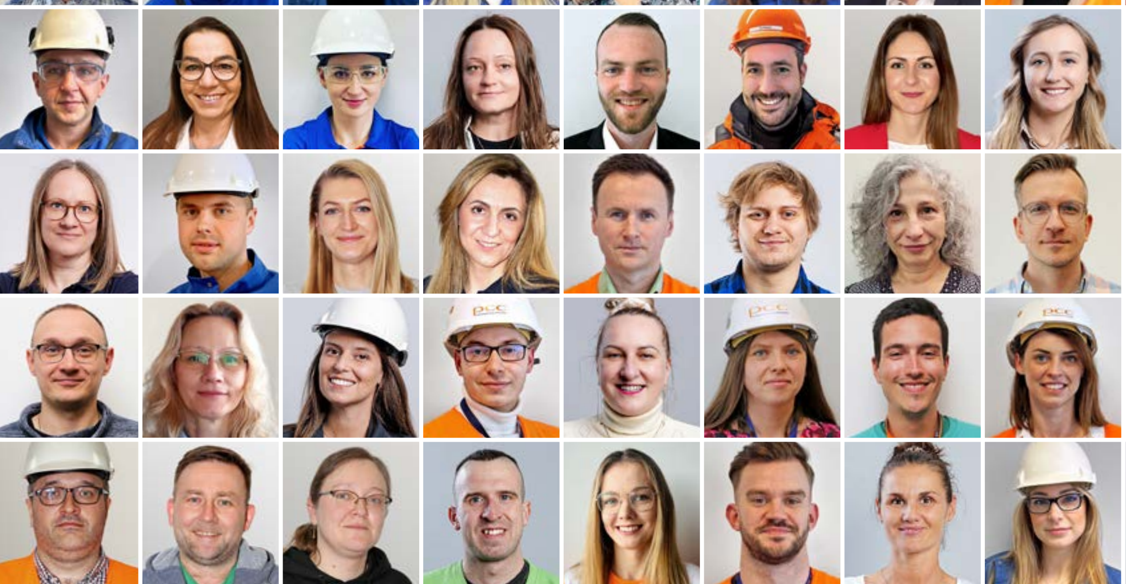
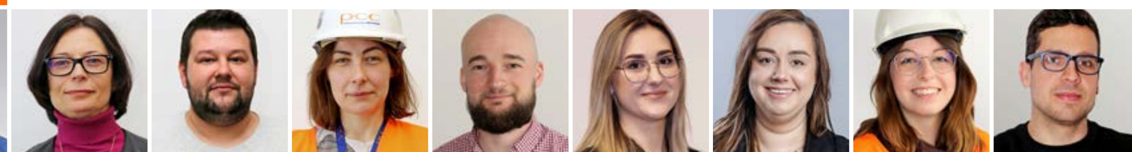


2022 Separate Financial Statements of PCC SE
per IFRS



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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.

Statement of comprehensive income

Figures in € k	(Note)	2022	2021
Income from participating interests and affiliated companies[1]	(4)	21,989	619
Other operating income	(5)	14,195	7,880
Other operating expenses	(6)	23,700	19,052
Depreciation and amortization	(7)	443	802
Interest result	(8)	−9,739	−3,776
Other financial income (+), expenses (–)	(9)	5,750	−518
Earnings before taxes (EBT)		**8,052**	−15,649
Taxes on income	(10)	−285	295
Net income / loss		**8,337**	−15,945
Change in the fair value of financial investments in equity instruments measured through other comprehensive income[2]		188,534	88
Deferred taxes on items recognized in OCI[3]		−2,828	−1
Total income and expenses recognized in equity		**185,706**	87
Total comprehensive income		**194,043**	−15,858

1 Income from participating interests and affiliated companies primarily contains dividend income and impairments / write-ups of financial investments.
2 In accordance with IFRS 9, all financial investments in equity instruments are classified at fair value through other comprehensive income (FVtOCI). Of these, two listed indirect subsidiaries have been measured using the Level 1 approach (based on market prices). All other subsidiaries have been measured according to the Level 3 approach based on valuation models, as there are neither market prices nor related transactions available from the recent past.
3 Other comprehensive income

Balance sheet

Assets in € k	(Note)	**Dec. 31, 2022**	Dec. 31, 2021
Non-current assets		**1,297,437**	1,068,152
Intangible assets	(11)	280	233
Property, plant and equipment	(11)	5,360	3,578
Right-of-use assets	(21)	393	6,384
Non-current financial assets	(12)	1,291,404	1,057,957
Current assets		**24,423**	26,633
Other receivables and other assets	(13)	19,431	17,072
Current financial assets	(12)	–	6,311
Cash and cash equivalents	(23)	4,992	3,250
Total assets		**1,321,860**	1,094,784

Equity and liabilities in € k	(Note)	**Dec. 31, 2022**	Dec. 31, 2021
Equity	(14)	**800,750**	611,956
Non-current provisions and liabilities		**362,340**	351,196
Deferred tax liabilities	(19)	5,230	2,730
Non-current financial liabilities	(17)	357,110	348,467
Current provisions and liabilities		**158,770**	131,632
Other provisions	(15)	6,388	2,912
Trade accounts payable	(16)	1,402	1,081
Tax liabilities		–	484
Current financial liabilities	(17)	138,709	115,983
Other liabilities	(18)	12,272	11,173
Total equity and liabilities		**1,321,860**	1,094,784

Statement of changes in equity

Figures in € k	Subscribed capital	Capital reserve	Revenue reserves / Other reserves	Other equity items / OCI	Equity
Jan. 1, 2021	**5,000**	**56**	**591,099**	**34,408**	**630,563**
Dividends paid to shareholder and owner	–	–	–2,750	–	–2,750
Total comprehensive income	**–**	**–**	**–15,945**	**87**	**–15,858**
Net loss	–	–	–15,945	–	–15,945
Other income and expenses recognized in equity	–	–	–	87	87
– Change in fair value of financial investments in equity instruments	–	–	–	88	88
– Deferred taxes recognized in OCI	–	–	–	–1	–1
Dec. 31, 2021	**5,000**	**56**	**572,405**	**34,495**	**611,956**

Figures in € k	Subscribed capital	Capital reserve	Revenue reserves / Other reserves	Other equity items / OCI	Equity
Jan. 1, 2022	**5,000**	**56**	**572,405**	**34,495**	**611,956**
Dividends paid to shareholder and owner	–	–	–4,750	–	–4,750
Merger of CATCH66 GmbH	–	–	–499	–	–499
Total comprehensive income	**–**	**–**	**8,337**	**185,706**	**194,043**
Net income	–	–	8,337	–	8,337
Other income and expenses recognized in equity	–	–	–	185,706	185,706
– Change in fair value of financial investments in equity instruments	–	–	–	188,534	188,534
– Deferred taxes recognized in OCI	–	–	–	–2,828	–2,828
Dec. 31, 2022	**5,000**	**56**	**575,492**	**220,202**	**800,750**

Statement of cash flows (condensed)

Figures in € k	2022	2021
Net income / loss	8,337	–15,945
Depreciation and amortization	443	802
Write-ups of non-current financial assets	219	–
Write-downs of non-current financial assets	487	875
Changes in provisions	3,476	1,487
Dividend result	–22,257	–1,494
Dividends received	22,257	1,494
Interest result	–9,739	3,776
Interest received	600	796
Income taxes paid	–6,141	–264
Increase (+) / decrease (–) in value adjustments for receivables and other assets	1,972	2,941
Gains (–), losses (+) from disposal of non-current assets	–2,276	–
Other non-cash changes	31,608	10,988
Changes in working capital	–1,751	7,979
Cash flow from operating activities	**27,236**	**13,436**
Net change from the sale (+) / acquisition (–) of intangible assets	–67	–5
Net change from the sale (+) / acquisition (–) of property, plant, equipment and right-of-use assets	3,785	–1,919
Net change from the sale (+) / acquisition (–) of financial assets	–37,032	–45,346
Cash flow from investing activities	**–33,314**	**–47,270**
Dividends paid to shareholder and owner	–4,750	–2,750
Net change in receipts from banks (+) / payments to banks (–) and payments in respect of leases	–3,260	2,992
Net change from receipts (+) / payments (–) in respect of bonds	5,138	31,452
Net change from receipts (+) / payments (–) in respect of financial liabilities to affiliated companies	29,491	19,386
Interest paid	–18,798	–18,238
Cash flow from financing activities	**7,821**	**32,842**
Changes in cash and cash equivalents due to cash transactions	1,743	–991
Changes in cash and cash equivalents due to foreign currency translation	0	–
Cash and cash equivalents at the beginning of the period	3,250	4,241
Cash and cash equivalents at the end of the period	**4,992**	**3,250**

Notes to the financial statements

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Summary of significant accounting and valuation policies

Notes to the individual items of the statement of income

Notes to the individual items of the balance sheet

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. Its address is Moerser Strasse 149, 47198 Duisburg, Germany. PCC SE is recorded in the Commercial Register of Duisburg District Court under reference HRB 19088.

At the core of the business activities undertaken by PCC SE is a commitment to the long-term engagement in and development of its portfolio business investments. One of the primary objectives in this regard is to create and continuously increase enterprise value. As a growth-led investor predominantly aligned to the long term, PCC SE supports its affiliated companies in their development and in the expansion of their various specific strengths. Aside from the active management of the investment portfolio, the main tasks of PCC SE include the strategic management and control of its affiliates at home and abroad. A further major responsibility lies in cross-Group financing activities together with market observation and advisory services. The purpose of such activities lies in further developing the PCC Group through competence-related diversification, and particularly through acquiring positions in less competitive submarkets and market niches. The investment focus is primarily on higher-growth regions of Eastern and Southeast Europe, and also in Asia.

The separate financial statements of PCC SE have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC), where these were adopted by the European Commission for application in the EU as of the reporting date and where application was mandatory as of December 31, 2022. The financial statements have been prepared on the basis of the going concern principle.

