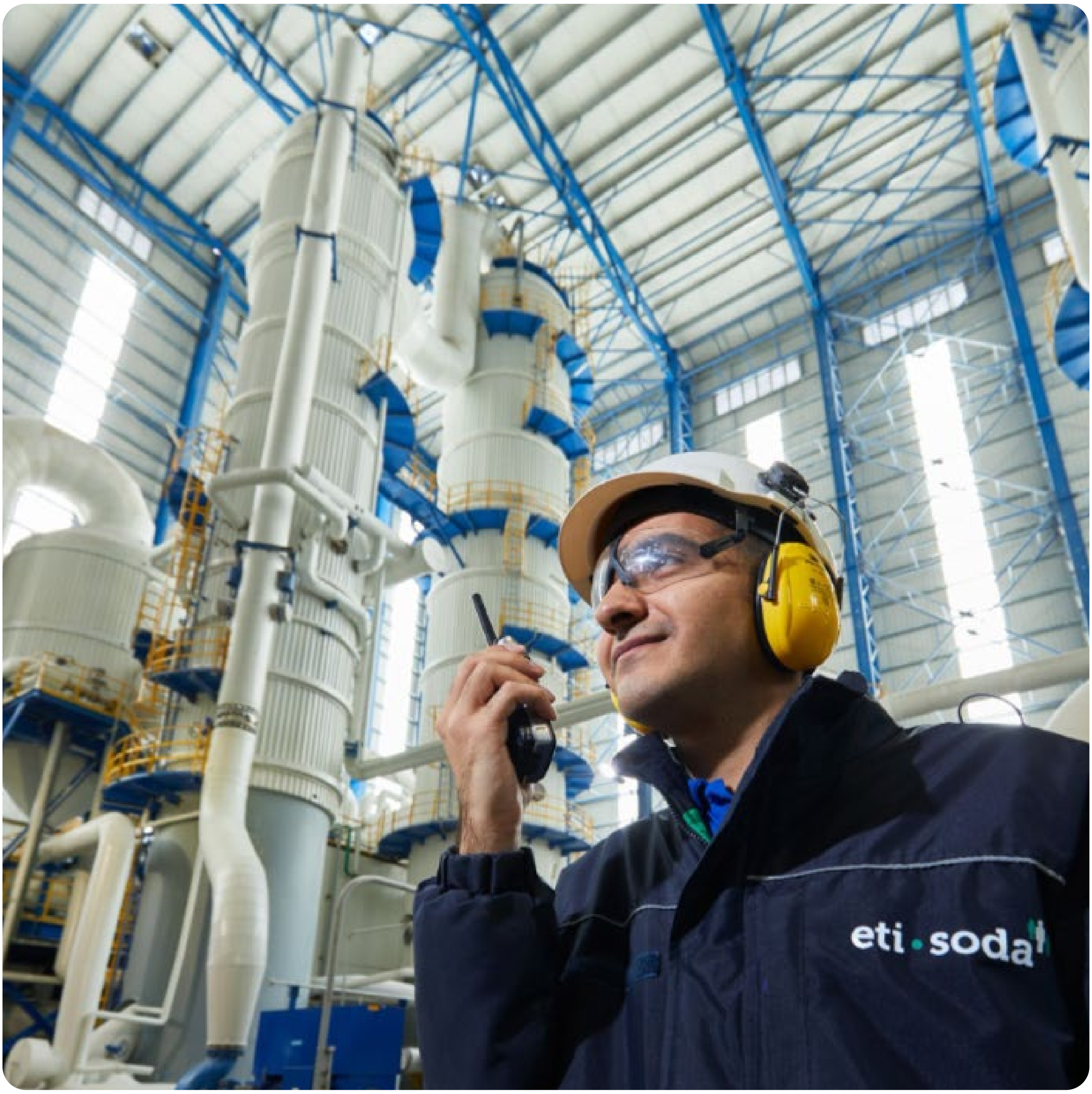
WE Soda Ltd

Results for the First Quarter 2025

28 May 2025



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WE Soda Ltd ("the Company" and, together with its subsidiaries, "WE Soda"), the world's largest producer of soda ash, announces its results for the first quarter of 2025.**

Alasdair Warren, Chief Executive Officer, WE Soda, commented:

"I am pleased to report that our first quarter performance was consistent with our guidance, driven by strong operating performance, disciplined cost management and a more stable price environment.

