of the individual units and entities, very much in keeping with the PCC Group's strategy of active investment portfolio management and ongoing optimization. The management of assets and investments, and the examination of further acquisitions with the aim of achieving competency-related diversification into new market segments are at the heart of Group policy. In the long term, this is intended to secure sustainable growth and continuously increase the enterprise value of PCC.

Segments and business units of the PCC Group G_L_01

Segments	Polyols & Derivatives	Surfactants & Derivatives	Chlorine & Derivatives	Silicon & Derivatives	Trading & Services	Logistics	Holding & Projects
Business units	– Polyols – Polyurethane Systems – Alkylphenols	– Anionic Surfactants – Non-ionic Surfactants – Amphoteric Surfactants (Betaines) – Household and Industrial Cleaners, Detergents and Personal Care Products	– Chlorine – Chlorine Downstream Products – MCAA – Phosphorus and Naphthalene Derivatives	– Quartzite – Silicon Metal	– Commodity Trading – Services	– Intermodal Transport – Road Haulage	– Portfolio Management – Project Development

The **Polyols & Derivatives** segment comprises the Polyols, Polyurethane Systems and Alkylphenols business units. Polyols are the basic ingredients of polyurethane (PU) foams. They have a wide range of applications in a variety of sectors, from the PCC foam technology iPoltec® for high-comfort mattresses to PU foam systems for the effective and climate-friendly thermal insulation of buildings.

The **Surfactants & Derivatives** segment comprises the business units Anionic Surfactants, Non-ionic Surfactants, Amphoteric Surfactants (Betaines) and Household and Industrial Cleaners, Detergents and Personal Care Products. Because of their multiple effects in foaming, wetting, emulsifying and cleaning, surfactants are essential ingredients in many products. In toothpastes they generate the cleaning effect and foaming action, while in dishwashing products they ensure that dirt and grease are effectively dislodged from hard surfaces.

The **Chlorine & Derivatives** segment comprises the business units Chlorine, Chlorine Downstream Products, MCAA, and Phosphorus & Naphthalene Derivatives. Chlorine is not only one of the most widely used basic substances in the chemical industry, it is also an indispensable part of many people's everyday lives: In a swimming pool, for example, it acts as a disinfectant to protect against pathogens. Produced by the environmentally compatible membrane process, chlorine and downstream chlorine products manufactured by the PCC Group are also used in water treatment and in the petrochemical industry.

The **Silicon & Derivatives** segment is divided into the business units Quartzite and Silicon Metal. Silicon metal is used, among other things, in the aluminum industry as an alloying element for automotive production purposes and in the chemical industry, e.g. for the production of silicones, silanes, and polysilicon, the basic material employed in the manufacture of the wafers used in solar photovoltaic panels. An appreciable long-term increase in demand is predicted for metallurgical-grade silicon due to the advent of new applications related to climate protection, such as the latest battery technology. The PCC Group uses electricity from 100 % renewable sources for silicon metal production, with the starting material quartzite being extracted by PCC SE in the Group's own quartzite quarry in Zagórze, Poland.

The **Trading & Services** segment comprises the two business units Commodity Trading and Services. Its petrochemical and carbon commodities trading portfolio includes chemical raw materials, in particular coke oven by-products such as crude tar and crude benzene. The portfolio of the Services unit encompasses IT Services and the Conventional Energies business areas. The PCC Group's combined heat and power plant at the Brzeg Dolny chemicals site supplies the production facilities there with electricity and process steam, while also providing large parts of the town with district heating energy.

The **Logistics** segment comprises the Intermodal Transport and Road Haulage business units. The PCC Group is one of the leading providers of container transport services in Poland. Its logistics network extends from Eastern Europe to the Benelux countries and, via the New Silk Road, to China and other Asian hubs. The PCC Group has five Group-owned container terminals and rail licenses in Poland and Germany. The PCC tanker fleet specializes in the Europe-wide road haulage of liquid chemicals.

The **Holding & Projects** segment is divided into the two business units, Portfolio Management and Project Development. Entities that are in the planning and construction phase, in particular chemical production facilities, are allocated to this segment. Such investment projects are not assigned to the respective operating segment until after the start of production. This relieves the prospective segment of the burden of project management while also making effective use of the project experience of the Group's corporate management. The Holding & Projects segment is also responsible for management of our environmentally friendly small hydropower plants in the Renewable Energies business area.

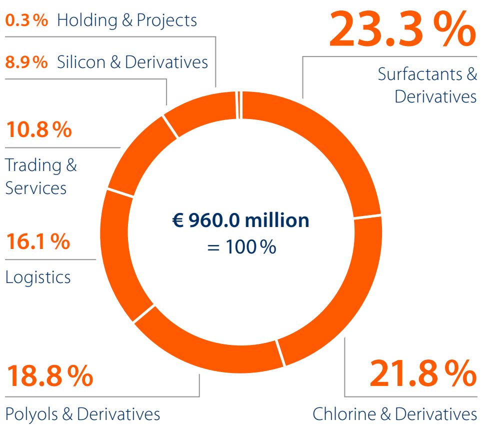
The valuation principles for segment reporting are based on the valuation principles used in the consolidated financial statements. Intra-group / intercompany transactions are generally treated as if they were conducted between third parties. In accordance with IFRS 8, operating segments are defined on the basis of internal reporting on the Group's business areas whose operating results are regularly reviewed by the chief operating decision-maker for the purposes of allocating resources to the segments and in order to assess their performance. Information reported to the main decision-makers for these purposes relates to the types of products manufactured and / or services provided.

Group sales amounted to € 960.0 million in fiscal 2024, down € 33.6 million or 3.4 % on the previous year's revenue figure of € 993.6 million. With sales of € 223.7 million, the Surfactants & Derivatives segment was the main revenue generator. Compared to the previous year's sales of € 206.6 million, this represents an increase of € 17.1 million or 8.3 %. The segment's share of Group sales increased to 23.3 % (previous year: 20.8 %). The Chlorine & Derivatives segment generated sales of € 209.7 million, down € 65.9 million or 23.9 % on the previous year's figure of € 275.6 million. Its share of total sales of the PCC Group decreased by 5.9 percentage points to 21.8 % (previous year: 27.7 %). Sales of the Polyols & Derivatives segment amounted to € 180.8 million, down € 10.3 million or 5.4 % on the prior-year figure of € 191.1 million, with its share of Group sales decreasing to 18.8 % (previous year: 19.2 %). Sales in the Silicon & Derivatives segment amounted to € 85.0 million, an increase of € 13.0 million or 18.1 % year on year (previous year: € 72.0 million). The segment's share of Group sales amounted to 8.9 % (previous year: 7.2 %). In the Trading & Services segment, revenue fell by € 13.9 million or 11.8 % to € 103.8 million (previous year: € 117.6 million). Its share of total consolidated sales decreased by one percentage point to 10.8 %. The Logistics segment recorded a year-on-year increase in sales of € 26.9 million or 21.0 % to € 154.6 million in fiscal 2024 (previous year: € 127.7 million). The segment's share of Group sales amounted to 16.1 % (previous year: 12.9 %).

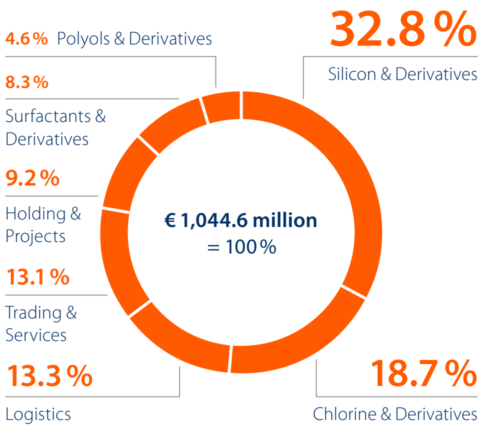
Reconciliation to earnings before taxes
T_A_24

Figures in € k	2024	2023
EBITDA	**87,951**	**112,272**
Depreciation and amortization	86,050	78,871
Financial result	−31,381	−54,190
EBT	**−29,480**	**−20,789**

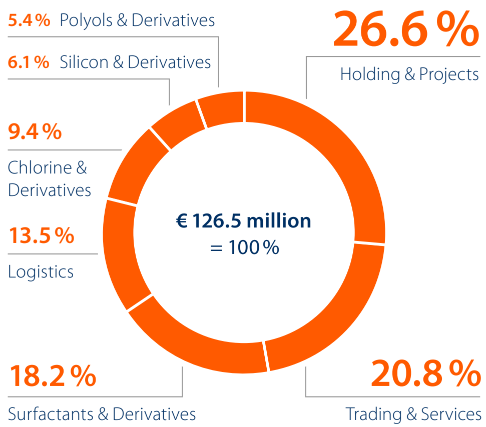
Sales by segment
G_A_04



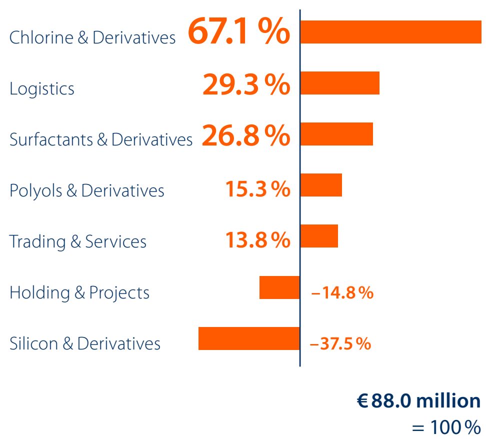
Property, plant and equipment by segment
G_A_05



Capital expenditures by segment
G_A_06



EBITDA by segment
G_A_07



Business segment analysis

T_A_25

2024 Figures in €k	Polyols & Derivatives	Surfactants & Derivatives	Chlorine & Derivatives	Silicon & Derivatives	Trading & Services	Logistics	Holding & Projects	Consolidation effects	PCC Group
Total segment sales (total operating output)	249,131	261,114	317,238	91,287	259,120	171,641	4,403	–	1,353,934
Sales with other PCC Segments	68,377	37,419	107,564	6,248	155,357	17,047	1,938	–	393,950
Net external sales (consolidated)	**180,754**	**223,695**	**209,674**	**85,039**	**103,763**	**154,594**	**2,464**	**–**	**959,985**
Contribution to Group revenue	18.8 %	23.3 %	21.8 %	8.9 %	10.8 %	16.1 %	0.3 %	–	100.0 %
EBITDA	13,470	23,568	58,997	–32,977	12,145	25,791	-8,950	–4,094	87,951
EBITDA margin	7.5 %	10.5 %	28.1 %	–38.8 %	11.7 %	16.7 %	< –100 %	–	9.2 %
EBIT	7,491	18,754	38,099	–50,434	–2,088	7,144	–13,029	–4,036	1,901
EBIT margin	4.1 %	8.4 %	18.2 %	–59.3 %	–2.0 %	4.6 %	< –100 %	–	0.2 %
Interest and similar income	700	251	1,001	34	1,169	37	9,460	–8,039	4,611
Interest and similar expenses	2,081	5,765	5,350	13,293	3,884	4,542	23,333	–7,917	50,331
Intangible assets	6,546	2,504	14,168	134	13,928	820	8,734	6,177	53,011
Property, plant and equipment	47,710	86,705	195,097	342,575	137,101	139,088	98,898	–2,601	1,044,573
Financial liabilities	32,867	94,042	91,232	325,315	63,986	73,343	516,323	–238,882	958,226
Capital expenditures on intangible assets and property, plant and equipment	6,822	22,979	11,911	7,773	26,338	17,119	58,341	–24,738	126,546
Depreciation and amortization	5,979	4,815	20,898	17,457	14,233	18,647	4,079	–58	86,050
Capital employed (average)	87,654	128,555	297,751	351,829	201,154	144,804	1,593,839	–1,507,528	1,298,058
ROCE	8.5 %	14.6 %	12.8 %	–14.3 %	–1.0 %	4.9 %	–0.8 %	–	0.1 %
Result from investments accounted for using the equity method	354	–	–	–	–	–	–8,899	–	–8,545

Business segment analysis

T_A_26

2023 Figures in €k	Polyols & Derivatives	Surfactants & Derivatives	Chlorine & Derivatives	Silicon & Derivatives	Trading & Services	Logistics	Holding & Projects	Consolidation effects	**PCC Group**
Total segment sales (total operating output)	261,995	243,383	406,000	73,571	265,550	144,196	3,056	–	**1,397,751**
Sales with other PCC Segments	70,925	36,825	130,421	1,582	147,909	16,468	–	–	**404,130**
Net external sales (consolidated)	**191,070**	**206,558**	**275,579**	**71,989**	**117,641**	**127,727**	**3,056**	**–**	**993,621**
Contribution to Group revenue	19.2 %	20.8 %	27.7 %	7.2 %	11.8 %	12.9 %	0.3 %	–	**100.0 %**
EBITDA	9,080	25,017	99,861	– 42,673	10,432	19,091	– 15,213	6,678	**112,272**
EBITDA margin	4.8 %	12.1 %	36.2 %	– 59.3 %	8.9 %	14.9 %	< – 100 %	–	**11.3 %**
EBIT	3,133	20,484	79,919	– 59,999	– 2,211	3,082	– 17,727	6,720	**33,401**
EBIT margin	1.6 %	9.9 %	29.0 %	– 83.3 %	– 1.9 %	2.4 %	< – 100 %	–	**3.4 %**
Intangible assets	6,077	2,018	14,837	170	16,959	626	5,436	6,193	**52,316**
Property, plant and equipment	58,097	78,460	199,966	332,900	137,668	140,537	51,467	– 2,806	**996,288**
Financial liabilities	33,005	79,042	90,972	283,544	52,391	88,164	470,903	– 195,152	**902,869**
Capital expenditures on intangible assets and property, plant and equipment	5,481	14,468	16,608	2,019	22,586	45,557	43,122	– 7,367	**142,475**
Depreciation and amortization	5,947	4,533	19,942	17,326	12,643	16,009	2,514	– 42	**78,871**
Capital employed (average)	68,612	109,419	225,991	375,019	157,074	133,381	1,289,934	– 1,071,494	**1,287,936**
ROCE	4.6 %	18.7 %	35.4 %	– 16.0 %	– 1.4 %	2.3 %	– 1.4 %	–	**2.6 %**
Result from investments accounted for using the equity method	164	–	–	–	–	–	– 1,113	–	**– 948**

Previous year's figures by segment for interest and similar income, and interest and similar expenses, are not available.