The closing date for preparation of the separate financial statements is December 31, 2022. PCC SE's fiscal year corresponds to the calendar year. The separate financial statements of PCC SE have been prepared with the euro as the reporting currency. Unless otherwise indicated, all amounts are given in thousand euros (€ k), as a result of which rounding differences may occur. Individual items of the balance sheet and the statement of income have, in part, been aggregated for better clarity of presentation. These items are explained in the Notes appended. The statement of income is structured according to the nature-of-expense method.

Aside from its separate financial statements, PCC SE also prepares consolidated financial statements for the largest scope of consolidation. This financial report is published in the electronic Federal Gazette.

The Executive Board of PCC SE finalized these financial statements in its meeting of May 31, 2023, whereupon they were presented to the Supervisory Board for examination and approval, and then released 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 IFRS 3 Business Combinations include an update of the reference to the revised 2018 Conceptual Framework and an addition to IFRS 3 to require an acquirer to apply IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies instead of the Conceptual Framework to identify liabilities assumed by the acquirer in a business combination. In addition, IFRS 3 has been amended to state that an acquirer shall explicitly not recognize contingent assets.

The amendments to IAS 16 Property, Plant and Equipment prohibit the deduction from the cost of an item of property, plant and equipment of proceeds arising from the disposal of goods produced with the item before it is brought to its intended condition. Instead, the cost of production and the proceeds from the disposal of such goods are recognized through profit or loss.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relate to the definition of fulfillment costs in respect of onerous contracts. The definition has been clarified to the effect that fulfillment costs comprise the costs directly associated with the contract. These consist of the additional costs incurred by an entity in connection with the contract (e.g. direct labor and material costs) and the costs directly attributable to the contract (e.g. pro rata depreciation of property, plant and equipment used in the performance of the contract).

The annual improvements to IFRSs include a number of minor amendments to various standards to clarify existing requirements and correct existing inconsistencies.

The accounting standards listed in the table that are to be applied for the first time have no material impact on the separate financial statements of PCC SE.

Standards and interpretations applied for the first time Standard / Interpretation	Application mandatory per IASB as of	Application mandatory in the EU as of
Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework	January 1, 2022	January 1, 2022
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022	January 1, 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract	January 1, 2022	January 1, 2022
Annual Improvements Project Cycle 2018 – 2020	January 1, 2022	January 1, 2022

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 effective in fiscal 2022. Some of these standards and interpretations have not yet been endorsed by the EU and will not be applied by PCC SE. PCC SE is currently assessing the extent to which new standards and interpretations that are not yet mandatory will have an impact on the separate financial statements. It is currently expected that the standards and interpretations listed that are not yet mandatory will not have any material impact on the separate financial statements.

Standards and interpretations yet to be applied Standard / Interpretation	Application mandatory per IASB as of	Application mandatory in the EU as of
IFRS 17 Insurance Contracts	January 1, 2023	January 1, 2023
Amendments to IAS 1 Presentation of Financial Statements and to IFRS Practice Statement 2: Disclosure of Accounting Policies	January 1, 2023	January 1, 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	January 1, 2023	January 1, 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023	January 1, 2023
Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023	January 1, 2023
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	Not yet known
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	January 1, 2024	Not yet known
IFRS 14 Regulatory Deferral Accounts	January 1, 2016	No endorsement by EU

(3) Explanatory notes to the accounting and valuation policies

Impact of the coronavirus pandemic and the war in Ukraine on the financial statements

Essentially, fiscal 2022 saw a continuation of the economic recovery that has followed the pandemic-related global slump in business activity of two years previous, albeit at a less pronounced rate than originally forecasted, with strict coronavirus restrictions and lockdowns in China slowing economic momentum and subduing global business development. High inflation rates put a brake on both private consumption and corporate investment. In addition, Russia's war of aggression on Ukraine and the associated sanctions in particular exacerbated the pressure on raw material availability, transport routes and supply chain stability. Scarce raw materials, limited transport options from Asia to Europe and continuing high demand for industrial products led to very sharp price increases for chemical commodities.

The aforementioned factors exerted varying effects on the affiliates included in the diversified business portfolio of PCC SE. Overall, the Chemicals business proved to be extremely robust as a result of continued high demand and correspondingly high capacity utilization of production facilities, as well as in some cases high price levels for many of the chemical commodities produced. The price increases led to high revenues and earnings contributions on the sales side. On the purchasing side, persistently high prices combined with further increases in inventories – a precautionary measure implemented to counter continuing transport and supply chain problems – resulted in an increase in working capital at affiliated companies.

However, selling prices for silicon metal (Silicon & Derivatives segment) came under pressure in the course of 2022. One reason for this was declining demand from the aluminum industry, which is heavily dependent on the automotive sector. Another lay in increasing volumes from China entering the European market, with customers delaying purchases in anticipation of falling prices. At the same time, raw material purchase prices, including for coal, and transportation costs rose sharply as a result of the war in Ukraine.

Conditions prevailing in the intermodal transport business generally remained strained in 2022. Aside from a continuing imbalance on the international container market, the primary reason lay in increased costs for the trucking of containers. In addition, the establishment of a regular transport connection from the Ukrainian-Polish border to Poland's sea ports was inhibited due to the sometimes chaotic conditions in the border area and the partial congestion of said ports.

Beyond the effects mentioned above, we did not identify any impact resulting from the coronavirus pandemic or the war in Ukraine on the net assets, financial position or results of operations of PCC SE.

The development of the coronavirus pandemic remains dynamic. In addition, the war in Ukraine gives rise to political and economic risks that are beyond the control of PCC SE. Both the further development of the coronavirus pandemic and of the war in Ukraine may thus continue to give rise to increased risks in terms of value creation with, and the recoverability of, assets. The uncertainty that continues to prevail in the global economy could impact suppliers, customers and other business partners and lead, for example, to the disruption of supply chains, payment defaults or operational changes. PCC SE will continue to carefully monitor the ensuing impacts in close consultation with its affiliated companies. This also applies to the effects on inventories, trade accounts receivable and material assumptions relating to goodwill.

Income recognition

PCC SE is the ultimate parent company of the PCC Group and, as a holding company, does not generate any sales revenue of its own. Interest income is recognized pro rata temporis using the effective interest method. Dividend income is recognized once the right to collect payment arises.

Intangible assets

Acquired intangible assets are recognized at cost less accumulated amortization and accumulated impairment losses. Where the prerequisites for capitalization of internally generated intangible assets are satisfied, such assets are duly recognized. Intangible assets are essentially amortized on a straight-line basis over their estimated useful lives. These range from three to 44 years. The intangible assets of PCC SE mainly comprise IT licenses and the naming rights to the PCC stadium of VfB Homberg e.V.

Property, plant and equipment
In accordance with IAS 16, property, plant and equipment are carried at historical cost and – except for land – depreciated using the straight-line method over their estimated useful economic lives. The initial cost recognized includes all expenses directly attributable to acquisition, construction or manufacture. The scheduled straight-line depreciation amounts are based on the following useful lives:

in years	2022	2021
Buildings and structures	17	9–17
Other facilities, factory and office equipment	1–15	3–15

For information on the useful lives of assets under lease, please refer to Note (11).

An item of property, plant and equipment is derecognized either on disposal or when the further use of the asset is no longer expected to generate economic benefit. The gains or losses arising from the derecognition of the asset are determined as the difference between the net proceeds and the carrying amount of the asset, and recognized through profit or loss in the period in which the asset is derecognized. Value write-ups arising from impairment reversals are recognized in other operating income. The residual values, useful lives and depreciation methods are reviewed and, where required, adapted at the end of each fiscal year.

Borrowing costs
Directly attributable borrowing costs incurred as part of the acquisition, construction or manufacture of a qualifying asset are capitalized as part of the initial cost. They remain capitalized until the asset is ready for its envisaged use, with the relevant cost-of-debt interest rate being duly applied. 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 balance sheet once PCC SE becomes a contractual party to a financial instrument. Financial assets are derecognized once the contractual rights to payments from the financial assets expire or the financial assets are transferred to another party together with all material risks and rewards. Financial liabilities are derecognized once the contractual obligations are settled, canceled or have expired. Regular-way purchases and sales of financial instruments are recognized as of the transaction date, that is to say the date on which the company commits to the purchase or sale of the asset.

Classification and measurement of financial instruments per IFRS 9
In accordance with IFRS 9, financial assets and liabilities are classified according to the following measurement categories based on their nature and their intended use:

(a) Financial instruments measured at amortized cost (aC)
Financial assets are classified in the aC category if they are held within the framework of a business model geared to the collection of contractual cash flows (strict business model condition). In addition, the asset value 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 instruments, derivatives or liabilities held exclusively for trading and for which the fair value option has been exercised. At PCC SE, other receivables and other assets as well as receivables and loans reported under non-current financial assets and current financial assets are allocated to the aC measurement category. The shares in the joint ventures OOO DME Aerosol, Pervomaysky (Russia), and PCG PCC Oxyalkylates Sdn. Bhd., Kuala Lumpur (Malaysia), and certain other affiliates are also measured at amortized cost. Cash and cash equivalents likewise fall under 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. Additions to financial assets and liabilities are measured at fair value, which generally corresponds to the nominal value of the receivable or the loan amount granted. Non-interest-bearing or low-interest-bearing non-current loans and receivables 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 those financial assets or financial liabilities. Financial instruments in the aC category are subsequently measured at amortized cost using the effective interest method. The changes in value are recognized through profit or loss in the statement of income.

(b) Financial assets measured at fair value through other comprehensive income (FVtOCI)

Financial assets are classified in the FVtOCI category if they are held in a business model both to collect contractually agreed cash flows and to make sales (moderated business model condition). In addition, the asset must be structured in such a way that it only results in fixed-term cash flows that represent interest and principal payments in relation to the provision of capital (cash flow condition). Equity instruments never fulfill the cash flow condition, but can be voluntarily measured at FVtOCI. At PCC SE, this option is exercised with shares in subsidiaries being assigned to the FVtOCI measurement category, as are securities. In principle, financial liabilities cannot be allocated to the FVtOCI category. Initial recognition is at fair value, which in the majority of cases corresponds to the cost of acquisition. Transaction costs directly attributable to the acquisition or issue of financial assets are added to the fair value of those financial assets. Changes in fair value on subsequent measurement are accrued directly in equity and only recognized through profit or loss on disposal (recycling). Conversely, amounts recognized in respect of equity instruments on disposal of the financial instrument remain in equity (no recycling).