We have strengthened our balance sheet, maintained a strong liquidity position and we continue to generate material Free Cash Flow, positioning WE Soda favourably in comparison with our industry peers. We are delighted with the rapid integration of Alkali which has exceeded expectations following the completion of this acquisition in late February, unlocking significant potential from the combined businesses.

WE Soda remains operationally and financially resilient and we maintain our full-year guidance, despite the potential for market headwinds in the second half of the year driven by geopolitical and macro-economic uncertainties."

Financial Highlights for the Restricted Group[1]

	Q1 2024	**Q1 2025**	YoY
Sales volume (million mt[2])	1.25	1.19	(4.1)%
Netback Revenue[3] ($ million)	229	219	(4.5)%
Adjusted EBITDA[4] ($ million)	120	126	+4.9%
Netback Margin[5]	52%	58%	+6 ppt[11]
Free Cash Flow[6] ($ million)	105	113	+8%
FCF Conversion[7]	87%	90%	+3 ppt
Capital Expenditure ($ million)	26	24	(6.8)%

Q1 2025 Restricted Group Highlights

- **Safety Excellence Journey:** We remain committed to delivering a safer workplace for all. We continued to make good progress in Q1 2025 to improve our safety practices, working towards our objective of zero high consequence lost time incidents.
- **Solid performance**: Demand and pricing has remained relatively stable and consistent with Q4 2024. During Q1 2025, Restricted Group sales were 1,194k mt and Adjusted EBITDA per mt[8] was $105. However, we remain cautious for the second half of the year given unpredictable geopolitical and macro-economic factors that could have a negative impact on market dynamics in certain regions.
- **Alkali integration**: We completed the acquisition of Genesis Alkali ("Alkali"), the largest US-based producer of natural soda ash, on 28 February 2025. Although in its early stages, the integration of Alkali's operations, including ANSAC and its associated global logistics network, is progressing well. As we combine and optimise the production operations, global networks, customer relationships and supply chains of both businesses, we are already seeing significant operational and financial synergies that we expect will be realised throughout this year and beyond.

Q1 Restricted Group Financial Summary

Sales Volume

- During Q1 2025, our sales volumes decreased on a year-on-year basis by 4.1% to 1.19 million metric tonnes ("mt") of soda ash and sodium bicarbonate combined (Q1 2024: 1.25 million). This is in line with our FY 2025 guidance of 5.1 million mt for the Restricted Group, given the timing of maintenance shut downs and the higher production expected for the remainder of the year.

Netback Revenue

- Netback Revenue decreased by 4.5% to $219 million (Q1 2024: $229 million), broadly in line with sales volumes.

Adjusted EBITDA

- Adjusted EBITDA increased by 4.9% to $126 million (Q1 2024: $120 million), as cash costs were favourably impacted by lower energy costs, partially offset by slightly higher inland transportation costs and other Turkish Lira denominated expenses. Adjusted EBITDA per mt during Q1 2025 was $105, consistent with our guidance of over $100 per mt for FY 2025.
- During Q1 2025, average Adjusted EBITDA per mt improved marginally month on month, mainly due to cost management and the positive effects of Turkish Lira devaluation versus hard currencies, which we expect will continue throughout the year, supporting our FY 2025 guidance.

Netback Margin

- Netback Margin increased by 6 ppt to 58% (Q1 2024: 52%), consistent with Q4 2024 and in line with the improvement in Q1 2025 Adjusted EBITDA.

Capital Expenditure

- Maintenance capital expenditure for Q1 2025 decreased by 19% to $12.5 million, in-line with FY 2025 guidance (Q1 2024: $15.4 million which was elevated due to the drilling of new wells at Eti Soda). Growth and other capital expenditure slightly increased by 11% to $11.5 million (Q1 2024: $10.3 million).

Free Cash Flow

- Free Cash Flow increased by 8% to $113 million (Q1 2024: $105 million), mainly due to better EBITDA performance. FCF Conversion increased to 90% (Q1 2024: 87%), as a result of lower maintenance capital expenditure and the phasing of tax payments which commence in Q2.

Balance Sheet

- Restricted Group Net Debt at 31 March 2025 was $1,661 million (YE 2024: $1,482 million), equivalent to a Restricted Group Net Leverage Ratio[10] of 3.2x, compared to 2.9x as at 31 December 2024 and 3.3x post-closing of the Alkali acquisition. Our capital allocation policy targets a Net Leverage Ratio of 1.5 - 2.5x and this remains a key objective.
- At 31 March 2025, our cash balance was $145 million (YE 2024: $252 million) and we had $256 million of unused revolving credit facilities, which together provide over $400 million in financial liquidity.