(18) Regional report

Regional analysis

T_A_27

2024 Figures in €k	Germany	Poland	Other EU Member States	Other Europe	USA	Asia	Other Regions	Consolidation effects	**PCC Group**
Customer location									
Net external sales (consolidated)	168,402	378,283	289,589	38,676	23,182	31,983	29,870	–	959,985
Contribution to Group revenue	17.5 %	39.4 %	30.2 %	4.0 %	2.4 %	3.3 %	3.1 %	–	100.0 %
Company location									
Net external sales (consolidated)	66,594	765,111	8,770	80,148	25,294	14,069	–	–	959,985
Contribution to Group revenue	6.9 %	79.7 %	0.9 %	8.3 %	2.6 %	1.5 %	–	–	100.0 %
EBITDA	– 5,968	137,550	– 281	– 33,938	– 808	241	–	– 8,845	87,951
EBITDA margin	– 9.0 %	18.0 %	– 3.2 %	– 42.3%	– 3.2 %	1.7 %	–	–	9.2 %
EBIT	– 10,678	74,282	– 319	– 51,783	– 977	220	–	– 8,845	1,901
EBIT margin	– 16.0 %	9.7 %	– 3.6 %	– 64.6%	– 3.9 %	1.6 %	–	–	0.2 %
Interest and similar income	2,313	2,217	33	49	0	–	–	–	4,611
Interest and similar expenses	23,969	20,885	76	14,819	140	1	–	–9,561	50,331
Intangible assets	8,142	42,414	–	1,408	1,048	–	–	–	53,011
Property, plant and equipment	3,780	672,824	1,069	355,453	11,430	16	–	–	1,044,573
Financial liabilities	503,190	353,711	2,256	350,336	4,531	18	–	– 255,816	958,226
Capital expenditures on intangible assets and property, plant and equipment	17,425	102,239	1	7,812	4,606	47	–	– 5,583	126,546
Depreciation and amortization	4,710	63,268	38	17,844	169	21	–	–	86,050
Result from investments accounted for using the equity method	–	–	–	–	–	– 8,545	–	–	– 8,545

Regional analysis

T_A_28

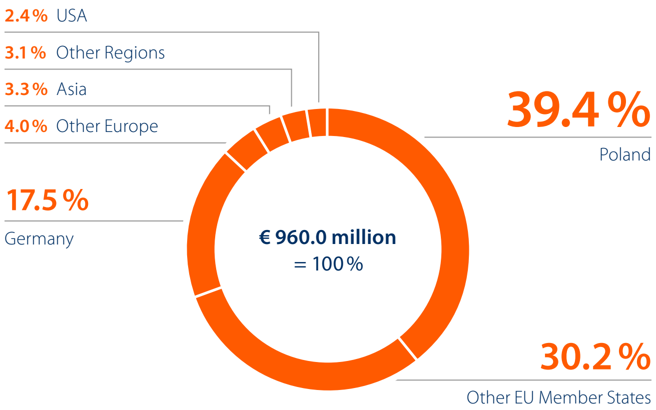
2023 Figures in €k	Germany	Poland	Other EU Member States	Other Europe	USA	Asia	Other Regions	Consolidation effects	**PCC Group**
Customer location									
Net external sales (consolidated)	193,467	378,009	286,222	41,103	23,470	30,540	40,810	–	**993,621**
Contribution to Group revenue	19.5 %	38.0 %	28.8 %	4.1 %	2.4 %	3.1 %	4.1 %	–	**100.0 %**
Company location									
Net external sales (consolidated)	80,082	800,215	6,779	68,967	21,599	15,980	–	–	**993,621**
Contribution to Group revenue	8.1 %	80.5 %	0.7 %	6.9 %	2.2 %	1.6 %	–	–	**100.0 %**
EBITDA	–17,296	163,770	–294	–39,589	182	335	–	5,164	**112,272**
EBITDA margin	–21.6 %	20.5 %	–4.3 %	–57.4 %	0.8 %	2.1 %	–	–	**11.3 %**
EBIT	–19,779	105,845	–1,246	–56,871	–33	320	–	5,164	**33,401**
EBIT margin	–24.7 %	13.2 %	–18.4 %	–82.5 %	–0.2 %	2.0 %	–	–	**3.4 %**
Intangible assets	4,944	44,847	2	1,537	986	–	–	–	**52,316**
Property, plant and equipment	9,499	635,924	1,111	346,565	3,213	1	–	–24	**996,288**
Financial liabilities	473,181	333,250	1,976	315,273	946	9	–	–221,766	**902,869**
Capital expenditures on intangible assets and property, plant and equipment	21,290	123,616	80	1,906	367	16	–	–4,802	**142,475**
Depreciation and amortization	2,482	57,925	953	17,281	215	15	–	–	**78,871**
Result from investments accounted for using the equity method	–	–	–	–	–	–948	–	–	**–948**

Previous year's figures by segment for interest and similar income, and interest and similar expenses, are not available.

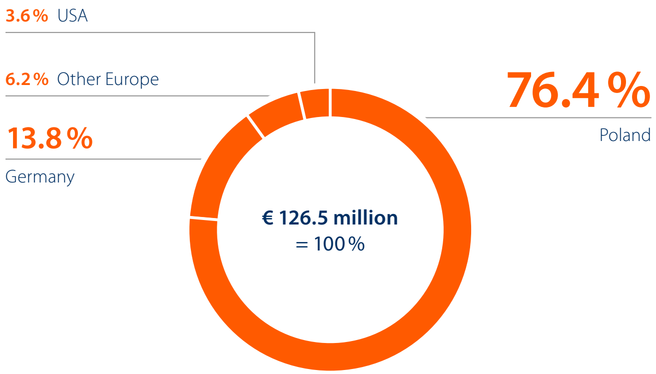
As part of regular internal and external reporting, the business of the PCC Group is divided geographically into seven regions (Germany, Poland, Other EU Member States, Other Europe, USA, Asia and Other Regions). In fiscal 2024, the Group generated 17.5 % of its sales with customers in Germany (previous year: 19.5 %), while 39.4 % was attributable to customers in Poland (previous year: 38.0 %). Overall, the PCC Group generated 87.1 % of its sales with customers in the member states of the European Union (previous year: 86.3 %), with Poland and Germany as the primary markets.

At € 765.1 million (previous year: € 800.2 million), Poland accounted for 79.7 % of Group sales to third parties in 2024, as calculated by company location (previous year: 80.5 %). At € 378.3 million (previous year: € 378.0 million), the figure based on customer location was 39.4 % (previous year: 38.0 %). In Germany, sales decreased from € 193.5 million in the previous year to € 168.4 million in the reporting year, based on customer location. By company location, sales fell from € 80.1 million in the previous year to € 66.6 million in the reporting year.

Sales by region G_A_08



Capital expenditures by region G_A_09



Investments decreased in comparison to the previous year and totaled € 126.5 million (previous year: € 142.5 million). At € 102.2 million (previous year: € 123.6 million), the largest share of these capital expenditures in fiscal 2024 was invested in the Poland region. In addition to the completion of the new ethoxylation plant, investments were also made in the oxyalkylates facility under construction at the Brzeg Dolny site. This was accompanied by investment in infrastructure, for example in the local electricity grid. Investments were also made in the purchase of additional locomotives, platforms and container cranes.

Notes to individual items of the consolidated balance sheet

(19) Intangible assets

Changes in intangible assets

T_A_29

Figures in € k	Industrial property rights and similar rights	Goodwill	Internally generated intangible assets	Advance payments on intangible assets	Total
Historical cost					
Balance at Jan. 1, 2024	44,639	8,875	13,183	9,069	**75,767**
Additions	8,094	–	47	4,709	**12,850**
Disposals	10,275	–	39	10	**10,324**
Reclassifications	708	–	57	–815	**–49**
Currency translation differences	581	116	182	83	**961**
Balance at Dec. 31, 2024	**43,748**	**8,991**	**13,430**	**13,036**	**79,205**
Amortization					
Balance at Jan. 1, 2024	17,241	840	4,051	1,318	**23,451**
Additions	1,790	–	732	–	**2,523**
Disposals	182	–	39	–	**222**
Impairment write-downs	3	–	–	93	**96**
Impairment write-ups	–	–	–	–	**–**
Currency translation differences	210	53	64	18	**345**
Balance at Dec. 31, 2024	**19,062**	**894**	**4,808**	**1,429**	**26,193**
Net carrying amount at Dec. 31, 2024	24,686	8,097	8,622	11,606	**53,011**

T_A_30

Figures in € k	Industrial property rights and similar rights	Goodwill	Internally generated intangible assets	Advance payments on intangible assets	Total
Historical cost					
Balance at Jan. 1, 2023	43,199	8,941	12,150	6,858	**71,147**
Additions	14,311	–	164	2,555	**17,031**
Disposals	16,133	–	44	276	**16,453**
Reclassifications	416	–	36	–452	**–**
Currency translation differences	2,846	–66	878	385	**4,043**
Balance at Dec. 31, 2023	**44,639**	**8,875**	**13,183**	**9,069**	**75,767**
Amortization					
Balance at Jan. 1, 2023	15,199	871	2,944	1,570	**20,584**
Additions	1,194	–	713	–	**1,907**
Disposals	1	–	30	276	**307**
Impairment write-downs	–	–	161	–	**161**
Impairment write-ups	–2	–	–	–91	**–93**
Currency translation differences	851	–30	263	115	**1,198**
Balance at Dec. 31, 2023	**17,241**	**840**	**4,051**	**1,318**	**23,451**
Net carrying amount at Dec. 31, 2023	**27,398**	**8,035**	**9,132**	**7,751**	**52,316**

Intangible assets include industrial property rights, licenses and similar rights, goodwill, internally generated and developed assets, and advance payments on intangible assets. The net carrying amounts increased from € 52.3 million in the previous year to € 53.0 million as at December 31, 2024.

Impairment losses of € 0.1 million (previous year: € 0.2 million) were recognized in the reporting year and mainly relate to charges incurred in the Chlorine & Derivatives segment. As at the reporting date, there were restricted rights of disposal on intangible assets in the amount of € 0.6 million (previous year: € 0.5 million). In addition, there were investment obligations relating to intangible assets amounting to € 0.2 million (previous year: –), these being investments that had already been contractually agreed but had not yet been completed.

Exploration and production activities are carried out in one subsidiary. The net carrying amount of this item included in intangible assets amounted to € 0.1 million as at the reporting date (previous year: € 0.2 million). There were no exploration activities in the year under review. This subject area is not material for the PCC Group and is therefore not presented separately in the reconciliation statement.

Goodwill

Any excess of cost of acquisition over net assets acquired during the initial consolidation of subsidiaries is recognized as goodwill in the consolidated balance sheet. This goodwill is not subject to amortization but is tested for impairment at least once a year in accordance with IFRS 3.