(c) Financial instruments recognized at fair value through profit or loss (FVtPL)

All financial instruments that do not meet the entry requirements of the first two categories are generally assigned to the FVtPL category. This includes equity instruments not voluntarily assigned to the FVtOCI category, plus derivatives and all other financial instruments held for trading. In addition, in certain cases the fair value option for the classification of financial instruments may be exercised voluntarily, but then irrevocably. Financial instruments in the FVtPL category are measured at fair value both initially and subsequently. The changes in value are recognized through profit or loss 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 only offset and disclosed as a netted amount in the balance sheet where there is a legal entitlement to do so and the intention is to settle on a net basis or to discharge the associated liability simultaneously with realization of the associated asset.

Impairment of financial assets

For financial assets measured at amortized cost, a provision for expected impairment must be recognized in the balance sheet. For trade accounts receivable, expected default rates (Stage 2 of the impairment model) must be calculated on the basis of historical defaults and future-aligned estimates. If there are objective indications that trade accounts receivable or other financial assets measured at amortized cost may be impaired, they are individually tested 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 if there are other substantial indications of impairment, such as a significant deterioration in creditworthiness. The allowances are recorded via a value adjustment account on the assets side. The gross value and the allowance (value adjustment) are only derecognized when the receivable becomes uncollectible.

Impairment losses at PCC SE on trade accounts receivable and on other financial assets are no more than minor. Hence, for reasons of materiality, no expected impairment losses have been determined in respect of either line item.

Cash and cash equivalents

Cash and cash equivalents encompass cash balances and checks, credit balances at banks with an initial term of up to three months, and also highly liquid financial assets available at short notice. These items are recognized at amortized cost.

Trade accounts payable; bank overdrafts

Trade accounts payable, overdraft liabilities and other liabilities are recognized at their repayable or settlement amount.

Provisions

Provisions are recognized where a past event has given rise to a legal or constructive obligation toward third parties that is likely to lead in the future to an outflow of funds, and where the amount involved can be reliably estimated. Non-current provisions are recognized at the present value of the future outflow of resources and accrue interest over the period until the expected claim is made.

Taxes on income

PCC SE 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 generally 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 at least partially monetized. Deferred income tax assets 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 monetization of the deferred tax asset.

Deferred tax liabilities and deferred tax assets are netted where there is a right to do so and where they involve the same tax authority. Current taxes are calculated on the basis of the taxable income of the company for the reporting period, with the tax rate prevailing as of the balance sheet date being applied.

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 fixed period of time, and where a consideration is paid in return. Leases in which PCC SE acts as 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 low-value asset leases, the exemption per IFRS 16.5 is applied, thus eliminating recognition of the right-of-use asset and the lease liability in respect of such contracts. 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 valuation of lease liabilities. Application of the exemption allowed under IFRS 16.15 eliminates the need to distinguish between lease payments and any payments for non-lease components. Where it is not possible to determine the implicit interest rate, the existing payment obligations are discounted at the incremental borrowing 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 payments on account increase the acquisition value of the right-of-use asset, while lease incentives received reduce it. In subsequent measurement, the right-of-use asset is depreciated or amortized on a straight-line basis over the shorter of the lease term and the useful economic life of the underlying asset. The lease liability is rolled forward using the effective interest method.

Contractually defined renewal, extension, purchase and termination options ensure future operational flexibility for PCC SE 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 extension 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.

Foreign currency translation

The currency employed in the preparation of the separate financial statements of PCC SE is the euro. Accounts receivable and payable in foreign currencies are measured at the exchange rate prevailing at the time of the transaction. Current foreign currency receivables or payables with a remaining term of one year or less are measured at the year-end rate of exchange. Foreign currency credit balances are likewise measured at the year-end rate of exchange.

Use of assumptions and estimates

Preparation of the separate financial statements as of December 31, 2022 in compliance with IFRSs requires a number of judgment decisions, estimates and assumptions to be made by the management that influence the amounts attributed to recognized assets, liabilities, contingent assets and contingent liabilities as of the reporting date, and also the income and expenses generated during the fiscal year. The main areas of application for assumptions, estimates and the exercise of discretionary scope are encountered in determining the useful lives of non-current assets, the recognition and measurement of other provisions, and also that of taxes on income. Estimates are also used in determining lease terms and in calculating the discount rate in accounting for leases. In addition, calculation of the fair values of investments for which no market prices are publicly available is based on assumptions and estimates. Moreover, such judgments, estimates and assumptions are subject to increased uncertainty due, in particular, to the significant volatility prevailing in the energy markets as a result of the war in Ukraine and the consequences of the coronavirus pandemic. Estimates are based on experience, empirical values and other assumptions that are believed to be reasonable under the circumstances. They are reviewed on an ongoing basis but may differ from actual outcomes and figures that come to light. In light of both the war in Ukraine and the coronavirus pandemic, it is difficult to predict the duration and extent of potential effects on the net assets, financial position, results of operations and cash flows. The carrying amounts of the items affected by estimates and assumptions can be found in the following Notes and also in the balance sheet.

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Notes to the individual items of the statement of income

(4) Income from participating interests and affiliated companies

Income from participating interests and affiliated companies amounted to € 21,989 k in fiscal 2022 (previous year: € 619 k). This significant improvement in income from investments resulted on the one hand from lower impairment losses on individual financial assets, which amounted to € 487 k in fiscal 2022, making them significantly lower than in the previous year (€ 875 k). On the other hand, the significant increase in net income from investments in affiliated companies resulted from the receipt of the first dividend of € 19,000 k distributed by PCC Chemicals GmbH, Duisburg. In total, income from participating interests and affiliated companies includes income from profit distributions amounting to € 22,257 k (previous year: € 1,494 k). The income from profit distributions is attributable to the respective shareholdings as follows:

Figures in € k	2022	2021
PCC Chemicals GmbH	19,000	–
PCC Synteza S.A.	1,893	221
PCC Trade & Services GmbH	1,000	1,000
PCC Energetyka Blachownia Sp. z o.o.	291	101
PCC IT S.A.	73	172
Income from profit distributions	**22,257**	1,494

(5) Other operating income

Figures in € k	2022	2021
Income from costs recharged	10,826	7,622
Income from the disposal of property, plant and equipment	2,277	15
Income from merger	484	–
Income from release of other provisions	217	37
Sundry other operating income	391	205
Other operating income	**14,195**	**7,880**

Other operating income increased by € 6,315 k from € 7,880 k in the previous year to € 14,195 k in the fiscal year under review. As in the previous year, the largest single item was income from costs recharged, which increased by € 3,203 k from € 7,622 k in the previous year to € 10,826 k this time. This item comprises primarily revenue-based license fees and cost allocations from service charges. In addition, income of € 2,277 k was generated from the disposal of property, plant and equipment (previous year: € 15 k). The majority of this relates to the termination of a sale-and-leaseback agreement and the subsequent sale of property, plant and equipment. The merger of CATCH66 GmbH, Duisburg, with PCC SE resulted in a gain of € 484 k. As in the previous year, the sundry other operating income heading covers various individual items which, taken individually, are not material.

(6) Other operating expenses

Figures in € k	2022	2021
Personnel expenses	12,722	8,972
Legal, consultancy and audit expenses	4,160	3,509
Increase in individual value adjustments and ECL on receivables	2,136	2,954
Travel and hospitality expenses	1,208	942
Marketing, selling and distribution expenses	1,004	1,030
General business expenses	591	416
IT and telecommunication expenses	356	329
License fees and similar Group charges	163	119
Rent and similar expenses	77	49
Maintenance and repair expenses	44	49
Sundry other operating expenses	1,239	682
Other operating expenses	**23,700**	**19,052**

In fiscal 2022, other operating expenses increased by € 4,648 k from € 19,052 k in the previous year to € 23,700 k. As in the previous year, personnel expenses represent the largest single item under this heading. Personnel expenses increased by € 3,750 k compared to the previous year, from € 8,972 k to € 12,722 k. This is mainly the result of general salary increases and performance-related variable remuneration components arising from the very good Group results achieved in fiscal 2022. The individual value adjustments and expected credit losses of € 2,136 k (previous year: € 2,954 k) resulted both in the reporting year and in the previous year mainly from impaired receivables from ZAO PCC Rail, Moscow (Russia). As in the previous year, the sundry other operating expenses heading covers various items which, taken individually, are not material.

(7) Depreciation and amortization

Figures in € k	2022	2021
Amortization of intangible assets	20	16
Depreciation of property, plant and equipment	178	333
Depreciation of right-of-use assets	246	453
Depreciation and amortization	**443**	802

Amortization of intangible assets, depreciation of property, plant and equipment and depreciation of right-of-use assets amounted to € 443 k in fiscal 2022 (previous year: € 802 k). The decrease in depreciation in respect of right-of-use assets is primarily due to the premature termination of a lease agreement. No impairment losses were recognized on intangible assets, property, plant and equipment or right-of-use assets either in the year under review or in the previous year.

(8) Interest result

Figures in € k	2022	2021
Interest and similar income	**9,453**	14,545
Interest income on bank credit balances	1	–
Interest income on loans to affiliated companies	8,024	13,242
Other interest income	1,428	1,303
Interest and similar expenses	**19,192**	18,321
Interest expenses on bearer bonds	16,639	17,544
Interest expenses on bank liabilities	211	1
Interest expenses on leases	24	67
Interest expenses on loans received from affiliated companies	2,318	709
Interest result	**−9,739**	−3,776

The net result arising from interest income and interest expenses decreased by € 5,963 k from € −3,776 k in the previous year to € −9,739 k in fiscal 2022. As in the previous year, the largest single item was interest expenses on bearer bonds, although at € 16,639 k this was € 905 k lower than in the previous year. PCC SE issues bonds, among other things, to finance capital expenditure and to refinance maturing liabilities. Note (17) Financial Liabilities contains a detailed presentation of the liabilities arising from bonds and their respective maturities. The higher interest expense from loans received from affiliated companies mainly results from interest-bearing loans and cash-pool liabilities. Interest income from loans granted to affiliated companies decreased by € 5,218 k from € 13,242 k in the previous year to € 8,024 k in the year under review. This was due to the conversion of loan receivables into shares, mainly in PCC BakkiSilicon hf., Húsavík (Iceland).