Proforma Consolidated Financial Highlights including Alkali

The Group acquired Alkali in an all-cash transaction that completed on 28 February 2025. Due to the timing of the acquisition, the Alkali contribution to revenue and profit of the Group is limited to the period 1 March - 31 March 2025. From the date of acquisition, Alkali, contributed $89 million to the Group's revenue, and Adjusted EBITDA of $17 million.

If the acquisition had occurred at the beginning of 2025, Management estimates that Group revenues would have increased by $198 million, and Group Adjusted EBITDA would have been $30 million higher. In determining these amounts, the Management assumed that provisional fair value adjustments arising on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2025.

From a reporting perspective, the WE Soda Q1 2025 financial results have been consolidated under IFRS by provisionally incorporating the Alkali business for the period of 1 March - 31 March 2025 only, in accordance with IFRS 3, and are available on our website: www.wesoda.com.

In previous results announcements, we have presented fully consolidated financial highlights, however, following the Alkali acquisition, consolidated data does not reflect the performance of the Restricted Group. For the remainder of 2025, we will therefore present: i) financials for the Restricted Group, detailed above, which excludes Alkali, and ii) proforma consolidated financials in the table below that include an adjustment for January and February 2025. This approach will enable the relative performance of the business to be measured on a consistent basis in the longer term.

The Proforma EBITDA is presented in the table below to reflect the provisional IFRS performance of the combined business for Q1 2025.

	Q1 2024	Q1 2025	YoY
Sales volume (million mt)	1.25	2.23	+78%
Netback Revenue ($ million)	229	401	+75%
Adjusted EBITDA ($ million)	120	173	+45%
Netback Margin[6]	52%	43%	(9) ppt
Free Cash Flow ($ million)	105	152	+45%
FCF Conversion	87%	88%	+1 ppt
Capital Expenditure ($ million)	26	36	37%

Balance Sheet

- Consolidated Net debt at 31 March 2025 was $2,204 million excluding the ORRI Bond (YE 2024: $1,536 billion) equivalent to a Group Net Leverage Ratio of 3.4x.

Outlook

Whilst we outperformed expectations in Q1 2025, we remain cautious for the remainder of the year. The slow economic recovery we saw during 2024 has continued during Q1 2025, but with rising geopolitical and macro-economic uncertainties there is the possibility of a loosening of supply-demand balances and weaker pricing in certain geographic markets, particularly Asia, during the second half of 2025. Our medium-term outlook remains unchanged, with resilient long-term structural demand growth expected for soda ash globally, leading to tighter supply-demand balances.

As guided at the Full Year 2024 results announcement, we expect production and sales volumes for FY 2025 for the Restricted Group (excluding Alkali) to remain stable at approximately 5.1 million mt, with all production volumes contracted for sale. We expect Restricted Group Adjusted EBITDA per mt to average over $100 during FY 2025 and, with our continued focus on capital expenditure discipline, we expect our year end 2025 Restricted Group Net Leverage Ratio to reduce to approximately 3.0x. A key objective remains to reduce leverage to within our target range of 1.5x - 2.5x.

FY 2025 production for the consolidated WE Soda Group is expected to be approximately 9.3 million mt.

FY 2025 Guidance

	Restricted Group	WE Soda (Proforma Consolidated)
Sales Volume (million mt)	~5.1	~9.3
Adjusted EBITDA ($ million)	~525	~670
Adjusted EBITDA ($ per mt)	>100	~70
Free Cash Flow ($ million)	~390	~480
Growth Capex ($ million)	~90	~100
YE Net Leverage (x)	~3.0 x	~3.2 x

Note: The Adjusted EBITDA and Free Cash flow full year guidance figures have been increased by $20 million since the Full Year 2024 results announcement to reflect the use of provisional proforma IFRS consolidated financials and the conversion from US GAAP to IFRS. Guidance was previously presented by combining the IFRS forecast for the Restricted Group and the US GAAP forecast for Alkali.