The presentation shows all goodwill existing in the Group as at December 31, 2024. This also includes the goodwill of the US company PCC Chemax, Inc., Piedmont (South Carolina), which was transferred from the separate financial statements. As in the previous year, there were neither additions nor impairments in the year under review. The change in the goodwill of PCC Chemax, Inc. results from a currency translation effect, as the goodwill is carried in the currency of the cash-generating unit of the company, i.e. US dollars. The annual impairment tests were performed in the fourth quarter of the fiscal year and were based on the budgets approved by the company management for the three subsequent years. Using a perpetuity growth model, a terminal value was determined on the basis of the last budget year.

The recoverable amount was determined on the basis of value-in-use. As in the previous year, the growth rate assumed was 1.0 %. The budget assumptions derive from empirical values and estimates of the various business managements, taking into account centrally defined global positions such as exchange rates, estimates of economic development, market growth or commodity prices, for which purpose external sources were also consulted. The local tax rates assumed were 19.0 % for the Polish cash-generating units and 23.6 % for the US cash-generating unit. The tax rates were unchanged from the previous year. As in the previous year, the cost of capital was calculated on a region-specific basis. This was 9.19 % for Poland (previous year: 8.61 %) and 8.34 % for the USA (previous year: 7.67 %). Even taking into account a change in the weighted average cost of capital (WACC) of 10 %, there would be no write-down requirement.

Goodwill T_A_31

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
PCC Silicium S.A.	2,615	2,615
PCC Intermodal S.A.	2,593	2,593
PCC Rokita subgroup	1,330	1,330
PCC Chemax, Inc.	1,045	982
PCC Exol SA	515	515
Goodwill	**8,097**	**8,035**

(20) Property, plant and equipment

Changes in property, plant and equipment

T_A_32

Figures in €k	Land and buildings	Plant and machinery	Factory and office equipment	Advance payments and construction in progress	Total
Historical cost					
Balance at Jan. 1, 2024	401,186	666,624	304,195	104,544	1,476,548
Changes in consolidation scope	–	–	–	2,506	2,506
Additions	494	6,829	9,364	84,838	101,524
Disposals	886	11,686	10,715	5,104	28,390
Reclassifications	4,142	19,089	13,666	–33,731	3,166
Currency translation differences	16,436	17,620	4,528	1,437	40,021
Balance at Dec. 31, 2024	**421,372**	**698,475**	**321,038**	**154,490**	**1,595,375**
Depreciation					
Balance at Jan. 1, 2024	69,436	264,329	141,219	5,276	480,260
Changes in consolidation scope	–	–	–	–	–
Additions	10,100	39,269	14,913	–	64,282
Disposals	475	6,037	2,328	19	8,860
Impairment write-downs	259	25	285	1,495	2,064
Impairment write-ups	–7	–2	–	–1	–10
Reclassifications	–	1,250	1,061	–	2,311
Currency translation differences	2,210	6,230	2,239	76	10,755
Balance at Dec. 31, 2024	**81,523**	**305,063**	**157,389**	**6,827**	**550,802**
Net carrying amount at Dec. 31, 2024	**339,849**	**393,413**	**163,648**	**147,662**	**1,044,573**

T_A_33

Figures in €k	Land and buildings	Plant and machinery	Factory and office equipment	Advance payments and construction in progress	Total
Historical cost					
Balance at Jan. 1, 2023	386,024	585,244	261,023	94,952	1,327,244
Changes in consolidation scope	–	–47	–	–	–47
Additions	126	1,138	16,673	106,472	124,409
Disposals	82	6,013	2,055	3,495	11,645
Reclassifications	14,356	60,450	8,987	–99,042	–15,248
Currency translation differences	761	25,851	19,567	5,656	51,835
Balance at Dec. 31, 2023	**401,186**	**666,624**	**304,195**	**104,544**	**1,476,548**
Depreciation					
Balance at Jan. 1, 2023	59,061	217,775	117,274	4,928	399,039
Changes in consolidation scope	–	–23	–	–	–23
Additions	10,045	36,021	13,647	–	59,713
Disposals	–180	5,618	1,720	907	8,065
Impairment write-downs	59	1,345	44	1,025	2,473
Impairment write-ups	–	–325	–	–143	–468
Reclassifications	–1,141	1,013	2,882	–	2,753
Currency translation differences	1,232	14,140	9,094	372	24,838
Balance at Dec. 31, 2023	**69,436**	**264,329**	**141,219**	**5,276**	**480,260**
Net carrying amount at Dec. 31, 2023	331,750	402,294	162,975	99,268	**996,288**

The net carrying amount of property, plant and equipment increased from € 996.3 million in the previous year to € 1,044.6 million as of December 31, 2024. This is mainly due to the investment measures in the PCC Group, which were continued or completed in the fiscal year under review, with replacement investments also ongoing. Additions to property, plant and equipment amounted to € 101.5 million in fiscal 2024 (previous year: € 124.4 million). The investments were mainly spread across the Trading & Services, Surfactants & Derivatives, and Logistics segments, accompanied by project development activities in the Holding & Projects segment. Additions to depreciation of property, plant and equipment amounted to € 64.3 million in the year under review (previous year: € 59.7 million). Impairment losses on property, plant and equipment amounted to € 2.1 million (previous year: € 2.5 million) and relate primarily to capitalized project costs in the Holding & Projects segment, as these projects are no longer being pursued, and also land, buildings and factory and office equipment in the Trading & Services segment. There were no material reversals of impairment losses either in the reporting year or in the previous year.

As at the 2024 reporting date, there were disposal restrictions on individual items of property, plant and equipment amounting to € 545.4 million (previous year: € 501.5 million). These also serve as collateral for liabilities. In total, there were investment obligations of € 55.2 million as at December 31, 2024 (previous year: € 19.7 million), which were attributable to capital expenditures that had already been contractually agreed but had not yet been completed. In addition, € 0.3 million (previous year: € 0.6 million) in insurance compensation payments attributable to property, plant and equipment were received in the reporting year.

(21) Right-of-use assets

Changes of right-of-use assets T_A_34

Figures in € k	2024	2023
Historical cost		
Balance at Jan. 1	130,666	100,375
Changes in consolidation scope	–	– 11
Additions	26,169	17,417
Disposals	14,123	8,917
Reclassifications	–3,117	15,248
Currency translation differences	1,425	6,555
Balance at Dec. 31	**141,020**	**130,666**
Depreciation		
Balance at Jan. 1	49,624	42,111
Changes in consolidation scope	–	– 8
Additions	17,085	14,617
Disposals	13,290	7,692
Reclassifications	–2,311	– 2,753
Currency translation differences	776	3,348
Balance at Dec. 31	**51,884**	**49,624**
Net carrying amount at Dec. 31	**89,136**	**81,042**

Within the PCC Group, leases exist particularly in the areas of developed and undeveloped land, buildings, plant and machinery, factory and office equipment, and vehicle fleets. Extension and termination options are agreed in some cases to ensure flexibility. When determining the term of the lease, all circumstances and facts are considered which, based on the current state of knowledge, have an influence on the exercise of a renewal or extension option or the non-exercise of a termination option. In determining lease liabilities and corresponding right-of-use assets, all sufficiently assured cash outflows are taken into account. The net carrying amount of right-of-use assets as of year-end was € 89.1 million (previous year: € 81.0 million). The breakdown by underlying asset type reads as follows:

Net carrying amount, right-of-use assets T_A_35

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Land and buildings	28,533	28,332
Plant and machinery	22,231	21,960
Other facilities, factory and office equipment, incl. vehicle fleet	38,373	30,750
Right-of-use assets, net carrying amount	**89,136**	**81,042**

The underlying contractual terms for leases on land and buildings range from one to 28 years. Plant and machinery are leased for between one and five years, and other facilities, factory and office equipment, including our vehicle fleet, for between one and six years. Classified by underlying asset type, the depreciation expenses totaling € 17.1 million (previous year: € 14.6 million) on right-of-use assets in fiscal 2024 break down as follows:

Depreciation, right-of-use assets T_A_36

Figures in € k	2024	2023
Land and buildings	1,330	1,268
Plant and machinery	8,787	8,072
Other facilities, factory and office equipment, incl. vehicle fleet	6,968	5,278
Right-of-use assets, depreciation	**17,085**	**14,617**

(22) Non-current financial assets

Non-current financial assets include shares in affiliated companies that are not consolidated for reasons of materiality, investments in other entities, and securities held as financial assets. Also reported under this item are positive fair values of derivative financial instruments. As at the reporting date, non-current financial assets amounted to a total of € 12.6 million (previous year: € 17.1 million), of which € 8.5 million (previous year: € 11.0 million) was mainly attributable to affiliated, non-consolidated companies, and € 4.1 million (previous year: € 6.1 million) to positive fair values of derivative financial instruments.

(23) Other non-current financial assets

Other non-current financial assets include loans to affiliated companies that are not consolidated for reasons of materiality, loans to joint ventures, and other loans. As at the reporting date, other non-current financial assets amounted to a total of € 15.3 million (previous year: € 18.0 million). This includes in particular loans to the joint venture OOO DME Aerosol in the amount of € 12.5 million (previous year: € 13.9 million).

(24) Inventories

Inventories increased from € 107.7 million in the previous year to € 121.8 million as at December 31, 2024. The increase resulted from the expectation of bottlenecks in availability, as well as slightly rising prices for various raw materials toward the end of the year. In the reporting year, write-ups of € 0.9 million were recognized on previously impaired inventories due to increased marketability (previous year: € 0.1 million). Impairment losses were recognized in the amount of € 1.2 million (previous year: € 1.6 million). Inventories of € 554.2 million (previous year: € 632.9 million) were expensed in the statement of income for full fiscal 2024.

Inventories T_A_37

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Raw materials and supplies	56,734	51,768
Work in progress	24,684	18,551
Finished goods	29,627	25,413
Merchandise	6,711	9,056
Goods in transit	3,949	2,751
Advance payments	75	162
Inventories	**121,780**	107,701

(25) Trade accounts receivable

Trade accounts receivable as of December 31, 2024 all had a remaining term of up to one year in their full amount. They increased from € 103.3 million in the previous year to € 105.3 million as of year-end 2024.

As in the previous year, the expected future losses determined on the basis of the impairment model were at a low level. At € 2.0 million, additions to value adjustments due to losses already incurred remained at the previous year's level. In total, valuation allowances on trade accounts receivable amounting to € 2.1 million were recognized in both the reporting year and the previous year.

Trade accounts receivable T_A_38

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable	107,441	105,456
Expected credit losses (ECL) – Stage 2	–49	–112
Credit losses already incurred – Stage 3	–2,054	–2,024
Trade accounts receivable	**105,338**	103,320

The maturity structure of all unimpaired trade accounts receivable is shown opposite. Around 87.5 % of the Group's receivables were neither impaired nor past due as of December 31, 2024 (previous year: 90.7%). Also shown are the default risks and the level of expected credit losses (ECL) over the remaining term to maturity for each age group.

Individual companies within the PCC Group use factoring as a means of financing receivables. The volume of all receivables sold as of the reporting date amounted to € 48.7 million (previous year: € 30.4 million).

Changes in value adjustments on trade accounts receivable T_A_39

Figures in € k	2024	2023
Value adjustments at Jan. 1	**–2,136**	–2,104
Changes in consolidation scope	–	1
Change in expected future credit losses (ECL) – Stage 2	64	–9
Change in credit losses already incurred – Stage 3	–50	–189
Allowances utilized	34	224
Currency translation differences	–15	–59
Value adjustments at Dec. 31	**–2,102**	–2,136

Maturity structure of trade accounts receivable T_A_40

	Gross value of trade accounts receivable		Expected credit losses (ECL)	
Figures in € k	2024	2023	2024	2023
Not overdue	**92,206**	93,666	**36**	39
Overdue	**15,235**	11,790	**13**	73
up to 30 days	10,559	7,995	4	6
between 30 and 60 days	1,377	847	2	11
between 60 and 90 days	1,054	840	1	16
between 90 and 120 days	96	27	1	2
over 120 days	2,148	2,081	5	38
Total	**107,441**	105,456	**49**	112

(26) Other receivables and other assets

As was the case in the previous year, accounts receivable from affiliated companies as of December 31, 2024 all have a remaining term of up to one year in their full amount. They comprise accounts receivable from affiliated, non-consolidated companies. Further information is also provided in the section on related parties, see Note (39). These are largely loan receivables from project companies. There are impairments on receivables from affiliated companies in the amount of € 6.5 million (previous year: € 6.4 million).