(9) Other financial income and expenses

Figures in € k	2022	2021
Currency translation gains	7,574	81
Currency translation losses	1,780	474
Other financial expenses	44	125
Other financial result	**5,750**	–518

Income and expenses from foreign currency translation are reported under financial result. Both income and expenses arising from currency translation increased significantly compared to the previous year. The main reason for the increase in currency translation gains is currency income resulting from the restructuring of the financing of PCC BakkiSilicon hf., Húsavík (Iceland). The resulting currency translation effect amounts to €6,489 k. Other financial expenses decreased by €81 k to €44 k. The net effect on earnings was €5,750 k (previous year: €–518 k).

(10) Taxes on income / Tax expense

Taxes on income include the income taxes paid or owed, and also deferred taxes recognized through profit or loss. This item exclusively comprises German (domestic) and non-German (foreign) taxes on income. Other taxes include property taxes, wealth taxes and other comparable tax classes. These are allocated to other operating expenses. PCC SE is subject to the German corporate income tax rate of 15 % plus the solidarity surcharge. PCC SE has tax loss carry-forwards for which no deferred taxes have been recognized. These can be carried forward indefinitely and amount to € 134.0 million (previous year: € 114.9 million).

The following table shows the relationship between the actual and expected tax expense and income based on the annual results per IFRS. As in the previous year, the expected tax expense or income is based on a simplified income tax rate of 30 %.

Figures in € k	**2022**	2021
Current taxes on income, Germany	–	– 169
Current taxes on income, abroad	43	41
Current income tax expense	**43**	**– 128**
Expenses (+) / income (–) from deferred taxes	– 328	423
Taxes on income	**– 285**	**295**
Other taxes incl. VAT and other excise duties	107	34
Tax expense (+) / income (–)	**– 178**	**329**

Figures in € k	**2022**	2021
Earnings before taxes (EBT)	**8,052**	**– 15,649**
Anticipated income tax	2,416	– 4,695
Permanent non-taxable income	– 40,813	– 1,419
Permanent non-deductible expenses	16,605	3,154
Withholding taxes	43	41
Income (–) / expenses (+) from deferred taxes	– 328	423
Other effects	22,362	17,850
Effective income tax	**285**	**– 295**

Notes to the individual items of the balance sheet

(11) Non-current assets

For reasons of materiality, intangible assets, property, plant and equipment, and right-of-use assets are explained in aggregate in this section.

Figures in € k	Balance at Jan. 1, 2022	Historical cost		Balance at Dec. 31, 2022	Balance at Jan. 1, 2022	Depreciation and amortization		Balance at Dec. 31, 2022	Net carrying amount at Dec. 31, 2022
		Additions	Disposals			Additions	Disposals		
Intangible assets									
Industrial property rights and similar rights	847	63	–	910	614	20	–	634	276
Payments on account for intangible assets	–	4	–	4	–	–	–	–	4
Total	**847**	67	–	**914**	**614**	20	–	**634**	**280**
Property, plant and equipment									
Land and buildings	3,470	–	–	3,470	2,213	56	–	2,269	1,201
Other facilities, factory and office equipment	1,171	72	146	1,097	703	121	110	714	383
Payments on account and assets under construction	1,852	1,923	–	3,776	–	–	–	–	3,776
Total	**6,493**	1,995	146	**8,342**	**2,915**	**178**	110	**2,983**	**5,360**
Right-of-use assets									
Right-of-use assets	6,677	109	6,199	588	293	246	345	195	393
Total	**6,677**	109	6,199	**588**	**293**	246	345	**195**	**393**

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Figures in € k	Balance at Jan. 1, 2021	Historical cost Additions	Historical cost Disposals	**Balance at Dec. 31, 2021**	Balance at Jan. 1, 2021	Depreciation and amortization Additions	Depreciation and amortization Disposals	**Balance at Dec. 31, 2021**	**Net carrying amount at Dec. 31, 2021**
Intangible assets									
Industrial property rights and similar rights	842	5	–	847	597	16	–	614	233
Total	**842**	5	–	**847**	**597**	16	–	**614**	**233**
Property, plant and equipment									
Land and buildings	3,470	–	–	3,470	2,012	201	–	2,213	1,257
Other facilities, factory and office equipment	1,163	109	102	1,171	655	132	85	703	468
Payments on account and assets under construction	–	1,852	–	1,852	–	–	–	–	1,852
Total	**4,633**	1,962	102	**6,493**	**2,667**	**332**	85	**2,915**	**3,578**
Right-of-use assets									
Right-of-use assets	8,713	6,269	8,304	6,677	1,850	453	2,010	293	6,384
Total	**8,713**	6,269	8,304	**6,677**	**1,850**	453	2,010	**293**	**6,384**

Intangible assets include licenses and similar rights, mainly for software and in respect of the naming rights to the PCC stadium in Duisburg. The total net carrying amounts here increased from € 233 k in the previous year to € 280 k as of the 2022 balance sheet date. The change is the result of additions to software and the effect of scheduled amortization.

The net carrying amount of property, plant and equipment grew from € 3,578 k in the previous year to € 5,360 k in the year under review. The increase is mainly due to payments on account for property, plant and equipment.

PCC SE holds leases under the headings Land and Buildings and Other Facilities, Factory and Office Equipment, incl. Vehicle Fleet. To ensure flexibility, renewal, extension and termination options are sometimes agreed. When determining the term of the agreement, all circumstances and facts are taken into account which, in line with current knowledge, have an influence on the exercise of an extension option or the non-exercise of a termination option. When determining lease liabilities and corresponding right-of-use assets, all sufficiently assured cash outflows are taken into account. Classified by underlying asset type, the net carrying amounts of the right-of-use assets per year-end break down as follows:

Figures in € k	**Dec. 31, 2022**	Dec. 31, 2021
Land and buildings	285	294
Other facilities, factory and office equipment, incl. vehicle fleet	108	6,090
Right-of-use assets, net carrying amount	**393**	6,384

The net carrying amounts of right-of-use assets decreased by €5,991 k from €6,384 k in the previous year to €393 k at the balance sheet date. The decline mainly results from the premature termination of a lease agreement. The underlying contractual term for leases relating to land and buildings is ten years. Other facilities, factory and office equipment, incl. vehicle fleet are leased for three years. The depreciation of right-of-use assets amounting to €246 k (previous year: €453 k) recognized in fiscal 2022 breaks down by type of underlying asset as follows:

Figures in € k	**2022**	2021
Land and buildings	39	36
Other facilities, factory and office equipment, incl. vehicle fleet	207	417
Right-of-use assets, depreciation	**246**	453

(12) Financial assets

Non-current financial assets essentially comprise shares in affiliated companies, the shares in the joint ventures OOO DME Aerosol (Russia) and PCG PCC Oxyalkylates Sdn. Bhd. (Malaysia) and, to a minor extent, other securities. Also included in non-current financial assets are loans to individual companies within the investment portfolio, and to third parties. Loans to affiliated companies and third parties with a term of one year or less are reported under current financial assets.

Figures in € k	Dec. 31, 2022		Dec. 31, 2021	
	Non-current	Current	Non-current	Current
Shares in affiliated companies	1,108,035	–	900,867	–
Shares in joint ventures	16,182	–	16,182	–
Securities	32	–	32	–
Total equities	**1,124,249**	**–**	**917,081**	**–**
Loans to affiliated companies	153,267	–	128,000	2,500
Loans to joint ventures	13,561	–	12,549	–
Loans to third parties	327	–	327	3,811
Total loans	**167,155**	**–**	**140,876**	**6,311**
Financial assets	**1,291,404**	**–**	**1,057,957**	**6,311**

Investment portfolio

PCC SE is the holding company of the PCC Group. Its operational focus is on the sustainable management and growth-aligned optimization of its investment portfolio comprising majority and minority shareholdings. Its primary aims in this regard include that of generating and continuously growing enterprise value.

The valuation of PCC Chemicals GmbH in its function as an intermediate holding company derives directly from the fair values of PCC Rokita SA and PCC Exol SA, for which market prices are regularly available by virtue of their stock exchange listing. In the case of investments for which there are no publicly available market prices, the valuation basis is provided either by recent transactions or valuation models. The annual company valuations are carried out in the fourth quarter of each fiscal year using the discounted cash flow method (DCF), with the three-year operational planning of the companies being duly taken into account. This horizon is extended by two further years by means of iteration, with calculation of the perpetual annuity being based on the fifth year. Over- and under-fulfillment of the planning is additionally simulated on the basis of probabilities. The fair value is derived with the aid of weighting factors. The achievable amount was ascertained on the basis of value-in-use after allowing for the deduction of net debt. 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. Local tax rates continued to be applied. These are 19 % for Polish companies in the investment portfolio and 30 % for German companies in the investment portfolio. The tax rates remained unchanged year on year. As in the previous year, the weighted average cost of capital (WACC) was determined on a regional basis. This was 7.4 % for Poland (previous year: 7.2 %) and 6.1 % for Germany (previous year: 6.3 %). Changes in the valuation of companies in the investment portfolio are recognized per IFRS in equity under other comprehensive income. In the case of investments that are newly established or have only recently commenced operations, the acquisition costs – usually in the form of capital measures implemented – are regarded as a realistic estimate of their fair values.

The adjacent table shows the fair values of the investment portfolio of PCC SE. In all, the investment portfolio of PCC SE comprising affiliated companies, joint ventures and securities had a fair value of € 1,124,249 k as of December 31, 2022 (previous year: € 917,081 k). Of this figure, € 443,651 k (39.5 %) was attributable to the shares held by PCC SE in PCC Chemicals GmbH, which holds the shares in the two listed companies PCC Rokita SA and PCC Exol SA. The adjacent table shows the entire investment portfolio of PCC SE.