Notes:

1. ***Restricted Group*** *consists of WE Soda Ltd and its Restricted Subsidiaries under the WE Soda Bonds and the WE Soda RCF Facility, and excludes Kew Soda Ltd, as well as Ciner Enterprises Ltd and its subsidiaries, which are designated as Unrestricted Subsidiaries under such financing arrangements. The U.S. business is excluded from the Restricted Group.*
2. **mt** = metric tonne.
3. **Netback Revenue** is calculated as revenue from sales of soda ash and sodium bicarbonate after deducting transportation expenses and export expenses associated with the delivery of product from our production facilities to the point of delivery for the customer.
4. **Adjusted EBITDA** is calculated as EBITDA adjusted for certain items, either positive or negative, which we consider to be non-recurring in nature and further items that we do not consider to be representative of the underlying performance of the business. **EBITDA** represents profit / (loss) for the period from continuing operations before interest in equity accounted associates, depreciation and amortisation expenses, finance expenses, net of finance income and taxation.
5. **Netback Margin** is calculated as Adjusted EBITDA divided by Netback Revenue.
6. **Free Cash Flow** is calculated as Adjusted EBITDA minus Maintenance Capital Expenditures minus tax payments.
7. **Free Cash Flow (FCF) Conversion** is calculated as Free Cash Flow divided by Adjusted EBITDA.
8. **Adjusted EBITDA per mt** is calculated as the Adjusted EBITDA divided by the sales volume (in mt) of soda ash and sodium bicarbonate combined for the period.
9. **Net Debt** referred to in this document is WE Soda Restricted Group Net Debt, calculated as the sum of Group's current borrowings and non-current borrowings (including in each case transaction costs capitalised on initial recognition of the borrowing liability) and lease liabilities, net of cash and cash equivalents (including cash held in debt service reserve accounts). WE Soda Restricted Group Net Debt consists of Net Debt less Net Debt of Unrestricted Subsidiaries, being Ciner Enterprises Inc. and its subsidiaries, and less Working Capital Loans with a maturity of less than one year.
10. **Net Leverage Ratio** referred to in this document is WE Soda Restricted Group Net Leverage Ratio, calculated as WE Soda Restricted Group Net Debt divided by, WE Soda Restricted Group Adjusted EBITDA. WE Soda Restricted Group Adjusted EBITDA consists of Adjusted EBITDA excluding Adjusted EBITDA of Unrestricted Subsidiaries, being Ciner Enterprises Inc. and its subsidiaries.

11. **PPT** = percentage point.
12. **Proforma Consolidated Net Debt** referred to in this document is Consolidated Net Financial Debt of WE Soda Restricted Group and US Subsidiaries (CEI and its subsidiaries) excluding the ORRI bond.
13. **Proforma consolidated Group Net Leverage Ratio** referred to in this document is Consolidated Net Debt / (Adjusted EBITDA less ORRI Debt Service (principal + interest)).

Ends

Audiocast details:

The management team will host a conference call and audiocast presentation at 14.00 BST, on 28 May 2025.

Presentation materials will be made available at: www.wesoda.com shortly before 14.00 BST on 28 May 2025.

Audiocast and conference call registration:

If you would like to view the presentation via live audiocast, please click through the link below:

https://edge.media-server.com/mmc/p/543m2j8q

If you would like to join via live conference call, please register using the link below:

https://register-conf.media-server.com/register/BI866545225f3c45c69f79500f4e2820a8

Enquiries:

WE Soda

Chris Perry, Head of Investor Relations and Communications

+44 (0) 208 148 5456

chris.perry@wesoda.com

Sodali & Co (Public Relations adviser to WE Soda)

Peter Ogden

+44 (0)207 250 1446

wesoda@sodali.com

For more information, please visit: www.wesoda.com.

IMPORTANT INFORMATION

Neither the content of any website of WE Soda nor any website accessible by hyperlinks on WE Soda's website is incorporated in, or forms part of, this announcement.

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UK MiFIR professionals/ECPs-only – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels).

FCA/ICMA stabilisation applies.

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This announcement includes forward looking statements, which are based on WE Soda's current expectations and projections about future events, as well as the assumptions made by our management based on information currently available to our management. All statements other than statements of historical facts included in this announcement may be deemed to be forward looking statements. Words such as "believe", "expect", "plan", "intend", "seek", "anticipate", "estimate", "predict", "forecast", "project", "potential", "continue", "may", "will", "could", "should", and similar expressions or the negatives of these expressions are intended to identify forward looking statements. By their nature, forward looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.