Other receivables and other assets T_A_41

Figures in €k	Dec. 31, 2024		Dec. 31, 2023	
	Non-current	Current	Non-current	Current
Receivables from affiliated companies	–	2,464	–	1,564
Receivables from associated companies and joint ventures	–	2,381	–	1,094
Security deposits paid	–	237	–	164
Receivables from sales tax, VAT, customs, excise and other duties	–	16,386	–	14,534
Receivables from employees	–	43	–	15
Receivables from insurance claims	–	5	–	123
Positive fair values of derivative financial instruments	–	1	–	7
Prepaid expenses and deferred charges	592	5,578	618	5,124
Receivables from loans to affiliated companies	–	398	–	752
Contract assets	–	1,007	–	746
Sundry other assets	5	9,870	57	7,666
Other receivables and other assets	**597**	**38,370**	675	31,789

(27) Equity

The subscribed capital of PCC SE is unchanged from the previous year, amounts to € 5.0 million and is fully paid up. It is divided into 5,000,000 no-par-value shares with a nominal value of € 1 per share.

Changes in Group equity are presented in the consolidated statement of changes in equity as part of these consolidated financial statements. The composition of retained earnings and other reserves as at December 31, 2024 is shown in the adjacent table.

Revenue reserves and other reserves comprise unappropriated earnings achieved in the reporting period by the subsidiaries included in the consolidated financial statements. The Group's share of the previous year's consolidated comprehensive income of € 9.9 million is reported as profit carried forward as retained earnings to revenue reserves. In fiscal 2024, a distribution of € 5.5 million (previous year: € 14.05 million) was made to the shareholder of PCC SE from the retained earnings of PCC SE. This corresponds to a dividend per share of € 1.10 (previous year: € 2.81). Differences arising from foreign currency translation are reported under other equity items. In the past fiscal year, these increased Group equity by € 11.1 million to a total of € – 5.0 million (previous year: € – 15.9 million). The development of gains and losses recognized directly in equity is shown in the adjacent table.

Revenue reserves and other reserves T_A_42

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Revenue reserves, profit and loss carryforwards, valuation reserves and differences offset against revenue reserves	190,327	211,714
IFRS transition reserve	49,788	49,788
Share of net result for the year attributable to the Group	–34,224	–13,438
First-time adoption of new IFRS standards	–	66
Revenue reserves / Other reserves	**205,891**	**248,130**

Changes in income and expenses recognized in equity T_A_43

Figures in € k	Currency translation	Remeasurement of defined benefit plans	Fair value measurement of financial assets	Other changes	Total
Balance at Jan. 1, 2024	–14,306	–455	–1,061	–101	–15,924
Changes	11,109	–43	–166	–	10,900
Deferred taxes		8	2	–	11
Balance at Dec. 31, 2024	**–3,197**	**–490**	**–1,225**	**–101**	**–5,013**

Figures in € k	Currency translation	Remeasurement of defined benefit plans	Fair value measurement of financial assets	Other changes	Total
Balance at Jan. 1, 2023	–38,590	–467	–86	–101	–39,245
Changes	24,284	15	–990	–	23,309
Deferred taxes	–	–3	15	–	12
Balance at Dec. 31, 2023	**–14,306**	**–455**	**–1,061**	**–101**	**–15,924**

(28) Minority interests

German and international minority shareholders hold non-controlling interests in various entities of the PCC Group. The share of these non-controlling interests reported in Group equity as of December 31, 2024 was € 58.5 million, representing a decrease of € 15.0 million compared to year-end 2023. Subsidiaries with significant non-controlling interests operate in various segments of the PCC Group. Information on the company name, registered office and capital shares of subsidiaries with significant non-controlling interests is provided in the list of shareholdings pursuant to Section 313 (2) HGB (German Commercial Code) in Note (44). There are no significant restrictions that go beyond the usual company law and contractual provisions.

Minority interests T_A_44

	PCC Rokita subgroup		PCC BakkiSilicon hf.		PCC Exol SA	
Figures in €k	**2024**	2023	**2024**	2023	**2024**	2023
Balance sheet data at Dec. 31						
Minority interests in equity	**51,256**	50,336	**−8,364**	10,843	**9,208**	8,440
Minority interests in equity in %	**15.74**	15.74	**34.55**	34.55	**12.91**	12.91
Dividends paid to minority interests	**4,924**	14,683	**–**	–	**370**	490
Non-current assets	**408,607**	400,123	**343,862**	343,161	**110,954**	92,458
Current assets	**182,718**	187,914	**33,805**	37,822	**67,296**	48,680
Non-current liabilities	**154,401**	146,427	**317,798**	277,444	**50,529**	40,356
Current liabilities	**110,534**	121,116	**43,041**	31,123	**58,628**	37,636
Statement of income data						
Profit attributable to minority interests	**5,011**	9,410	**−19,963**	−22,491	**1,043**	1,414
Sales revenue	**442,940**	521,328	**81,408**	64,996	**196,742**	188,536
Net result	**31,835**	59,782	**−57,777**	−65,096	**8,075**	10,948
Total comprehensive income	**31,815**	59,830	**−57,777**	−65,096	**8,098**	10,955

(29) Hybrid capital

Hybrid capital relates to a hybrid financing instrument with a volume of € 78.7 million. In accordance with IAS 32, the hybrid capital is classified as equity. There is neither a contractual obligation to repay the principal nor to pay interest. Instead, the repayment is subject to conditions that depend on the decision of the management of the company to make distributions to its shareholders. As soon as resolutions are passed on such distributions, the hybrid capital will also be serviced on a pro rata basis.

(30) Provisions for pensions and similar obligations

Most of the employees of the Polish subsidiaries of the PCC Group are granted non-recurring benefits under statutory pension plans in addition to their statutory retirement pensions. These defined benefit plans are, as a rule, based on length of service and salary. Benefits under defined benefit plans are generally granted upon reaching retirement age or upon disability or death.

Defined contribution plans exist mainly in the form of statutory pension schemes in Germany and at the international subsidiaries. For employees of the German subsidiaries and the holding company, there may also be individual contributions to other defined contribution plans in addition to the statutory pension plan. Typical risk factors for defined benefit plans are longevity, nominal interest rate changes, and inflation and salary increases. The present value of the defined benefit obligation under a pension plan is determined based on the best estimate of the probability of death of the employees participating in the plan, both during the employment relationship and after its termination. An increase in the life expectancy of the beneficiary employees or a decrease in the bond interest rate leads in each case to an increase in the plan liability. Furthermore, the present value of the defined benefit obligation under a pension plan is determined on the basis of the future salaries of the beneficiary employees. Wage and salary increases of the beneficiary employees lead to an increase in the plan liability.

The defined benefit obligations are internally financed. Provisions for pensions and similar obligations increased from € 1.2 million in the previous year to € 1.3 million as at December 31, 2024. Of this amount, € 1.26 million relates to non-current provisions with a term of more than one year.

Changes in pension obligations T_A_45

Figures in € k	2024	2023
Pension obligations at Jan. 1	**1,230**	**1,129**
Current service costs	113	107
Benefits paid	–114	–111
Interest expenses	38	41
Actuarial gains / losses from changes in demographic assumptions	20	35
Actuarial gains / losses from changes in financial assumptions	–46	–225
Actuarial gains / losses from experience adjustments	71	166
Settlements	–	–1
Currency translation differences	19	89
Pension obligations at Dec. 31	**1,331**	**1,230**

A total of 2,943 employees of PCC Group companies (previous year: 2,904) are covered by defined benefit pension plans, 74.5 % of whom are men and 25.5 % women. The average age as of the 2024 reporting date was 43.3 years (previous year: 40.3 years). A uniform discount rate of 3.45 % (previous year: 3.15 %) was used to determine the pension obligations. The rate of increase in salaries was calculated at 4.2 % (previous year: 5.3 %). The Polish mortality table 2023 of the Central Statistical Office, which serves as the basis for the calculation, assumes a life expectancy of 78.3 years (previous year: 79.3 years). An adjustment to the key actuarial parameters would have the following effects on the amount of the pension obligations:

Sensitivity analysis of pension obligations T_A_46

	Increase by 0.25 percentage points		Decrease by 0.25 percentage points	
Figures in €k	**2024**	2023	**2024**	2023
Change in discount rate	**−41**	−85	**23**	−27
Change in salary trend	**23**	−27	**−41**	−85
Change in turnover rate	**−25**	−71	**6**	−42

The above sensitivity analysis is unlikely to be representative of the actual change in the defined benefit obligation, as it is considered improbable that deviations from the assumptions made would occur in isolation.

The pension obligations have the following profile of remaining terms to maturity:

Maturity profile of pension obligations

T_A_47

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2024
Pension obligations	67	276	987	1,331

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2023
Pension obligations	84	221	925	1,230

The cash outflows from pension obligations are as follows:

Maturity profile of cash outflows for pension obligations

T_A_48

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2024
Cash outflows for pension obligations	70	393	3,843	4,306

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2023
Cash outflows for pension obligations	87	298	3,540	3,925

The expense for fiscal 2024 includes € 10.5 million in employer contributions to the statutory pension scheme (previous year: € 9.1 million). In addition to the contributions to the statutory pension scheme, expenses for defined contribution plans are included in the result for the current period in the amount of € 1.9 million (previous year: € 1.7 million).

Expenses for retirement benefits recognized through profit or loss

T_A_49

Figures in €k	2024	2023
Expenses for defined benefit plans	113	107
Expenses for defined contribution plans	1,889	1,689
Expenses for retirement benefits recognized through profit or loss	**2,002**	1,796

(31) Other provisions

Other provisions declined from € 50.9 million in the previous year to € 42.8 million as at December 31, 2024. The main reason for the decrease is the € 3.4 million reduction in provisions for personnel. These are primarily accrued to cover bonus and vacation entitlements. The lower provisions for the purchase of CO_2 certificates and for the purchase of energy efficiency certificates also contributed to the decrease. These provisions result from the requirements of the Polish energy mix system, whereby a shortfall in the supply of energy from renewable sources for the production process has to be offset either by the purchase of so-called green certificates or by compensation payments.

The table provided shows the development of other provisions in fiscal 2024. Other changes mainly relate to foreign exchange rate effects.

Other provisions T_A_50

Figures in € k	**Dec. 31, 2024**		Dec. 31, 2023	
	Non-current	Current	Non-current	Current
Provisions for personnel expenses	11	18,863	7	22,279
Provisions for year-end accounting and audit expenses	–	828	–	704
Provisions for obligations to customers	–	1	–	4
Provisions for recultivation expenses	3,625	567	4,071	56
Provisions for the purchase of emission allowances (CO_2 certificates)	–	12,042	–	13,675
Provisions for the purchase of energy efficiency certificates	–	466	–	752
Sundry other provisions	1,601	4,777	2,563	6,786
Other provisions	**5,236**	**37,544**	6,640	44,256

Changes in other provisions T_A_51

Figures in € k	**Jan. 1, 2024**	Added	Utilized	Released	Accrued interest	Other changes	**Dec. 31, 2024**
Provisions for personnel expenses	22,286	18,137	18,087	3,823	–	361	18,874
Provisions for year-end accounting and audit expenses	704	779	535	130	–	11	828
Provisions for obligations to customers	4	–	3	–	–	–	1
Provisions for recultivation expenses	4,127	–	98	–	100	62	4,192
Provisions for the purchase of emission allowances (CO_2 certificates)	13,675	9,355	10,295	1,113	–	420	12,042
Provisions for the purchase of energy efficiency certificates	752	466	743	20	–	11	466
Sundry other provisions	9,348	2,799	2,697	3,250	–	178	6,378
Other provisions	**50,896**	**31,536**	**32,459**	**8,336**	**100**	**1,043**	**42,780**

(32) Financial liabilities

The financial liabilities of the PCC Group are essentially composed of non-current and current liabilities arising from bonds, amounts owed to banks, lease liabilities and amounts owed to affiliated companies.

Financial liabilities increased from € 902.9 million in the previous year to € 958.2 million as of December 31, 2024. The largest absolute increase of € 32.1 million to € 520.9 million was recorded in bond liabilities. Liabilities to banks also increased significantly by € 15.0 million to € 362.8 million. Lease liabilities rose by € 8.3 million to € 74.6 million.

Financial liabilities T_A_52

Figures in € k	Dec. 31, 2024		Dec. 31, 2023	
	Non-current	Current	Non-current	Current
Bond liabilities	419,954	100,903	352,442	136,355
Bank liabilities	312,923	49,846	308,962	38,796
Lease liabilities	56,976	17,623	51,486	14,823
Negative fair value of derivatives	–	1	–	7
Financial liabilities	**789,853**	**168,373**	712,889	189,980

Interest rates of between 0.4% p.a. and 8.8% p.a. are charged on liabilities to banks. Secured credit lines within the PCC Group not utilized as of the reporting date amounted to € 144.9 million (previous year: € 61.6 million). The financial liabilities existing within the PCC Group as of the reporting date have the maturity profile shown in the adjacent table.