Figures in € k	Dec. 31, 2022	Dec. 31, 2021	Absolute change	Relative change
Shares in listed companies[1]	**443,651**	414,091	29,560	7.1 %
PCC Rokita SA	341,667	332,962	8,705	2.6 %
PCC Exol SA	101,984	81,129	20,855	25.7 %
Shares in non-listed companies	**680,598**	502,990	177,608	35.3 %
PCC Intermodal SA	270,732	221,059	49,673	22.5 %
PCC MCAA Group[2]	203,144	115,094	88,050	76.5 %
PCC Synteza S.A.	29,016	30,603	– 1,587	– 5.2 %
PCC BakkiSilicon hf.	27,787	0	27,787	>100 %
PCC Trade & Services GmbH	21,861	36,803	– 14,943	– 40.6 %
PCC Silicium S.A.	18,992	10,801	8,191	75.8 %
PCG PCC Oxyalkylates Sdn. Bhd.	16,054	16,054	–	–
PCC Consumer Products S.A.	15,686	5,288	10,397	>100 %
PCC Thorion GmbH, Duisburg (formerly: PCC Specialties GmbH)	10,556	0	10,556	>100 %
distripark.com Sp. z o.o.	9,135	3,365	5,769	>100 %
PCC Organic Oils Ghana Ltd.	8,636	8,636	–	–
PolyU GmbH	7,500	4,000	3,500	87.5 %
PCC Morava-Chem s.r.o.	6,786	6,928	– 142	– 2.1 %
PCC Insulations GmbH	4,623	10,324	– 5,701	– 55.2 %
PCC Energetyka Blachownia Sp. z o.o.	4,260	4,547	– 287	– 6.3 %
PCC IT S.A.	4,188	3,619	568	15.7 %
PCC Seaview Residences ehf.	2,592	2,592	–	–
PCC Prodex GmbH	1,900	3,126	– 1,226	– 39.2 %
Other investments[3]	17,151	20,150	– 2,999	– 14.9 %
Total	**1,124,249**	917,081	207,168	22.6 %

1 Only the shares held indirectly by PCC SE via PCC Chemicals GmbH as of the reporting date; translated at the closing rate.
2 PCC MCAA Group comprises MCAA SE and PCC MCAA Sp. z o.o.
3 The other investments include the shares in the joint venture OOO DME Aerosol as well as sundry shareholdings valued at amortized acquisition cost. Particularly in the case of investments that are newly established or have only recently commenced operations, the acquisition costs – usually in the form of capital measures implemented – are regarded as realistic fair value estimates. Also included is a holding company.

Name and registered office of company	Currency	Exchange rate Dec. 31, 2022 1 euro =	PCC SE participating interest in % Direct	Indirect	2022	2021	Equity in local currency ('000)	Net result in local currency ('000)
AO "NOVOBALT" Terminal, Kaliningrad	RUB	79.2258	–	100.00	**100.00**	100.00	161,186.4	–2,320.6
Aqua Łososiowice Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	2,685.1	1,369.2
Brama Pomorza Sp. z o.o., Gdańsk	PLN	4.6808	7.41	–	**7.41**	7.41	7,830.7	8,865.5
CATCH66 GmbH, Duisburg	EUR	1.0000	–	–	**–**	100.00	–	–121.0
Chemia-Profex Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	71.7	5.0
Chemia-Serwis Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	166.0	59.7
ChemiPark Technologiczny Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	4,372.9	146.4
Chemi-Plan S.A. i.L., Brzeg Dolny	PLN	4.6808	–	–	**–**	100.00	–	–23.8
CWB Partner Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	890.3	586.8
distripark.com Sp. z o.o., Brzeg Dolny	PLN	4.6808	50.00	50.00	**100.00**	100.00	–2,190.90	2,559.93
Ekologistyka Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	49,206.3	30,679.1
Elpis Sp. z o.o. i.L., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	10,460.1	218.7
Fate Sp. z o.o. i.L., Brzeg Dolny	PLN	4.6808	–	–	**–**	100.00	–	–22.0
Gaia Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	33.5	–16.6
GRID BH d.o.o., Sarajevo	BAM	1.9558	–	85.62	**85.62**	85.62	82.1	2.0
Hebe Sp. z o.o. i.L., Brzeg Dolny	PLN	4.6808	–	–	**–**	100.00	–	–24.9
IRPC Polyol Company Ltd., Bangkok	THB	36.8350	–	50.00	**50.00**	50.00	165,384.4	36,689.9
LabAnalityka Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	954.3	687.7
LabMatic Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	4,147.2	2,082.9
LocoChem Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	32.5	57.8
Logoport Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	208.9	163.8
MCAA SE, Brzeg Dolny	PLN	4.6808	100.00	–	**100.00**	100.00	82,450.9	–98.6
New Better Industry Sp. z o.o. i.L., Brzeg Dolny	PLN	4.6808	–	–	**–**	100.00	–	–27.2
OOO DME Aerosol, Pervomaysky	RUB	79.2258	50.00	–	**50.00**	50.00	–684,449.1	116,726.0
OOO PCC Consumer Products, Moscow	RUB	79.2258	–	100.00	**100.00**	100.00	–33.4	90,869.0
OOO PCC Consumer Products Navigator, Grodno	BYN	2.7013	–	100.00	**100.00**	100.00	7,259.3	979.5
PCC ABC Sp. z o.o. i.L., Brzeg Dolny	PLN	4.6808	–	–	**–**	100.00	–	–24.5
PCC Apakor Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	99.59	**99.59**	99.59	16,740.4	6,698.5
PCC Autochem Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	21,190.9	16,864.2
PCC BakkiSilicon hf., Húsavík	USD	1.0666	65.40	–	**65.40**	86.50	151,005.7	–34,795.1
PCC BD Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	58,941.9	–660.6
PCC Bulgaria EOOD, Sofia	BGN	1.9558	100.00	–	**100.00**	100.00	–79.3	–104.0
PCC Chemax, Inc., Piedmont, SC	USD	1.0666	–	100.00	**100.00**	100.00	10,694.0	2,554.6
PCC Chemicals Corporation, Wilmington, DE	USD	1.0666	100.00	–	**100.00**	–	211.1	–38.9
PCC Chemicals GmbH, Duisburg	EUR	1.0000	100.00	–	**100.00**	100.00	345,973.1	51,622.9
PCC Consumer Products Czechowice S.A. i.L., Czechowice-Dziedzice	PLN	4.6808	–	99.74	**99.74**	99.74	–16,858.4	–253.6
PCC Consumer Products Kosmet Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	12,612.1	–2,388.7

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Name and registered office of company	Currency	Exchange rate Dec. 31, 2022 1 euro =	PCC SE participating interest in % Direct	Indirect	2022	2021	Equity in local currency ('000)	Net result in local currency ('000)
PCC Consumer Products S.A., Brzeg Dolny	PLN	4.6808	100.00	–	**100.00**	100.00	–30,733.8	–7,107.3
PCC Energetyka Blachownia Sp. z o.o., Kędzierzyn-Koźle	PLN	4.6808	84.46	–	**84.46**	84.46	18,848.8	3,564.0
PCC EXOL Kimya Sanayi ve Ticaret Limited Şirketi, Istanbul	TRY	19.9649	–	100.00	**100.00**	100.00	14,018.9	10,430.0
PCC Exol Philippines Inc. i.L., Batangas	PHP	59.3200	–	–	**–**	99.99	–	–
PCC EXOL SA, Brzeg Dolny	PLN	4.6808	–	87.03	**87.03**	87.04	405,766.0	116,117.6
PCC HYDRO DOOEL Skopje, Skopje	MKD	61.4932	–	100.00	**100.00**	100.00	–528,003.0	–56,322.7
PCC Insulations GmbH, Duisburg	EUR	1.0000	100.00	–	**100.00**	100.00	3,796.8	83.9
PCC Integrated Chemistries GmbH, Duisburg	EUR	1.0000	100.00	–	**100.00**	100.00	5,641.5	–41.0
PCC Intermodal GmbH, Duisburg	EUR	1.0000	–	100.00	**100.00**	100.00	920.2	230.6
PCC Intermodal SA, Gdynia	PLN	4.6808	99.09	–	**99.09**	98.80	247,981.2	34,236.9
PCC IT S.A., Brzeg Dolny	PLN	4.6808	100.00	–	**100.00**	100.00	7,894.9	409.6
PCC Izvorsko EOOD, Sofia	BGN	1.9558	–	100.00	**100.00**	100.00	–1,383.0	–1.5
PCC MCAA Sp. z o.o., Brzeg Dolny	PLN	4.6808	58.46	40.42	**98.88**	98.88	214,151.5	76,311.2
PCC MORAVA-CHEM s.r.o., Český Těšín	CZK	24.1160	98.00	2.00	**100.00**	100.00	45,053.6	–3,748.5
PCC NEW HYDRO DOOEL Skopje, Skopje	MKD	61.4932	–	100.00	**100.00**	100.00	–129,673.5	–33,317.1
PCC Organic Oils Ghana Ltd., Accra	GHS	9.1457	100.00	–	**100.00**	100.00	913.8	–3,499.5
PCC Prodex GmbH, Essen	EUR	1.0000	100.00	–	**100.00**	100.00	–1,979.2	–533.6
PCC Prodex Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	–2,347.6	4,928.9
PCC PU Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	68,538.2	–4,144.0
PCC Renewables GmbH, Duisburg	EUR	1.0000	100.00	–	**100.00**	100.00	13,049.2	–4,657.0
PCC Rokita SA, Brzeg Dolny	PLN	4.6808	–	84.26	**84.26**	84.17	1,518,703.0	620,877.8
PCC Seaview Residences ehf., Húsavík	ISK	151.5000	100.00	–	**100.00**	100.00	147,498.0	–50,506.0
PCC Silicium S.A., Zagórze	PLN	4.6808	99.99	–	**99.99**	99.99	3,694.7	–681.3
PCC Synteza S.A., Kędzierzyn-Koźle	PLN	4.6808	100.00	–	**100.00**	100.00	24,550.8	7,626.9
PCC Therm Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	100.00	1,412.5	–4,793.1
PCC Thorion GmbH, Duisburg (formerly: PCC Specialties GmbH, Oberhausen)	EUR	1.0000	100.00	–	**100.00**	100.00	4,964.6	–243.8
PCC Trade & Services GmbH, Duisburg	EUR	1.0000	100.00	–	**100.00**	100.00	14,172.2	1,510.2
PCG PCC Oxyalkylates Sdn. Bhd., Kuala Lumpur	MYR	4.6984	50.00	–	**50.00**	50.00	129,592.3	–8,054.4
PolyU GmbH, Oberhausen	EUR	1.0000	100.00	–	**100.00**	100.00	2,587.2	–1,258.4
S.C. Euro-Urethane S.R.L., Râmnicu Vâlcea	RON	4.9495	58.72	–	**58.72**	58.72	3,944.9	–55.4
S.C. Oltchim S.A. i.L., Râmnicu Vâlcea	RON	4.9495	32.34	–	**32.34**	32.34	unknown	unknown
Technochem Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	85.80	**85.80**	85.80	–31.4	–6.5
Terra 77 Sp. z o.o., Brzeg Dolny	PLN	4.6808	–	100.00	**100.00**	–	–	–
TRANSGAZ S.A., Rybnik	PLN	4.6808	9.64	–	**9.64**	9.64	unknown	unknown
TzOW Petro Carbo Chem, Lviv	UAH	38.9510	92.32	–	**92.32**	92.32	8,581.3	72.2
ZAO Exol, Nizhny Novgorod	RUB	79.2258	100.00	–	**100.00**	100.00	642.5	4,527.8
ZAO PCC Rail, Moscow	RUB	79.2258	100.00	–	**100.00**	100.00	–359,813.9	198,190.8