Maturity profile of financial liabilities

T_A_53

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	**Dec. 31, 2024**
Bond liabilities	100,903	401,764	18,190	**520,857**
Bank liabilities	49,846	117,169	195,755	**362,770**
Lease liabilities	17,623	41,182	15,793	**74,598**
Negative fair value of derivatives	1	–	–	**1**
Financial liabilities	**168,373**	**560,115**	**229,738**	**958,226**

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2023
Bond liabilities	136,355	352,442	–	488,797
Bank liabilities	38,796	165,744	143,218	347,758
Lease liabilities	14,823	35,964	15,522	66,308
Negative fair value of derivatives	7	–	–	7
Financial liabilities	**189,980**	**554,150**	**158,739**	**902,869**

The relevant factors when presenting the maturities of contractual cash flows from financial liabilities are interest payments and redemption of principal, plus other payments in respect of derivative financial instruments. The adjacent table shows non-discounted future cash flows. Derivatives are included on the basis of their net cash flows where they have negative fair values and thus represent liabilities. Derivatives with positive fair values are assets and are therefore not considered. Trade accounts payable are essentially non-interest-bearing and due within one year. The carrying amount of trade accounts payable therefore corresponds to the total of the future cash flows.

Maturity profile of cash outflows from financial liabilities

T_A_54

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	**Dec. 31, 2024**
Bond liabilities	106,385	495,281	–	**601,666**
Bank liabilities	67,476	144,951	199,307	**411,734**
Lease liabilities	20,456	46,736	36,495	**103,687**
Negative fair value of derivatives	1	–	–	**1**
Cash outflows from financial liabilities	**194,317**	**686,968**	**235,801**	**1,117,087**

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2023
Bond liabilities	138,836	414,326	–	553,162
Bank liabilities	49,159	188,625	141,417	379,201
Lease liabilities	17,000	40,058	34,966	92,025
Negative fair value of derivatives	7	–	–	7
Cash outflows from financial liabilities	**205,002**	**643,010**	**176,383**	**1,024,395**

The liabilities to banks reported under financial liabilities and those from leases were secured in their entirety in 2024 by land charges or similar liens, by the assignment of claims, the assignment of property, plant and equipment as chattel mortgages or by other collateral assignments. In total, the collateral granted amounted to € 438.9 million as at December 31, 2024 (previous year: € 415.3 million).

Liabilities secured

T_A_55

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Mortgages, land charges and similar liens	79,937	78,257
Assignment of claims on assets	282,017	271,425
Assignment of claims on inventories	1,468	–
Chattel mortgages	23,268	3,312
Others assignments	52,171	62,340
Collateral securities granted	**438,862**	415,335

Bond liabilities result from the bond issuances of PCC SE and the international subsidiaries PCC Rokita SA and PCC Exol SA. Bonds of the PCC Group are issued in euros and Polish złoty. The public bonds denominated in euros (EUR) carry interest rates of between 3.0 % and 6.0 % p.a., while those issued in złoty (PLN) carry interest rates of between 5.0 % and 9.1 % p.a. The bonds issued in złoty with a total volume of PLN 197.0 million (previous year: PLN 277.0 million) had an equivalent value of € 45.2 million as at the reporting date (previous year: € 44.6 million).

Bond liabilities

T_A_56

Figures in €k	Issue date	Maturity date	Issue currency	Coupon	Issue volume	Dec. 31, 2024	Dec. 31, 2023
Issued by PCC SE							
DE000A3511S2	01/02/2024	02/01/2029	EUR	6.00 %	40,000	**40,000**	–
DE000A30VS56	09/01/2022	10/01/2027	EUR	5.00 %	40,000	**35,178**	35,178
DE000A3510Z9	10/02/2023	10/01/2028	EUR	6.00 %	35,000	**35,000**	35,000
DE000A3824R1	03/01/2024	05/01/2029	EUR	6.00 %	35,000	**35,000**	–
DE000A383UJ9	10/01/2024	10/01/2029	EUR	5.75 %	50,000	**29,682**	–
DE000A3H2VU4	11/02/2020	10/01/2025	EUR	4.00 %	30,000	**29,653**	29,653
DE000A3E5S42	05/17/2021	07/01/2026	EUR	4.00 %	30,000	**29,293**	29,293
DE000A2YN1K5	10/22/2019	02/01/2025	EUR	4.00 %	30,000	**29,133**	29,133
DE000A351K90	04/03/2023	07/01/2028	EUR	5.00 %	35,000	**28,796**	28,796
DE000A3MQEN8	11/15/2021	12/01/2026	EUR	4.00 %	30,000	**26,926**	26,926
DE000A383EM7	07/01/2024	07/01/2029	EUR	5.75 %	30,000	**26,213**	–
DE000A2YPFY1	12/02/2019	07/01/2025	EUR	4.00 %	30,000	**23,818**	23,818
DE000A30VR40	02/01/2023	04/01/2028	EUR	5.00 %	30,000	**21,800**	21,800
DE000A3MQZM5	05/02/2022	04/01/2026	EUR	4.00 %	30,000	**20,991**	20,991
DE000A30V2U2	12/01/2022	12/01/2027	EUR	5.00 %	20,000	**19,858**	19,858
DE000A383SZ9	12/02/2024	01/01/2030	EUR	5.75 %	25,000	**18,190**	–
DE000A3MP4P9	10/01/2021	10/01/2026	EUR	4.00 %	10,000	**10,000**	10,000
DE000A383S03	12/02/2024	04/01/2027	EUR	4.50 %	20,000	**8,349**	–
DE000A3MQEM0	11/15/2021	04/01/2025	EUR	3.00 %	10,000	**7,790**	7,790
DE000A254TZ0	04/01/2020	12/01/2024	EUR	4.00 %	35,000	**–**	34,503
DE000A2TSEM3	07/01/2019	10/01/2024	EUR	4.00 %	30,000	**–**	29,946
DE000A2NBJL3	01/01/2019	07/01/2024	EUR	4.00 %	25,000	**–**	24,985
DE000A2NBFT4	10/01/2018	04/01/2024	EUR	4.00 %	25,000	**–**	21,104
DE000A3E5MD5	07/01/2021	01/01/2024	EUR	3.00 %	10,000	**–**	9,545
DE000A2YPFX3	12/02/2019	01/01/2024	EUR	3.00 %	20,000	**–**	4,511
DE000A3MQA80	03/01/2022	02/01/2024	EUR	2.00 %	5,000	**–**	1,410
Issued by PCC Exol SA							
PLPCCEX00077	06/25/2020	06/25/2025	PLN	5.50 %	25,000	**5,834**	5,729
PLPCCEX00135	06/11/2024	09/11/2029	PLN	8.56 %	20,000	**4,609**	–
PLPCCEX00069	02/28/2020	11/27/2024	PLN	5.50 %	20,000	**–**	4,594
Issued by PCC Rokita SA							
PLPCCRK00290	10/24/2023	10/24/2028	PLN	8.88 %	25,000	**5,773**	5,672
PLPCCRK00308	12/20/2023	12/20/2028	PLN	9.06 %	25,000	**5,768**	5,667
PLPCCRK00316	03/20/2024	06/06/2029	PLN	8.64 %	25,000	**5,765**	–
PLPCCRK00258	04/29/2019	04/29/2026	PLN	5.00 %	22,000	**5,129**	5,040
PLPCCRK00241	04/24/2018	04/24/2025	PLN	5.00 %	20,000	**4,675**	4,594
PLPCCRK00274	05/12/2020	05/12/2027	PLN	5.50 %	20,000	**4,141**	4,070
PLPCCRK00266	10/22/2019	10/22/2026	PLN	5.50 %	15,000	**3,493**	3,433
PLPCCRK00225	03/23/2018	03/23/2024	PLN	5.00 %	25,000	**–**	5,757
Bond liabilities						**520,857**	488,797

(33) Other liabilities

Other liabilities decreased from € 136.5 million in the previous year to € 127.6 million as at December 31, 2024, with the reduction in sundry other liabilities particularly noticeable. As in the previous year, the largest single item within other liabilities is deferred income in the amount of € 75.8 million (previous year: € 67.3 million). These mainly relate to subsidies and grants for investment projects. The result for the reporting year includes releases of deferred income from subsidies totaling € 5.0 million (previous year: € 3.7 million). Liabilities from investments decreased from € 16.5 million in the previous year to € 12.2 million as of the reporting date. These are liabilities from supplies or services provided by third parties resulting from the investment projects as of the reporting date. Liabilities from interest payment obligations increased from € 4.2 million in the previous year to € 7.8 million as at December 31, 2024 and mainly include interest on bonds that were due at the beginning of the first quarter of 2025.

Other liabilities T_A_57

Figures in €k	Dec. 31, 2024		Dec. 31, 2023	
	Non-current	Current	Non-current	Current
Deferred income	71,161	4,669	63,004	4,319
Liabilities from payroll taxes and similar charges	–	2,858	–	2,698
Liabilities for social security contributions	–	4,676	–	4,057
Liabilities from interest payment obligations	–	7,814	–	4,161
Liabilities for sales taxes, VAT, customs, excise and other duties	–	2,702	–	3,330
Liabilities to employees	–	4,213	–	3,882
Liabilities to affiliated companies	–	2,893	–	2,701
Liabilities arising from investments	450	11,798	540	15,988
Contract liabilities	–	2,836	–	3,043
Sundry other liabilities	513	10,996	664	28,138
Other liabilities	**72,124**	**55,454**	64,207	72,317

(34) Deferred taxes

Deferred taxes are recognized on temporary differences between the carrying amounts of assets, liabilities and accruals in the balance sheet, and their tax base. For German subsidiaries, the tax rate applied is a uniform 30 %, as was the case in the previous year. For international entities, the relevant national tax rates are applied. In Iceland, the tax rate rose to 21.0 % in the reporting year (previous year: 20.0 %) and in the Czech Republic to 21.0 % (previous year: 19.0%). All other tax rates remained constant versus the previous year.

The distribution of deferred taxes among the various balance sheet items is shown in the adjacent table. Within the PCC Group, deferred tax assets and liabilities are offset and disclosed as netted balances where they relate to the same tax jurisdiction and where there is an enforceable right to the netting of tax liabilities and tax receivables. Deferred tax assets of € 15.7 million (previous year: € 24.7 million) and deferred tax liabilities of € 18.5 million (previous year: € 16.6 million) were recognized for the reporting year.

Tax rate applied for deferred taxes

T_A_58

in %	2024	2023
Belarus	**20.0**	20.0
Bosnia and Herzegovina	**10.0**	10.0
Bulgaria	**10.0**	10.0
Czech Republic	**21.0**	19.0
Germany	**30.0**	30.0
Iceland	**21.0**	20.0
Malaysia	**24.0**	24.0
North Macedonia	**10.0**	10.0
Poland	**19.0**	19.0
Romania	**16.0**	16.0
Russia	**20.0**	20.0
Türkiye	**25.0**	25.0
USA	**23.6**	23.6

The table below shows the non-netted deferred taxes. Future tax benefits from a special economic zone are reported under other deferred taxes. Deferred tax assets on tax loss carryforwards decreased in the year under review by € 4.3 million to € 21.7 million as at the reporting date. This item includes a reversal of deferred tax assets on tax loss carryforwards at a subsidiary in the amount of € 17.4 million (previous year: € 1.1 million) due to reduced earnings prospects.

Deferred taxes

T_A_59

	Deferred tax assets		Deferred tax liabilities	
Figures in € k	2024	2023	2024	2023
Intangible assets	**7**	11	**5,415**	4,953
Property, plant and equipment	**8,106**	6,315	**34,339**	30,341
Right-of-use assets	**4,243**	5,751	**12,605**	12,513
Financial assets	**9**	4,326	**–**	–
Inventories	**1,436**	1,321	**21**	43
Receivables	**310**	316	**266**	59
Other assets	**2**	10	**105**	101
Deferred items	**7**	16	**28**	29
Pension provisions	**244**	229	**–**	–
Other provisions	**6,349**	7,863	**–**	1
Liabilities	**193**	740	**485**	418
Lease liabilities	**10,840**	10,845	**6,908**	6,385
Other liabilities	**442**	373	**257**	521
Loss carryforwards	**21,723**	25,981	**–**	–
Sundry deferred taxes	**2,567**	4,084	**1,337**	680
Amounts netted	**–40,775**	–43,522	**–43,266**	–39,471
Deferred taxes	**15,705**	**24,659**	**18,499**	**16,574**

(35) Additional disclosures relating to financial instruments

As an internationally active corporation, the PCC Group is exposed to financial risks in the course of its ordinary business operations. A major objective of the corporate policy is to generally restrict market, default and liquidity risks, in order both to secure enterprise value over the long term and to maintain the Group's earning power and thus extensively cushion the negative impact of fluctuations in cash flow and earnings.

The Group holding company and the individual subsidiaries cooperate in the management of interest rate and currency risks, and also default risks. Each individual operating entity is responsible for managing its own commodity or raw material price risks, while liquidity control is the responsibility of the holding company.