Loans

Loans totaling € 167,155 k as of December 31, 2022 (previous year: € 147,187 k) primarily comprise loans to affiliated companies amounting to € 153,267 k (previous year: € 130,500 k) with maturities of between one and 15 years. The increase of € 22,766 k in loans to affiliated companies mainly results from new loans granted to PCC BakkiSilicon hf., among others, in the amount – with capitalized interest – of € 22,218 k. Loan claims against PCC Intermodal SA amounting to € 6,999 k were converted into equity. Loan repayments were made by, among others, PCC Silicium Sp. z o.o. in the amount of € 3,641 k and by PCC MCAA Sp. z o.o. in the amount of € 2,500 k.

(13) Other receivables and other assets

Figures in € k	Dec. 31, 2022	Dec. 31, 2021
Accounts receivable from affiliated companies	10,384	13,281
Claims for rebates on corporate income tax, VAT and other duties	6,117	791
Payment claim from the sale of shares in an affiliated company	2,413	2,458
Prepaid expenses and deferred charges	241	245
Receivables from shareholder	46	205
Sundry other assets	229	93
Other receivables and other assets	**19,431**	17,072

As in the previous year, other receivables and other assets all had a remaining term of up to one year as of December 31, 2022. The largest single item is receivables from affiliated companies, which decreased by € 2,897 k from € 13,281 k as of year-end 2021 to € 10,384 k as of December 31, 2022.

The payment claim of € 2,413 k (previous year: € 2,458 k) from the sale of company shares relates to an international investment fund and concerns shares in PCC Exol SA. The claim is secured against the shares sold. The change compared to the previous year results exclusively from exchange rate differences, as the receivable is denominated in Polish złoty. Also included is an amount of € 46 k (previous year: € 205 k) arising from a clearing account against the sole shareholder and Chairman of the Supervisory Board of PCC SE. This clearing account bears interest at a rate of 6.0 % p.a. As in the previous year, the sundry other assets indicated consisted of various individual items that were not in themselves material, and again no impairment losses were recognized on other assets or on receivables from affiliated companies.

(14) Equity

The subscribed capital of PCC SE remained unchanged year on year. It amounts to € 5,000 k and is fully paid up. It is divided into 5,000,000 individual share certificates with a par value of € 1 per share. Revenue reserves / other reserves include the net income of PCC SE for the year of € 8,337 k (previous year: € – 15,945 k). In fiscal 2022, € 4,750 k was distributed to the shareholder and owner out of the retained earnings of PCC SE (previous year: € 2,750 k). This corresponds to a dividend per share amounting to € 0.95 (previous year: € 0.55). Other equity items mainly comprise the fair value of financial investments in equity instruments and deferred taxes attributable thereon.

(15) Other provisions

Other provisions increased by € 3,476 k year on year to € 6,388 k as of December 31, 2022. This increase is mainly due to provisions for bonus and vacation entitlements of personnel amounting to € 6,211 k (previous year: € 2,743 k) as a result of general salary increases and the very good Group results generated in fiscal 2022. In addition, other provisions include those for financial statement and audit costs amounting to € 178 k (previous year: € 168 k). As in the previous year, other provisions in the reporting year are current. The following table shows the development of other provisions in fiscal 2022.

Figures in € k	**Jan. 1, 2022**	Utilized	Released	Added	Other changes	**Dec. 31, 2022**
Provisions for personnel expenses	2,743	2,226	188	5,874	7	6,211
Provisions for year-end accounting and audit expenses	168	162	5	176	–	178
Other provisions	**2,912**	2,387	193	6,050	7	**6,388**

(16) Trade accounts payable

Trade accounts payable increased by € 320 k from € 1,081 k as of December 31, 2021 to € 1,402 k as of December 31, 2022. They comprised trade accounts payable to third parties in the amount of € 357 k (previous year: € 568 k) and to affiliated companies in the amount of € 1,044 k (previous year: € 513 k).

(17) Financial liabilities

The financial liabilities of PCC SE in the reporting year comprised non-current and current liabilities arising from bonds, leases and amounts owed to affiliated companies.

Figures in € k	Dec. 31, 2022		Dec. 31, 2021	
	Non-current	Current	Non-current	Current
Bond liabilities	356,434	83,737	344,805	90,228
Lease liabilities	326	82	3,312	355
Financial liabilities to affiliated companies	350	54,890	350	25,400
Financial liabilities	**357,110**	**138,709**	348,467	115,983

The financial liabilities of PCC SE had the following maturity profile as of the balance sheet date (remaining terms).

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2022
Bond liabilities	83,737	356,434	–	440,171
Lease liabilities	82	221	104	407
Financial liabilities to affiliated companies	54,890	350	–	55,240
Financial liabilities	138,709	357,005	104	**495,819**

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2021
Bond liabilities	90,228	344,805	–	435,033
Lease liabilities	355	3,176	136	3,667
Financial liabilities to affiliated companies	25,400	350	–	25,750
Financial liabilities	115,983	348,331	136	**464,449**

The relevant factors when presenting the maturities of contractual cash flows from financial liabilities are interest payments and redemption of principal. The adjacent table shows non-discounted future cash flows. 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.

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	**Dec. 31, 2022**
Bond liabilities	86,668	410,897	–	**497,565**
Lease liabilities	98	258	109	**465**
Financial liabilities to affiliated companies	54,890	399	–	**55,289**
Cash outflows arising from financial liabilities	**141,656**	**411,554**	**109**	**553,320**

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2021
Bond liabilities	92,279	384,652	–	476,932
Lease liabilities	480	3,367	146	3,993
Financial liabilities to affiliated companies	25,439	–	–	25,439
Cash outflows arising from financial liabilities	**118,199**	**388,019**	**146**	**506,364**

The financial liabilities were not secured in 2022 (previous year: secured by assignment of claims in the amount of €3,358 k). Liabilities from bonds result from issuances by PCC SE. The bonds are issued without exception in euros and carry interest rates of between 2.0 % and 5.0 % p.a. This is shown in tabular form in the adjacent chart.

In relation to liabilities arising from bonds, PCC SE repaid a total of five bonds in full and on schedule during the course of 2022: the bond ISIN DE000A2G9HY2 in the amount of €9,588 k on February 1, the bond ISIN DE000A14KJ43 in the amount of €16,181 k on April 1, the bond ISIN DE000A254TD7 in the amount of €14,631 k on May 1, the bond ISIN DE000A2GSSY5 in the amount of €24,968 k on July 1 and the bond ISIN DE000A162AQ4 in the amount of €24,860 k on October 1. This resulted in a total redemption volume of €90,228 k for 2022 (previous year: €65,604 k). Four new bonds were issued in the reporting year. The issue volume placed from these amounted to €75,227 k as of December 31, 2022. The volume of bonds already in circulation increased by €20,139 k. These funds were used in the past fiscal year for investments in existing shareholdings and ongoing projects, as well as for the partial refinancing of liabilities due in 2022.

Figures in € k	Issue date	Maturity date	Coupon	Issue volume	Dec. 31, 2022	Dec. 31, 2021
DE000A30VS56	09/01/2022	10/01/2027	5.000 %	40,000	**35,168**	–
DE000A254TZ0	04/01/2020	12/01/2024	4.000 %	35,000	**34,503**	34,503
DE000A2TSEM3	07/01/2019	10/01/2024	4.000 %	30,000	**29,946**	29,946
DE000A3H2VU4	11/02/2020	10/01/2025	4.000 %	30,000	**29,653**	29,653
DE000A3E5S42	05/17/2021	07/01/2026	4.000 %	30,000	**29,293**	29,293
DE000A2YN1K5	10/22/2019	02/01/2025	4.000 %	30,000	**29,133**	29,133
DE000A2LQZH9	07/01/2018	10/01/2023	4.000 %	30,000	**28,783**	28,783
DE000A3MQEN8	11/15/2021	12/01/2026	4.000 %	30,000	**26,926**	12,241
DE000A2NBJL3	01/01/2019	07/01/2024	4.000 %	25,000	**24,985**	24,985
DE000A2YPFY1	12/02/2019	07/01/2025	4.000 %	30,000	**23,818**	23,818
DE000A2G8670	01/01/2018	04/01/2023	4.000 %	25,000	**21,802**	21,802
DE000A2NBFT4	10/01/2018	04/01/2024	4.000 %	25,000	**21,104**	21,104
DE000A3MQZM5	05/02/2022	04/01/2026	4.000 %	30,000	**20,991**	–
DE000A2TSTW0	03/01/2019	02/01/2023	3.000 %	25,000	**18,447**	18,447
DE000A30V2U2	12/01/2022	12/01/2027	5.000 %	20,000	**17,658**	–
DE000A3H2VT6	11/02/2020	07/01/2023	3.000 %	15,000	**14,705**	14,705
DE000A3MP4P9	10/01/2021	10/01/2026	4.000 %	10,000	**10,000**	10,000
DE000A3E5MD5	07/01/2021	01/01/2024	3.000 %	10,000	**9,545**	9,545
DE000A3MQEM0	11/15/2021	04/01/2025	3.000 %	10,000	**7,790**	2,336
DE000A2YPFX3	12/02/2019	01/01/2024	3.000 %	20,000	**4,511**	4,511
DE000A3MQA80	03/01/2022	02/01/2024	2.000 %	5,000	**1,410**	–
DE000A2GSSY5	10/01/2017	07/01/2022	4.000 %	25,000	**–**	24,968
DE000A162AQ4	10/01/2015	10/01/2022	6.000 %	25,000	**–**	24,860
DE000A14KJ43	05/01/2015	04/01/2022	6.500 %	35,000	**–**	16,181
DE000A254TD7	04/30/2020	05/01/2022	3.000 %	20,000	**–**	14,631
DE000A2G9HY2	04/01/2018	02/01/2022	3.000 %	10,000	**–**	9,588
Bond liabilities					**440,171**	435,033

(18) Other liabilities

Figures in € k	Dec. 31, 2022	Dec. 31, 2021
Liabilities from resolved capital increases	7,325	4,674
Liabilities from interest payment obligations	4,177	4,326
Liabilities from VAT and similar duties	452	53
Liabilities from wage tax and similar duties	192	311
Bond liabilities	–	1,478
Sundry other liabilities	125	330
Other liabilities	**12,272**	11,173

Other liabilities increased by € 1,099 k from € 11,173 k as of December 31, 2021 to € 12,272 k as of December 31, 2022, mainly as a result of higher obligations to pay into capital reserves at subsidiaries amounting to € 7,325 k. As of the reporting date, there were no obligations arising from bonds such as those reported in the previous year. Liabilities from interest payment obligations as of the balance sheet date were roughly at the level of the previous year and mainly include interest on bonds that were due at the beginning of the following quarter.

(19) 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. As in the previous year, PCC SE applied a tax rate of 30 % for the purpose of determining the relevant figures.

In Germany, income from the sale of investments is taxed in accordance with Section 8b KStG (Corporation Tax Act). This states that a flat rate of 5 % of the capital gain realized must be treated as non-deductible business expenditure, making it subject to taxation. At a corporate income tax rate of 30 %, this corresponds to an effective tax burden of 1.5 %. The tax reduction pursuant to Section 8b KStG has been applied in recognition of the fair values of the entities in the investment portfolio of PCC SE. At PCC SE, deferred tax assets and liabilities are offset and disclosed as netted balances where they involve the same tax authority and where there is an enforceable right to the offsetting of tax liabilities and tax assets. As in the previous year, there was an excess of deferred tax liabilities amounting to € 5,230 k for fiscal 2022 (previous year: € 2,730 k).

Deferred taxes of € 8,199 k relate to deferred taxes from the initial transition to IFRS in 2013. The remaining amount results primarily from the annual fair value measurement of the investment portfolio of PCC SE.

(20) Additional disclosures relating to financial instruments

PCC SE as the holding company of the PCC Group, a group of internationally active companies, and the entities in its investment portfolio are exposed to financial risks in the ordinary course of business. A major objective of the corporate policy is to generally restrict market, default and liquidity risks, both in order to secure enterprise value over the long term and also to maintain the Group's earning power so as to extensively cushion the impact of negative fluctuations in cash flows and earnings.

As the Group holding company, PCC SE cooperates with the individual subsidiaries in the management of interest rate, currency and default risks. Liquidity management, on the other hand, is the sole responsibility of PCC SE.

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 at year-end of foreign-currency-denominated financial receivables, loans, cash sums and financial liabilities into the reporting currency of PCC SE. A potential change in the Polish złoty of 10 % would affect equity and annual net earnings to the tune of € 1,923 k (previous year: € 2,033 k). A change in the exchange rate of the US dollar of likewise 10 % would have an impact on these items of € 1 k (previous year: € 5,810 k).

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 net income of PCC SE to the tune of € 4,239 k (previous year: € 3,310 k).

Commodity price risks: These risks resulting from changes in the market prices of raw materials and commodities purchased and sold do not affect PCC SE itself, but only the operating companies in its investment portfolio.

Default or credit risks

Default or credit risks arise when contractual partners are unable to meet their contractual obligations. Primary contractual partners are affiliated and other companies in the investment portfolio as recipients of long- or short-term loans granted. Given the liquidity criteria applied and a committed regime of constantly monitoring its capital investments, PCC SE 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.

Liquidity risks

Liquidity risks result from cash flow fluctuations. Current liquidity is monitored and controlled by a treasury reporting system implemented within PCC SE and the main companies in its investment portfolio 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. The possibility of obstacles within the bonds market 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. Work is also ongoing on using bank loans to partially replace the liquidity loans granted to the affiliated companies.

Financial instruments by class and category

In the case of cash and cash equivalents, trade accounts payable and liabilities to affiliated companies, the carrying amounts are regarded as realistic estimates of their fair values due to the short remaining terms to maturity. Assets that are not quoted on an active market and for which the fair value cannot therefore be reliably determined, are measured at cost. The fair value indicated in this section corresponds to the market quotations or model-based valuation estimates.

Figures in € k	Carrying amounts Dec. 31, 2022	Categories[1] FAaC	FLaC	FVtOCI	Fair value
Financial assets					
Shares in affiliated companies	1,108,035	–	–	1,108,035	1,108,035
Shares in joint ventures	16,182	16,182	–	–	16,182
Securities	32	–	–	32	32
Loans	167,155	167,155	–	–	167,155
Cash and cash equivalents	4,992	4,992	–	–	4,992
Financial liabilities					
Bond liabilities	440,171	–	440,171	–	440,171
Lease liabilities	407	–	407	–	407
Liabilities to affiliated companies	55,240	–	55,240	–	55,240
Trade accounts payable	1,402	–	1,402	–	1,402

Figures in € k	Carrying amounts Dec. 31, 2021	Categories[1] FAaC	FLaC	FVtOCI	Fair value
Financial assets					
Shares in affiliated companies	900,867	–	–	900,867	900,867
Shares in joint ventures	16,182	16,182	–	–	16,182
Securities	32	–	–	32	32
Loans	147,187	147,187	–	–	147,187
Cash and cash equivalents	3,250	3,250	–	–	3,250
Financial liabilities					
Bond liabilities	435,033	–	435,033	–	435,033
Lease liabilities	3,667	–	3,667	–	3,667
Liabilities to affiliated companies	25,750	–	25,750	–	25,750
Trade accounts payable	1,081	–	1,081	–	1,081

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

Figures in € k	**2022**	2021
Financial assets measured at amortized cost (FAaC)	12,579	14,173
Financial liabilities measured at amortized cost (FLaC)	– 16,351	– 18,753
Fair value through other comprehensive income (FVtOCI)	185,706	87

The net gains and net losses from financial instruments comprise remeasurement results, the carrying amounts of premiums and discounts, the recognition and reversal of impairment losses, currency translation results, and interest, dividends and all other effects on income arising from financial instruments. Financial instruments measured at fair value through profit or loss exclusively comprise results from those that have not been designated as hedging instruments included in a hedging arrangement per IFRS 9. Net gains and losses from financial assets measured at amortized cost include net interest income of € 9,453 k (previous year: € 14,545 k). Net gains and losses from financial liabilities measured at amortized cost include a net interest deficit of € – 19,236 k (previous year: € – 18,446 k). The net gains and losses include a currency result of € 5,794 k (previous year: € – 393 k), which is almost entirely attributable to financial assets.

Financial assets measured at fair value are indicated in the following table. These relate both to shares valued on the basis of stock market prices (Level 1) and shares in affiliated companies for which fair values are determined using valuation models (Level 3). For an explanation of the valuation models, please also refer to Note (12) Financial Assets.

Interest rate risks exist due to potential changes in the WACC discount rate and can lead to a change in the fair value of fixed-interest financial instruments. A potential 10 % change in the WACC would have an impact of € 123,162 k or € –99,726 k on equity and the fair values of the shareholdings measured at Level 3. The five shareholdings with the highest fair value on the valuation date have been used for this analysis. The development of the shares in the investment portfolio, the fair values of which are determined using valuation models (Level 3), is shown in the following table.

The additions to affiliated companies relate in particular to capital measures. The gains / losses recognized in OCI relate to the annual fair value adjustment.

Figures in € k	Based on quoted market prices (Level 1)	Derived from market data (Level 2)	Determined using valuation models (Level 3)	**Dec. 31, 2022**
Financial assets measured at fair value through other comprehensive income (FVtOCI)	443,651	–	664,416	**1,108,067**

Figures in € k	Based on quoted market prices (Level 1)	Derived from market data (Level 2)	Determined using valuation models (Level 3)	Dec. 31, 2021
Financial assets measured at fair value through other comprehensive income (FVtOCI)	414,091	–	486,808	900,899

Figures in € k	Jan. 1, 2022	Additions	Disposals	Gains / losses in OCI	**Dec. 31, 2022**
Affiliated companies	486,776	18,633	–	158,975	664,384
Joint ventures	16,182	–	–	–	16,182
Securities	32	–	–	–	32
	502,990	18,633	–	158,975	**680,598**

(21) Leases

Leases in which PCC acts as lessee are accounted for in accordance with the rights-of-use model set out in IFRS 16. For a tabular presentation of the rights of use for the reporting year, please refer to Note (11) Non-current Assets. Right-of-use assets in the amount of € 393 k are offset as of the balance sheet date by lease liabilities of € 407 k. These are reported under financial liabilities. For further details, please refer to Note (17) Financial Liabilities. The maturity structure of payment obligations under leases is shown in the adjacent table.