Market risks

Currency risks: Changes in exchange rates can lead to losses in the value of financial instruments and also to disadvantageous changes in future cash flows from planned transactions. Currency risks in respect of financial instruments result from the translation of financial receivables, loans, securities, cash sums and financial liabilities in the functional currency of the companies concerned at the spot rate prevailing on the reporting date. Currency risks arise both on the purchase side through the procurement of commodities and raw materials, and on the selling side as a result of the sale of end products. A potential change in the Polish złoty of 10% would affect the equity and annual net earnings of the Group to the tune of € 0.3 million (previous year: € 0.1 million). A change in the exchange rate of the US dollar of likewise 10% would result in these financials experiencing a change of € 0.1 million (previous year: € 0.0 million).

Interest rate risks: These risks arise as a result of potential changes in the market interest rate, causing fluctuations in the fair value of financial instruments bearing a fixed interest rate, and fluctuations in interest payments in the case of financial instruments bearing a floating interest rate. A potential change in interest rates of 100 basis points would affect the equity and annual net earnings of the Group to the tune of € 5.2 million (previous year: € 4.4 million).

Commodity price risks: These risks result from market price changes in relation to commodity / raw material purchases and sales, and also the purchase of electricity and gas. The general risk situation of the PCC Group is greatly affected by the availability and also the price-dependency of relevant raw materials, input products and intermediate products. Within this context, the dependency of important commodity prices on foreign exchange rates and market movements is especially relevant, particularly in the case of petrochemical raw materials. Price volatilities are smoothed out, for example, through the agreement of price escalator clauses with suppliers and customers. Moreover, commodity price risks are restricted by internationally aligned sourcing activities. Backward integration along the value chain or along the various production stages encountered in the segments operating in the chemicals sector provides for an additional, high degree of independence in the procurement of raw materials and commodities, thus reducing risk. The Commodity Trading business in the Trading & Services segment is exposed to major price fluctuations that can occur from time to time.

Default or credit risks

Default or credit risks arise when contractual partners are unable to meet their contractual obligations. Credit limits are granted based on the continuous monitoring of the creditworthiness of major debtors. Because of the international activity and the diversified customer structure of the PCC Group, there are no major regional or segment-specific clusters of default risks. In selecting short-term capital investments, various safeguarding criteria are considered (e.g. ratings, capital guarantees or safeguards afforded by deposit protection funds). Given the selection criteria applied and our regime of constantly monitoring our capital investments, the PCC Group does not envisage any unidentified default risk occurring in this domain. The financial asset amounts shown in the balance sheet essentially represent the maximum default risk. Such risks are regularly monitored and analyzed within the framework of a receivables and credit management regime and also by a Working Capital Management unit with responsibility at both the operational and Group levels. In all, receivables from customers are secured in an amount of € 68.7 million (previous year: € 74.2 million). Financial assets that are neither impaired nor overdue are categorized as collectible in line with the creditworthiness of the debtor.

Liquidity risks

Liquidity risks result from cash flow fluctuations. Current liquidity is monitored and controlled by a treasury reporting system implemented across the Group based on an IT-supported solution (Treasury Information Platform). In medium- and long-term liquidity planning, liquidity risks are identified and managed at their inception on the basis of simulations of various scenarios. Obstacles that may arise within the SME bonds market segment could – at least temporarily – lead to liquidity bottlenecks. This risk is to be countered over the long term through the development of alternative financing sources at the institutional level. In addition, we are constantly engaged in partially replacing the liquidity loans granted to our affiliated companies with bank loans.

Financial instruments by class and category

In the case of trade accounts receivable, receivables from affiliated companies or investments, other financial assets, cash and cash equivalents, trade accounts payable and other liabilities, the carrying amounts are regarded as realistic estimates of their fair values due to the shortness of their remaining terms.

The cash flows from other non-current financial assets consist solely of interest and principal repayments, hence the carrying amount is considered to be a realistic estimate of their fair values.

Individual liabilities from bonds issued by subsidiaries include sales commissions and are accounted for using the effective interest method. The fair value stated in this section corresponds to market quotations.

Carrying amounts, fair values and categories of financial assets and liabilitites

T_A_60

Figures in €k	Carrying amounts Dec. 31, 2024	Categories [1] FAaC	FLaC	FVtOCI	FVtPL	Fair value
Financial assets						
Non-current financial assets	**12,610**	–	–	8,494	4,116	12,610
Other non-current financial assets	**15,333**	15,333	–	–	–	15,333
Trade accounts receivable	**105,338**	105,338	–	–	–	105,338
Accounts receivable from affiliated companies	**2,464**	2,464	–	–	–	2,464
Accounts receivable from associated companies and joint ventures	**2,381**	2,381	–	–	–	2,381
Other financial assets	**1,643**	1,642	–	–	1	1,643
Cash and cash equivalents	**99,493**	99,493	–	–	–	99,493
Financial liabilities						
Bond liabilities	**520,857**	–	520,857	–	–	521,541
Bank liabilities	**362,770**	–	362,770	–	–	358,486
Lease liabilities	**74,598**	–	74,598	–	–	74,598
Other financial liabilities	**5,732**	–	5,731	–	1	5,732
Trade accounts payable	**109,086**	–	109,086	–	–	109,086

Figures in €k	Carrying amounts Dec. 31, 2023	Categories [1] FAaC	FLaC	FVtOCI	FVtPL	Fair value
Financial assets						
Non-current financial assets	**17,133**	–	–	11,046	6,088	17,133
Other non-current financial assets	**18,013**	18,013	–	–	–	18,013
Trade accounts receivable	**103,320**	103,320	–	–	–	103,320
Accounts receivable from affiliated companies	**1,564**	1,564	–	–	–	1,564
Accounts receivable from associated companies and joint ventures	**1,094**	1,094	–	–	–	1,094
Other financial assets	**1,669**	1,662	–	–	7	1,669
Cash and cash equivalents	**128,566**	128,566	–	–	–	128,566
Financial liabilities						
Bond liabilities	**488,797**	–	488,797	–	–	488,392
Bank liabilities	**347,758**	–	347,758	–	–	340,766
Lease liabilities	**66,308**	–	66,308	–	–	65,255
Other financial liabilities	**5,752**	–	5,746	–	7	5,752
Trade accounts payable	**87,179**	–	87,179	–	–	87,179

1 FAaC = Financial assets measured at amortized cost
FLaC = Financial liabilities measured at amortized cost
FVtOCI = Fair value through other comprehensive income
FVtPL = Fair value through profit or loss

Net gains and net losses from financial instruments include valuation results, the amortization of premiums and discounts, the recognition and reversal of impairment losses, results from foreign currency translation, as well as interest, dividends and all other effects on earnings from financial instruments.

Financial instruments at fair value through profit or loss only include results from those instruments that are not designated as hedging instruments in a hedging relationship in accordance with IFRS 9. Net gains and net losses on financial assets measured at amortized cost include a net interest gain of € 4.2 million (previous year: € 4.2 million) and a net currency translation gain of € 0.4 million (previous year: loss of € – 10.7 million). Net gains and net losses on financial liabilities measured at amortized cost include a net interest expense of € – 48.8 million (previous year: € – 42.9 million) and a net currency translation gain of € 9.0 million (previous year: loss of € – 1.3 million).

Financial assets and liabilities measured at fair value are shown opposite. These relate to shares measured at the stock market price (Level 1) and to derivatives. The fair value of derivative financial instruments depends on the development of the underlying market factors. The respective fair values are determined and monitored at regular intervals. The fair value determined for all derivative financial instruments is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date.

Net gains / net losses on financial instruments T_A_61

Figures in € k	2024	2023
Financial assets measured at amortized cost (FAaC)	4,864	– 8,883
Financial liabilities measured at amortized cost (FLaC)	– 40,013	– 44,775
Fair value through profit or loss (FVtPL)	– 116	2,049

Financial instruments measured at fair value T_A_62

Figures in € k	Based on quoted market prices (Level 1)	Derived from market data (Level 2)	Determined using valuation models (Level 3)	Dec. 31, 2024
Financial assets measured at fair value through profit or loss (FVtPL)	–	4,117	–	4,117
Financial liabilities measured at fair value through profit or loss (FVtPL)	–	1	–	1
Financial assets measured at fair value through other comprehensive income (FVtOCI)	–	–	8,494	8,494

Figures in € k	Based on quoted market prices (Level 1)	Derived from market data (Level 2)	Determined using valuation models (Level 3)	Dec. 31, 2023
Financial assets measured at fair value through profit or loss (FVtPL)	–	6,095	–	6,095
Financial liabilities measured at fair value through profit or loss (FVtPL)	–	7	–	7
Financial assets measured at fair value through other comprehensive income (FVtOCI)	–	–	11,046	11,046

Derivative financial instruments

The subsidiaries of the PCC Group use derivative financial instruments to hedge interest rate and foreign currency risks. The methods and assumptions underlying the valuation of the derivative financial instruments employed can be summarized as follows: Foreign exchange transactions and swaps are valued individually at their forward rate or price on the reporting date. The forward rates or prices are based, as far as possible, on market quotations, taking into account forward premiums and discounts where appropriate.

Subsidiaries use forward contracts to hedge foreign currency transactions. As at December 31, 2024, there were forward contracts with a nominal value of € –0.6 million (previous year: € – 1.0 million). The insignificant fair values are recognized as assets. Interest rate swaps and interest rate options are used in the PCC Group to hedge interest rates and their long-term development. The nominal value of the derivatives existing as of the reporting date amounted to € 86.1 million (previous year: € 92.4 million), with the fair value amounting to € 4.1 million (previous year: € 6.1 million), said fair value being recognized as an asset as of the reporting date.

No cash flow hedges existed either in the reporting year or the previous year.

Derivative financial instruments T_A_63

Figures in €k	Dec. 31, 2024		Dec. 31, 2023	
	Nominal value	Fair value	Nominal value	Fair value
Forward exchange contracts	–552	2	–982	7
Interest rate swaps	2,713	49	9,260	191
Other derivatives (interest-rate- or currency-based)	83,367	4,067	83,179	5,903
Derivative financial instruments	**85,528**	**4,118**	91,458	6,101

(36) Leases

Leases in which the PCC Group is the lessee are accounted for using the rights-of-use model in accordance with IFRS 16. A tabular presentation of the rights of use for the year under review can be found in Note (21) Right-of-use Assets. Right-of-use assets amounting to € 89.1 million were countervailed by lease liabilities of € 74.6 million as of the reporting date. The latter are reported under financial liabilities. Please refer to Note (32) Financial Liabilities. The maturity structure of payment obligations under leases is shown in the adjacent table.

Compliant with the exemptions allowed, no right-of-use assets have been recognized in the balance sheet where the underlying leased asset is of minor value or where the contractual term is less than twelve months. Instead, the lease is expensed. The table opposite shows the amounts recognized in the consolidated statement of income in connection with leases.

There was no material income from subleases. The total cash outflow from leases in the year under review amounted to € 21.8 million (previous year: € 19.5 million). In addition to the leases, the PCC Group also has minor obligations arising from rental agreements. A corresponding maturity profile is presented in Note (37) below.

Maturity profile of lease liabilities T_A_64

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	**Dec. 31, 2024**
Minimum lease payments	20,456	46,736	36,495	**103,687**
Interest portion	2,833	5,554	20,701	**29,089**
Present values	17,623	41,182	15,793	**74,598**

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2023
Minimum lease payments	17,000	40,058	34,966	92,025
Interest portion	2,178	4,094	19,445	25,717
Present values	14,823	35,964	15,522	66,308

Lease effects in consolidated statement of income T_A_65

Figures in €k	**2024**	2023
Expenses for short-term leases with a term of less than twelve months	**2,155**	2,737
Expenses for leases of low-value assets not included in the aforementioned short-term leases	**2**	3
Interest expenses on lease liabilities	**3,721**	2,871

(37) Contingent liabilities and other financial commitments

Contingent liabilities mainly result from guarantees given to the financing bank of a joint venture. They also relate to guarantees issued for non-consolidated entities in favor of third parties and relate to obligations to suppliers and to the public sector. The change in other contingent liabilities results from the inclusion of investment grants, some of which may still be subject to claims for repayment in the event that contractually agreed covenants are not met. The PCC Group currently expects that no claims will be made in respect of any such contingent liabilities.

Contingent liabilities T_A_66

Figures in €k	Dec. 31, 2024	Dec. 31, 2023
Contingent liabilities from guarantees	54,644	55,498
Other contingent liabilities	15,765	17,933
Contingent liabilities	**70,409**	**73,431**

As of December 31, 2024, the PCC Group had other financial obligations arising from investment commitments, rental obligations and other obligations amounting to € 57.1 million (previous year: € 25.6 million). The obligations arising from rental agreements with a remaining term of up to one year include commitments of € 0.1 million attributable to short-term leases.

Financial commitments T_A_67

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2024
Obligations under rental agreements	621	853	43	1,516
Obligations from capital expenditure commitments for property, plant and equipment	54,224	1,000	–	55,223
Other commitments (including pending transactions)	168	–	–	168
Financial commitments	**55,163**	**1,852**	**43**	**57,058**

Figures in €k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2023
Obligations under rental agreements	1,543	4,017	23	5,583
Obligations from capital expenditure commitments for property, plant and equipment	19,746	–	–	19,746
Other commitments (including pending transactions)	312	–	–	312
Financial commitments	**21,601**	**4,017**	**23**	**25,641**

(38) Statement of cash flows and capital structure management

Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents that took place in the year under review and has been drawn up in accordance with IAS 7. The cash flows are broken down according to cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

Interest received and taxes paid on income are recognized as cash flow from operating activities. Interest paid is disclosed under cash flow from financing activities. Dividends paid are a component of the financing activities category. Dividends paid within the Group from income attributable to the previous year are eliminated. Dividend payments to the shareholder of PCC SE and dividend payments to co-shareholders at subsidiaries are separately disclosed in cash flow from financing activities. Financial funds disclosed equate to the total of cash and cash equivalents (cash on hand, credit balances at banks, and current, highly liquid financial assets) shown in the balance sheet.

In the event of changes in the scope of consolidation arising from the purchase or sale of entities (loss of control), the purchase price paid or received, adjusted for the financial funds acquired or sold, is recognized under cash flow from investing activities. If the acquisition or disposal of shares in a subsidiary takes place without a change in the control status, such transactions are disclosed as financing activities.

The conclusion of a lease agreement per IFRS 16 essentially constitutes a non-cash transaction. Payments made for investments in property, plant and equipment are netted against lease proceeds. Cash and cash equivalents disclosed in the balance sheet include an amount as of December 31, 2024 of € 3.5 million (previous year: € 4.1 million) in funds not freely available. These are almost entirely attributable to financing already earmarked for investment projects.

The following reconciliation statement shows changes in financial liabilities that are reported as cash inflows or outflows under cash flow from financing activities. The cash-effective changes amounted to € 48.5 million as of the reporting date (previous year: € 23.6 million).

Changes in financial liabilities

T_A_68

Figures in € k	Jan. 1, 2024	Cash-effective changes	Non-cash-effective changes: Changes in consolidation scope	Reclassifications	Currency translation differences	Interest accrued	Other changes	Dec. 31, 2024
Bond liabilities	488,797	31,334	–	–	672	–	55	520,857
Bank liabilities	347,758	9,485	–	–	3,223	1,731	574	362,770
Lease liabilities	66,308	7,680	–107	0	829	215	–326	74,598
Negative fair value of derivatives	7	–	–	–	0	–	–6	1
Financial liabilities	**902,869**	**48,498**	**–107**	**–**	**4,724**	**1,946**	**297**	**958,228**

Figures in € k	Jan. 1, 2023	Cash-effective changes	Non-cash-effective changes: Changes in consolidation scope	Reclassifications	Currency translation differences	Interest accrued	Other changes	Dec. 31, 2023
Bond liabilities	487,937	–3,030	–	–	3,757	–	133	488,797
Bank liabilities	325,001	9,177	–	308	11,490	2,991	–1,210	347,758
Lease liabilities	49,110	17,451	–4	–308	1,310	89	–1,340	66,308
Negative fair value of derivatives	1	3	–	–	–	–	2	7
Financial liabilities	**862,050**	**23,600**	**–4**	**–**	**16,556**	**3,081**	**–2,414**	**902,869**

Capital structure management

The purpose of capital structure management is to remain financially flexible so that the business portfolio can be effectively further developed and strategic options exploited. The object of the financial policy of the Group is to secure its liquidity and solvency, limit financial risks and optimize the cost of capital. The control metric adopted in this context is the net debt/EBITDA leverage ratio. This metric shows the relationship between net borrowings, including current and non-current pension provisions, current and non-current financial liabilities, cash and cash equivalents and current securities, and earnings before interest/financial result, taxes, depreciation and amortization (EBITDA), and is therefore a dynamic indebtedness indicator.

With net debt at € 860.1 million (previous year: € 775.5 million) and reported EBITDA at € 88.0 million (previous year: € 112.3 million), the leverage ratio for fiscal 2024 amounts to 9.8 (previous year: 6.9). Our goal of keeping this key figure below 5.0 was therefore not achieved.

Reconciliation to net debt

T_A_69

Figures in €k	Dec. 31, 2024	Dec. 31, 2023
– Cash and cash equivalents	99,493	128,566
+ Pension provisions	1,331	1,230
+ Bond liabilities	520,857	488,797
+ Bank liabilities	362,770	347,758
+ Lease liabilities	74,598	66,308
+ Negative fair value of derivatives	1	7
Net debt	**860,064**	**775,533**

Under financing agreements, individual subsidiaries are subject to external minimum capital requirements, which are reflected in the form of customary financial covenants, i.e. obligations to comply with specified financial limits. These include standard market requirements for minimum equity ratios and maximum debt-to-equity ratios. Compliance with these requirements is also taken into account in the annual budget planning for the following year. According to the information provided by the consolidated entities for the preparation of the consolidated financial statements, there was one case of failure to comply with mandatory covenants in fiscal 2024. This has not led to any adjustments to credit terms or similar measures imposed by the lender. The case relates to typical financial ratios for loan agreements which one subsidiary failed to achieve.

Other disclosures

(39) Related party disclosures

Balances and business transactions between PCC SE and incorporated subsidiaries regarded as related parties are eliminated as part of the consolidation process and have not been included in these disclosures. Details regarding the business transactions between the PCC Group and other related parties are indicated in the following.

Related parties are the sole shareholder and ultimate controlling party of PCC SE, Mr. Waldemar Preussner, as well as key management personnel (members of the Executive Board and Supervisory Board of PCC SE) and their family members. For remuneration to Executive Board members and of the members of the Supervisory Board, please refer to the disclosures under Note (41) Corporate Bodies. Sundry other receivables include a receivable from the sole shareholder of PCC SE in the amount of € 0.1 million (previous year: € 0.3 million). This receivable is short-term in nature and, as in the previous year, bears interest at 6.0 % p.a.

As of December 31, 2024, the PCC Group had receivables from affiliated companies not included in the consolidated financial statements for reasons of materiality totaling € 5.4 million (previous year: € 6.1 million). These are loans, trade accounts receivable and short-term loan receivables. The intercompany financing arrangements bear interest rates of between 6.5 % p.a. and 10.0 % p.a.

In principle, sales to or purchases from related parties are made at standard market / arm's length prices. The outstanding items at the end of the fiscal year are not secured, do not bear interest and will be settled in cash. There are no guarantees for receivables from related parties or liabilities to related parties.

As of the reporting date, there were loan receivables from the joint venture OOO DME Aerosol amounting to € 12.5 million (previous year: € 13.9 million). As in the previous year, they bear interest at 10.0 % p.a. The loans were granted for the development and construction of a dimethyl ether plant on the premises of the joint venture partner. In addition, both shareholders granted funds for start-up financing and to cover the initial debt service.

The company continued to service its debt in accordance with existing sanctions in the 2024 financial year.

Related parties T_A_70

Figures in € k	2024	2023
Income from related parties		
Non-consolidated entities	4,580	3,406
Joint ventures	252	472
Expenses with related parties		
Non-consolidated entities	14,602	12,922
Joint ventures	200	177

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
Receivables from related parties		
Non-consolidated entities	5,353	6,054
Joint ventures	14,592	14,725
Liabilities to related parties		
Non-consolidated entities	2,893	2,701
Joint ventures	2	2

(40) Alternative performance measures

The consolidated financial statements and the management report of the PCC Group are prepared in accordance with currently applicable accounting standards. In addition to the disclosures and ratios required by these standards, the PCC Group uses and publishes alternative performance measures (APMs). These are not subject to the regulations of the accounting standards. The PCC Group determines and uses APMs in order to facilitate comparability of key performance indicators over time and within the international business environment. These performance measures are used both in the assessment of external third parties and also internally for the management and control of business units.

Determination of these performance measures is by addition, subtraction, multiplication or division of individual or several items in the consolidated balance sheet and the consolidated statement of income. The APMs were applied unchanged from the previous period. The PCC Group determines the following alternative performance measures:

- EBIT
- EBITDA
- Net debt
- Net debt / EBITDA leverage ratio
- Return on capital employed (ROCE)
- Capital employed
- Gross profit
- Gross margin

EBIT (Earnings Before Interest and Taxes) serves as a measure of operating profit without taking into account differing international taxation systems and differing financing structures. The PCC Group ascertains its figures as follows:

Reconciliation to earnings before interest and taxes T_A_71

Figures in € k	2024	2023
Earnings before taxes (EBT)	−29,480	−20,789
+ / − Financial result	−31,381	−54,190
= EBIT	**1,901**	**33,401**

EBITDA (Earnings Before Interest, Taxes and Depreciation) provides an indication of the operating result before financial items and unaffected by differing depreciation and amortization methods and the associated valuation margins. It is determined within the PCC Group as follows:

Reconciliation to earnings before interest, taxes, depreciation and amortization T_A_72

Figures in € k	2024	2023
EBIT	1,901	33,401
+ Depreciation and amortization	86,050	78,871
= EBITDA	**87,951**	**112,272**

The EBIT margin and EBITDA margin are relative performance indicators used by the PCC Group for the internal management of its segments and for international comparison. To determine these ratios, EBITDA and EBIT are set in relation to sales revenues.

For information on the use and calculation of net borrowings and the net debt / EBITDA leverage ratio, please refer to Note (38) and the explanatory comments there on capital structure management.

Composition of capital employed T_A_73

Figures in € k	Dec. 31, 2024	Dec. 31, 2023
+ Equity	343,067	389,393
+ Current financial liabilities	168,373	189,980
+ Non-current financial liabilities	789,853	712,889
+ Provisions for pensions and similar obligations	1,331	1,230
= Capital employed	**1,302,624**	**1,293,492**
= Average capital employed	1,298,058	1,287,936

Return on capital employed (ROCE) is the ratio of EBIT to average capital employed. EBIT is the profit or loss (operating result) before interest / financial result and taxes. Capital employed is calculated from the equity and debt capital employed by the PCC Group at their carrying amounts. Gross margin is the ratio of gross profit to sales.

Reconciliation to gross profit T_A_74

Figures in € k	2024	2023
Sales revenue	959,985	993,621
+ Change in inventories of finished goods and work in progress	6,899	−36,406
− Purchased goods and services	674,492	649,871
= Gross profit	292,391	307,344

(41) Corporate bodies

The corporate bodies of PCC SE are as follows:

Executive Board:
- Dr. Peter Wenzel, CEO and Chairman of the Executive Board, Corporate and Project Development, Sustainability
- Ulrike Warnecke, Finance, Human Resources, Public Relations (until June 30, 2024)
- Riccardo Koppe, Finance, Human Resources, Public Relations (since July 1, 2024)
- Dr. rer. oec. (BY) Alfred Pelzer, Chemicals Production, Logistics, Sales & Distribution

In fiscal 2024, the Executive Board received non-performance-related remuneration of € 0.7 million, with the total recognized as short-term benefits. In the previous year, total remuneration amounted to € 6.0 million and included both non-performance-related and performance-related remuneration.

Supervisory Board:
- Dipl.-Volkswirt Waldemar Preussner, Chairman of the Supervisory Board
- Dr. Hans-Josef Ritzert, Vice Chairman of the Supervisory Board
- Reinhard Quint (until June 30, 2024)
- Ulrike Warnecke (since July 1, 2024)

In fiscal 2024, the Supervisory Board received fixed, non-performance-related remuneration totaling € 0.3 million (previous year: € 0.3 million), with the total recognized as short-term benefits.

Annual General Meeting:
The Annual General Meeting of PCC SE took place on June 10, 2024. The consolidated financial statements and the Group management report 2023 were duly approved. The actions of the Management Board and of the Supervisory Board of PCC SE were duly ratified. Ulrike Warnecke was appointed as a member of the Supervisory Board. At the Extraordinary General Meeting of PCC SE on July 8, 2024, Grant Thornton AG, Düsseldorf, was appointed as auditor for fiscal 2024.

(42) Events after the reporting date

The bond carrying the code ISIN DE000A2YN1K5 issued by PCC SE with a placed volume of € 29.1 million was redeemed in full on February 1, 2025. It was issued on October 22, 2019 with a coupon of 4.0 % p.a.