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2022
Minimum lease payments	98	258	109	465
Interest component	16	37	5	58
Present value	82	221	104	407

Figures in € k	Remaining term up to 1 yr	Remaining term 1 to 5 yrs	Remaining term more than 5 yrs	Dec. 31, 2021
Minimum lease payments	480	3,367	146	3,993
Interest component	125	191	10	326
Present value	355	3,176	136	3,667

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 following amounts related to leases were recognized in the statement of income in the year under review:

There were no significant expenses from variable lease payments, nor was there any income from subleases. In total, the outflow of funds from lease agreements amounted to € 233 k in the past fiscal year (previous year: € 2,055 k). The decrease is due in particular to termination of the lease agreement covering the company aircraft.

Figures in € k	**2022**	2021
Expenses for short-term leases with a term of less than twelve months	75	47
Expenses for leases of low-value-assets not included in the above-mentioned short-term leases	2	2
Interest expenses for lease liabilities	24	67

(22) Contingent liabilities

As of the reporting date, contingent liabilities amounted to € 122,991 k (previous year: € 121,439 k). These relate primarily to guarantees issued in respect of affiliated companies and joint ventures. In view of the results of operations of the individual entities and the positive development potential that exists, recourse to these guarantees is not expected.

Under an agreement dated March 13, 2023, the company guarantees, in the form of a hard letter of comfort, the future solvency and elimination of over-indebtedness of PCC Prodex GmbH, Essen. The letter of comfort has an indefinite term. From the current perspective, the company's Executive Board does not anticipate any recourse to this guarantee.

(23) 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 received are recognized as cash flow from operating activities. Dividends paid are a component of the financing activities category. Dividends paid to the sole shareholder of PCC SE are indicated as a separate item in cash flow from financing activities.

The financial funds equate to the total of cash and cash equivalents (cash in hand, credit balances at banks, and checks) shown in the balance sheet. In the event of changes in the investment portfolio arising from the purchase or sale of entities, the purchase price paid or received, less 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 control, such transactions are disclosed as financing activities.

The conclusion of a lease agreement essentially constitutes a non-cash transaction. Payments made for investments in property, plant and equipment are netted against lease proceeds.

The following reconciliation statement shows changes in financial liabilities disclosed as cash inflows or outflows under cash flow from financing activities. The cash-effective changes amounted to € 29,682 k in the reporting year (previous year: € 48,846 k).

			Non-cash changes			
Figures in € k	**Jan. 1, 2022**	Cash-effective changes	Currency translation effects	Interest accrued	Other changes	**Dec. 31, 2022**
Bond liabilities	435,033	3,660	–	–	1,478	440,171
Lease liabilities	3,667	–3,584	–	24	301	407
Financial liabilities to affiliated companies	25,750	29,606	– 116	–	–	55,240
Financial liabilities	**464,449**	**29,682**	**–116**	**24**	**1,779**	**495,819**

			Non-cash changes			
Figures in € k	Jan. 1, 2021	Cash-effective changes	Currency translation effects	Interest accrued	Other changes	Dec. 31, 2021
Bond liabilities	403,581	31,452	–	–	–	435,033
Bank liabilities	4	–4	–	–	–	–
Lease liabilities	670	–1,988	–	67	4,917	3,667
Financial liabilities to affiliated companies	6,364	19,386	–	–	–	25,750
Financial liabilities	**410,620**	**48,846**	**–**	**67**	**4,917**	**464,449**

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 financial policy is to secure liquidity and solvency, limit financial risks and optimize capital costs. The primary metric applied is that of the equity ratio. The gearing ratio and net debt, which comprises current and non-current financial liabilities set against cash and cash equivalents, serve as further indicators of the capital structure. They are, however, aligned to the target figures for the PCC Group and are managed accordingly at the higher Group level.

Figures in € k	Dec. 31, 2022	Dec. 31, 2021
– Cash and cash equivalents	4,992	3,250
+ Bond liabilities	440,171	435,033
+ Lease liabilities	407	3,667
+ Financial liabilities to affiliated companies	55,240	25,750
Net debt	**490,827**	461,200

Net debt increased by € 29,627 k to € 490,827 k in the year under review. This is mainly due to the increase in bond liabilities, which represent the main financing instrument of PCC SE, and also the rise in financial liabilities to affiliated companies.

Due to the high net income generated in the year, the equity ratio, i.e. equity expressed as a share of total capital, increased to 60.6 % in the past fiscal year (previous year: 55.9 %). As in the previous year, the target of around 50 % was clearly exceeded. The debt / equity gearing ratio decreased year on year to 0.65 (previous year: 0.79).

Other disclosures

(24) Related party disclosures

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 compensation of the Executive Board, please refer to the disclosures under Note (26) Corporate Bodies. For compensation of the Supervisory Board, again please refer to the disclosures under Note (26) Corporate Bodies.

In principle, both the provision of services to related parties and the procurement of services from related parties are transacted at arm's length and at market prices. Open positions as of the end of the fiscal year are not secured, are non-interest-bearing and will be settled in cash. There are no guarantees covering receivables from related parties or entities or payables to related parties or entities.

Other receivables and other assets include a claim against the sole shareholder of PCC SE in the amount of € 46 k (previous year: € 205 k). This receivable is short-term in nature and, as in the previous year, carries an interest rate of 6.0 % p.a.

As of December 31, 2022, PCC SE had receivables from affiliated companies totaling € 163,651 k (previous year: € 143,781 k). These relate to non-current loans and current loan receivables, other receivables and other assets. The financing arrangements involving affiliated companies carry interest rates ranging between 2.0 % p.a. and 10.0 % p.a., with terms of one to 12 years.

Loan receivables from the joint venture OOO DME Aerosol amounted to € 13,561 k at the reporting date (previous year: € 12,549 k). As in the previous year, the interest rate charged is 10.0 % p.a. The loans were granted for the development and construction of a dimethyl ether plant on the production site of the joint venture partner.

The following table provides an overview of all receivables from and liabilities to related parties.

Figures in € k	Dec. 31, 2022	Dec. 31, 2021
Receivables from related parties		
Affiliated companies	163,651	143,781
Joint ventures	13,693	12,549
Other entities	–	3,811
Liabilities to related parties		
Affiliated companies	62,565	26,613

Figures in € k	2022	2021
Income from related parties		
Affiliated companies	48,462	22,358
Joint ventures	1,293	1,167
Expenses paid to related parties		
Affiliated companies	5,105	4,656
Joint ventures	2	–

(25) Employees

In fiscal 2022, PCC SE had an average of 72 employees comprised of 70 permanent staff and two temporary staff. The average in the previous year was 70 employees, of whom 68 were permanent staff, with two temporary staff.

(26) 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
- Dr. rer. oec. (BY) Alfred Pelzer, Chemicals Production, Logistics, Sales

In fiscal 2022, the Executive Board received compensation totaling € 3,226 k (previous year: € 2,344 k), comprising non-performance-related compensation of € 720 k and performance-related compensation of € 2,506 k, all of which is attributable to short-term employee benefits.

Supervisory Board:
- Dipl. Volkswirt Waldemar Preussner, Chairman of the Supervisory Board
- Dr. Hans-Josef Ritzert, Vice Chairman of the Supervisory Board
- Reinhard Quint

In fiscal 2022, the Supervisory Board received fixed, non-performance-related compensation totaling € 312 k (previous year: € 199 k), all of which is attributable to short-term employee benefits.

(27) Events after the reporting date

The bond carrying the code ISIN DE000A2TSTW0 issued by PCC SE with a placed volume of € 18.4 million was redeemed in full on February 1, 2023. It was issued on March 1, 2019, with a coupon of 3.0 % p.a.

The bond carrying the code ISIN DE000A2G8670 issued by PCC SE with a placed volume of € 21.8 million was redeemed in full on April 1, 2023. It was issued on January 1, 2018, with a coupon of 4.0 % p.a.

On February 1, 2023, PCC SE issued a new bond carrying the code ISIN DE000A30VR40 and a maturity date of April 1, 2028. On April 3, 2023, a new bond was issued with the code ISIN DE000A351K90 and a maturity date of July 1, 2028. Both bonds carry a coupon of 5.0 % p.a.

Duisburg, May 31, 2023
PCC SE

The Executive Board

Dr. Peter Wenzel | Ulrike Warnecke | Dr. rer. oec. (BY) Alfred Pelzer

Independent Auditor's Report

To PCC SE, Duisburg

Auditor's opinion

We have audited the separate financial statements of PCC SE, Duisburg, which comprise the balance sheet as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year from 1 January 2022 to 31 December 2022, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in our audit, the accompanying separate financial statements comply, in all material respects, with the IFRS, as adopted by the EU, and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Company as at 31 December 2022, and of its financial performance for the financial year from 1 January 2022 to 31 December 2022.

Pursuant to section 322 paragraph 3 sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the separate financial statements.

Basis for the Audit Opinion

We conducted our audit of the separate financial statements 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 Separate Financial Statements" section of our auditor's report. We are independent of the Company 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 opinion on the separate financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Separate Financial Statements

The executive directors are responsible for the preparation of the separate financial statements that comply, in all material respects, with the IFRS, as adopted by the EU, and that the separate financial statements, in compliance with these requirements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of separate 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 separate financial statements, the executive directors are responsible for assessing the Company'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 Company or to cease operations, or there is no realistic alternative but to do so.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the separate financial statements.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the separate financial statements.

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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the separate financial statements 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 these systems of the Company.

- 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 Company'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 separate financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements present the underlying transactions and events in a manner that the separate financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with IFRS, as adopted by the EU.

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, 2 June 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stefan Sinne	Marianne Reck
Wirtschaftsprüfer	Wirtschaftsprüfer
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This financial report is available in its original German version and as a convenience translation in English.

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

PCC SE
Duisburg, June 2023

Forward-looking statements

This financial 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 financial report.