Effective February 3, 2025, PCC SE issued a new bond carrying the code ISIN DE000A4DFDS9 with a maturity date of April 1, 2030. The bond has a coupon of 5.75 % p.a.

The bond carrying the code ISIN DE000A3MQEM0 issued by PCC SE with a placed volume of € 7.8 million was redeemed in full on April 1, 2025. It was issued on November 15, 2021 with a coupon of 3.0 % p.a.

Effective April 1, 2025, PCC SE issued a new bond carrying the code ISIN DE000A4DFLK9 with a maturity date of July 1, 2030. The bond has a coupon of 5.5 % p.a.

(43) Miscellaneous

The PCC Group and the individual German companies were audited by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, and their respective financial statements were each given an unqualified audit certificate. The fee for the audit services for these companies and the Group amounted to € 330.6 k (previous year: € 343.9 k). In the reporting year, as in fiscal 2023, neither tax consultancy services nor other services over and above those indicated were provided.

For fiscal 2024, PCC Trade & Services GmbH, Duisburg, Germany, has invoked the exemption provisions of Section 264 (3) HGB (German Commercial Code).

(44) Schedule of shareholdings in accordance with Section 313 (2) HGB (German Commercial Code)

Schedule of shareholdings

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Name of company	Registered office of company	Segment	PCC SE participating interest in %
Parent company			
PCC SE	Duisburg (Germany)	Holding & Projects	–
Fully consolidated subsidiaries			
AO NOVOBALT Terminal	Kaliningrad (Russia)	Trading & Services	**100.00**
Aqua Łososiowice Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
Centralna Oczyszczalnia Ścieków Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
ChemiPark Technologiczny Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
distripark.com Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
Ekologistyka Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
Gaia Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
GRID BH d.o.o.	Sarajevo (Bosnia and Herzegovina)	Holding & Projects	**85.62**
LabMatic Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
MCAA SE	Brzeg Dolny (Poland)	Chlorine & Derivatives	**100.00**
OOO PCC Consumer Products Navigator	Grodno (Belarus)	Surfactants & Derivatives	**100.00**
PCC Apakor Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**99.59**
PCC Autochem Sp. z o.o.	Brzeg Dolny (Poland)	Logistics	**100.00**
PCC BakkiSilicon hf.	Húsavík (Iceland)	Silicon & Derivatives	**65.40**
PCC BD Sp. z o.o.	Brzeg Dolny (Poland)	Holding & Projects	**100.00**
PCC Bulgaria EOOD	Sofia (Bulgaria)	Polyols & Derivatives	**100.00**
PCC Chemax, Inc.	Piedmont, SC (USA)	Surfactants & Derivatives	**100.00**
PCC Chemicals Corporation	Wilmington, DE (USA)	Holding & Projects	**100.00**
PCC ChloroSilanes Sp. z o.o.	Brzeg Dolny (Poland)	Holding & Projects	**100.00**
PCC Consumer Products Kosmet Sp. z o.o.	Brzeg Dolny (Poland)	Surfactants & Derivatives	**100.00**
PCC Consumer Products S.A.	Brzeg Dolny (Poland)	Surfactants & Derivatives	**100.00**
PCC Energetyka Blachownia Sp. z o.o.	Kędzierzyn-Koźle (Poland)	Trading & Services	**84.46**
PCC EXOL Kimya Sanayi ve Ticaret Limited Şirketi	Istanbul (Türkiye)	Trading & Services	**100.00**
PCC EXOL SA	Brzeg Dolny (Poland)	Surfactants & Derivatives	**87.09**
PCC Exol Trade Sp. z o.o.	Brzeg Dolny (Poland)	Surfactants & Derivatives	**100.00**
PCC GulfChem Corporation	Wilmington, DE (USA)	Holding & Projects	**100.00**
PCC HYDRO DOOEL Skopje	Skopje (North Macedonia)	Holding & Projects	**100.00**

Continued on next page

Schedule of shareholdings

T_A_75

Name of company	Registered office of company	Segment	PCC SE participating interest in %
PCC Insulations GmbH	Duisburg (Germany)	Polyols & Derivatives	**100.00**
PCC Intermodal GmbH	Duisburg (Germany)	Logistics	**100.00**
PCC Intermodal S.A.	Gdynia (Poland)	Logistics	**99.10**
PCC Italy S.r.l.	Milan (Italy)	Trading & Services	**100.00**
PCC IT S.A.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
PCC Izvorsko EOOD	Sofia (Bulgaria)	Holding & Projects	**100.00**
PCC MCAA Sp. z o.o.	Brzeg Dolny (Poland)	Chlorine & Derivatives	**98.88**
PCC MORAVA-CHEM s.r.o.,	Český Těšín (Czech Republic)	Trading & Services	**100.00**
PCC NEW HYDRO DOOEL Skopje	Skopje (North Macedonia)	Holding & Projects	**100.00**
PCC Prodex GmbH	Essen (Germany)	Polyols & Derivatives	**100.00**
PCC Prodex Sp. z o.o.	Brzeg Dolny (Poland)	Polyols & Derivatives	**100.00**
PCC Rokita SA	Brzeg Dolny (Poland)	Polyols & Derivatives, Chlorine & Derivatives, Trading & Services	**84.26**
PCC Rokita Trade Sp. z o.o.	Brzeg Dolny (Poland)	Chlorine & Derivatives	**100.00**
PCC Seaview Residences ehf.	Húsavík (Iceland)	Silicon & Derivatives	**100.00**
PCC Silicium S.A.	Zagórze (Poland)	Silicon & Derivatives	**99.99**
PCC Synteza S.A.	Kędzierzyn-Koźle (Poland)	Polyols & Derivatives	**100.00**
PCC Therm Sp. z o.o.	Brzeg Dolny (Poland)	Polyols & Derivatives	**100.00**
PCC Thorion GmbH	Duisburg (Germany)	Holding & Projects	**100.00**
PCC Trade & Services GmbH	Duisburg (Germany)	Trading & Services	**100.00**
PolyU GmbH	Oberhausen (Germany)	Polyols & Derivatives	**100.00**
S.C. EURO-Urethane S.R.L.	Râmnicu Vâlcea (Romania)	Holding & Projects	**58.72**
Joint ventures accounted for using the equity method			
IRPC Polyol Company Ltd.	Bangkok (Thailand)	Polyols & Derivatives	**50.00**
OOO DME Aerosol	Pervomaysky (Russia)	Holding & Projects	**50.00**
PCG PCC Oxyalkylates Sdn. Bhd.	Kuala Lumpur (Malaysia)	Holding & Projects	**47.50**

Continued on next page

Schedule of shareholdings

T_A_75

Name of company	Registered office of company	Segment	PCC SE participating interest in %
Subsidiaries not consolidated due to immateriality			
AO PCC Rail	Moscow (Russia)	Logistics	**100.00**
Chemia-Profex Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
Chemia-Serwis Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
CWB Partner Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
LabAnalityka Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
LocoChem Sp. z o.o.	Brzeg Dolny (Poland)	Holding & Projects	**100.00**
Logoport Sp. z o.o.	Brzeg Dolny (Poland)	Holding & Projects	**100.00**
OOO PCC Consumer Products i.L.	Moscow (Russia)	Surfactants & Derivatives	**100.00**
PCC Consumer Products Czechowice S.A. i.L.	Czechowice-Dziedzice (Poland)	Surfactants & Derivatives	**99.74**
PCC Organic Oils Ghana Ltd.	Accra (Ghana)	Surfactants & Derivatives	**100.00**
Rail Wagon Management Sp. z o.o.	Brzeg Dolny (Poland)	Trading & Services	**100.00**
Technochem Sp. z o.o.	Brzeg Dolny (Poland)	Holding & Projects	**85.80**
Terra 77 Sp. z o.o.	Brzeg Dolny (Poland)	Holding & Projects	**100.00**
TzOW Petro Carbo Chem	Lviv (Ukraine)	Trading & Services	**88.00**
Associated companies not accounted for using the equity method due to immateriality			
S.C. Oltchim S.A. i.L.	Râmnicu Vâlcea (Romania)	Holding & Projects	**32.34**
Other investments in corporations			
Brama Pomorza Sp. z o.o.	Gdańsk (Poland)	Holding & Projects	**7.41**
TRANSGAZ S.A.	Rybnik (Poland)	Holding & Projects	**9.64**

Duisburg, April 29, 2025
PCC SE

The Executive Board

Dr. Peter Wenzel	Riccardo Koppe	Dr. rer. oec. (BY) Alfred Pelzer

Independent Auditor's Report

To PCC SE, Duisburg

Audit Opinions

We have audited the consolidated financial statements of PCC SE, Duisburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of PCC SE, Duisburg, for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the section "Sustainability report / Non-financial report" included in the group management report on a voluntary basis.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards"), as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the section "Sustainability report / Non-financial report" included in the group management report on a voluntary basis.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors respectively the chairman of the supervisory board are responsible for the other information. The other information comprises:

- the non-audited parts of the group management report listed in the "Audit Opinions" section of our auditor's report and
- the remaining parts of the annual report,
- with the exception of the audited consolidated financial statements and audited parts of the group management report and our auditor's report.

The chairman of the supervisory board is responsible for the foreword by the chairman of the supervisory board contained in the annual report. Save as aforesaid, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited parts of the group management report 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 the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards, as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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 whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards, as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming audit opinions on the group financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance 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.

Düsseldorf, 30 April 2025

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stefan Sinne	Marianne Reck
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Five-year overview of key financials

T_I_03

		2020	2021	2022	2023	2024
Sales	€m	716.8	979.6	1,324.7	993.6	**960.0**
Gross profit	€m	216.5	355.9	490.4	307.3	**292.4**
EBITDA [1]	€m	83.8	197.5	292.0	112.3	**88.0**
EBIT [2]	€m	11.3	125.3	217.3	33.4	**1.9**
EBT [3]	€m	−38.4	91.7	192.6	−20.8	**−29.5**
Net result	€m	−39.9	75.4	143.9	−25.0	**−48.0**
Gross cash flow [4]	€m	85.9	190.7	243.6	115.5	**71.9**
ROCE [5]	%	1.1	11.2	18.0	2.6	**0.1**
Net debt [6]	€m	858.8	888.9	699.4	775.5	**860.1**
Net debt / EBITDA		10.2	4.5	2.4	6.9	**9.8**
Group equity	€m	74.8	144.6	419.2	389.4	**343.1**
Equity ratio [7]	%	6.1	10.4	26.3	24.5	**21.4**
Return on equity [8]	%	−35.9	51.6	51.1	−6.2	**−13.1**
Capital expenditures	€m	66.6	110.9	116.3	142.5	**126.5**
Employees (as at Dec. 31)		3,176	3,311	3,391	3,265	**3,295**
– Germany		165	174	165	163	**162**
– International		3,011	3,137	3,226	3,102	**3,133**

1 EBITDA (Earnings Before Interest, Taxes and Depreciation)
2 EBIT (Earnings Before Interest and Taxes) = operating result = EBITDA minus depreciation and amortization
3 EBT (Earnings Before Taxes) = earnings before taxes = EBIT minus financial result
4 Gross cash flow = consolidated net result adjusted for non-cash income and expenses
5 ROCE (Return on Capital Employed) = EBIT / (average equity plus average interest-bearing debt)
6 Net debt (net financial liabilities) = interest-bearing liabilities minus cash and cash equivalents and minus other current securities
7 Equity ratio = balance sheet equity divided by total assets
8 Return on equity = consolidated net result divided by average equity

Credits / Legal

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Image rights held by PCC SE
Cover photo: The propylene oxide manufacturing facility of PCC Rokita SA at the PCC Group's major production site in Brzeg Dolny, Poland.

This annual report is available in its original German version and as per this convenience translation in English.

Both versions can be downloaded from www.pcc.eu.

PCC SE
Duisburg, May 2025

Forward-looking statements

This annual report contains forward-looking statements which are based on the current estimates and assumptions made by the management with respect to future developments. The accuracy of such statements is subject to risks and uncertainties that lie outside the control and forecasting capability of PCC SE. Examples include future changes in the market environment and underlying economic conditions, the behavior of other market participants, the success with which new acquisitions can be integrated, the realization of anticipated synergy effects, and the actions of governmental agencies. Should such factors of uncertainty or imponderables come into play, or if the assumptions upon which these statements are based prove to be incorrect, the ensuing events could differ materially from those explicitly indicated in or inferred from these statements. PCC SE neither plans nor undertakes to update any forward-looking statements in respect of developments or events occurring after the date of this annual report.

Technical discrepancies

For technical reasons (e.g. arising from the conversion of electronic formats), differences may occur between the information provided in this annual report and that contained in the accounting documents submitted for publication in the Federal Gazette (Bundesanzeiger). In such cases, the version appearing in the Federal Gazette is authoritative.