Essential to modern life

WE Soda Ltd
Annual Report 2023

Our Purpose

To responsibly produce essential ingredients for a sustainable future

Read more on page 8

We are the largest, and most sustainable, producer of natural soda ash

You may not have heard of soda ash, but it impacts your everyday life. It is a key ingredient in all glass windows and bottles, as well as for electric vehicle batteries, photovoltaic solar panels, powdered detergent and a host of other products. It is an essential ingredient for the modern world, supporting the energy transition and pathway to Net Zero.

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About this report

Our 2023 Annual Report was approved by the WE Soda Board of Directors on 25 April 2024 and was signed on its behalf by the Board. This report presents our annual performance for the financial year 1 January to 31 December 2023 for the WE Soda Group and our operations Kazan Soda and Eti Soda in Türkiye.

The WE Soda Ltd Annual Report for the year ended 31 December 2022 was not prepared on a consolidated basis as its parent company Kew Soda Ltd prepared and filed audited consolidated financial statements. Following the decision to cancel the IPO and the establishment of the group governance processes at the WE Soda level, this Annual Report has been prepared on a consolidated basis for the year ended 31 December 2023. The consolidated comparative information presented in the Annual Report for the year ended 31 December 2022 has therefore been marked as "unaudited".

References to Board, Audit & Risk Committee and Sustainability Committee refer to the Kew Soda Board and its committees unless otherwise stated.

External independent assurance was provided over selected non-financial information presented in the report. Indicators subject to assurance are denoted with a Δ in the performance indicator section pages 101 to 103. Refer to the Independent Limited Assurance Statement prepared by ERM CVS on page 138.

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WE Soda is a privately owned UK registered and headquartered company

1. Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions; it does not include US associates, discontinued operations and subsidiaries.

Chair’s introduction

> “We are in a strong position to execute our sustainable growth strategy, with a robust balance sheet, world class assets and sound governance.”

Didem Ciner
Chair

Another year of significant progress

2023 was another year of significant progress for our business, albeit with changing opportunities and challenges.

We entered the year against a buoyant market backdrop and strong demand for our products. However, starting from the mid year, the general economic slowdown in Europe and Asia began to affect our sector and demand for soda ash softened, particularly in flat glass.

Our response demonstrated the inherent strength and resilience of our business, as our structural cost advantage, due to our production method and comparatively low energy intensity, ensured that we were able to continue generating strong margins and cashflow even in more challenging market conditions.

From a strategic perspective, we began the year with the objective of executing an IPO on the London Stock Exchange; however, despite extensive engagement with investors, the prevailing negative market sentiment towards UK IPOs meant that this was not the right time. While this was disappointing, we benefitted from the considerable work involved to prepare our business for the public markets. We now operate broadly as a listed company with strong governance, transparent reporting and disclosure and a robust compliance and risk framework, all of which position us well for the future.

In March 2024, we transferred our governance arrangements from Kew Soda to WE Soda. The Independent Non-Executive Directors stepped down from the Kew Soda Board and joined the WE Soda Board. We also disbanded the Kew Soda Board Committees, which were replaced with equivalent Committees, both in terms of membership and duties, at WE Soda level. This is explained in more detail in the Governance section starting on page 106.

Chair's introduction continued

Our IPO preparations also meant that we were well positioned to access the public debt markets during the year, and we were pleased to see such a positive reception for our inaugural bond issuance in October, which allowed us to diversify our capital structure and strengthen our balance sheet. We attracted a broad range of international bond investors and I welcome all of our bond holders to WE Soda. This was our first issuance of publicly listed securities and the first significant opportunity to assess the public market's perception of our business; since issue, our bonds have traded consistently above par, showing strong aftermarket support for our company.

Growth: On plan

Despite the currently softer market environment, the medium and long-term demand outlook for soda ash is projected to remain strong, mainly driven by the importance of soda ash as an energy transition material.

To satisfy this growing global demand, we remain fully committed to our strategically important expansion projects in Türkiye and in Wyoming, US. If developed as planned, these projects will more than double our current production and reach over 10 million mtpa of soda ash production by the end of this decade.

Safety: Our priority

Ensuring a safe working environment for all of our people is extremely important to me, and it is an area that we, as a company, need to keep in sharp focus and remain continuously vigilant. As such, we are actively engaged in developing and nurturing a culture of heightened safety awareness through our "Safety Excellence Journey", through which we aim to permanently reduce serious and avoidable workplace accidents.

Unfortunately, our safety performance in 2023 was not in line with our objectives, and our total number of lost time injury (LTI) workplace accidents increased significantly. Our Board and executive leadership team are all focused on reversing this trend, remaining vigilant around safety risk and ensuring consistent adherence to new and enhanced safety practices and protocols that we have put in place. We are determined to embed a world-class safety culture throughout our business; already in 2024 we are starting to see the positive impact of the programme, and I look forward to reporting on the progress of this three-year programme, as it develops.

Operating sustainably: Our core

We take great pride in the low environmental impact, cavern-based solution-extraction process that we have pioneered and which, when compared with synthetic alternatives, has considerably lower energy intensity, carbon emissions, water usage and process waste. This sustainability advantage also provides competitive advantage, as our customers know that our products are produced in a way that not only reduces their own Scope 3 emissions but also helps with the decarbonisation of their entire value chain. We are always looking to do more, and innovation is an essential part of our operating philosophy and culture.

During 2023, we continued to invest in PV solar power at our sites in Türkiye and we remain on track to achieve our ambitious renewable energy generation plans. We also established an R&D team who are seeking to develop innovative new process technologies that we can use, and also to develop innovative product solutions for our customers, with the objective of enhancing and accelerating the decarbonisation of the soda ash value chain. In this regard, I was delighted to see that the hard work of our team has also been recognised externally, with WE Soda being awarded a Platinum Medal by EcoVadis, a globally trusted sustainability ratings provider, which places our company in the top 1% of all comparable companies assessed by EcoVadis, as well as being recognised by Morningstar Sustainalytics, as part of our pre-IPO corporate ESG risk rating assessment, as having the lowest ESG risk score within the commodity chemicals sub-sector.

Governance

I would like to record my thanks to all our Board members for their guidance and wisdom throughout the year. It has been challenging at times and I was very pleased with the support we were able to provide to the executive team and the wider business. During the year we also welcomed a new executive Board member with the addition of Nicholas Hall as our Chief Strategy & Risk Officer. His expertise has added to an excellent mix of complementary skills at Board level which now includes in-depth experience of sustainability, law, international relations, banking, industrial minerals and audit. Given the importance of sustainability to the business, the Sustainability Committee played a key role during the year, as did the Audit & Risk Committee in supporting the executive team around our successful bond issuance.

The journey continues

I believe we are an exceptional business, and every year reaffirms this view. The world needs our product and has no substitute for it. Through our unique production method, we are one of the most sustainable suppliers and we are playing our part in tackling climate change, accelerating the pathway to Net Zero and helping our customers to do the same.

I would like to take this opportunity to thank all of our people, customers and communities for their commitment and support during 2023. We look forward to continuing to deliver for every stakeholder in 2024.

Didem Ciner
Chair

The essentials of our business model

Our six key **strengths**

Scale

We are the world's largest producer of natural soda ash, producing around 5 million mtpa and delivering this to around 80 countries worldwide.

Outside China, there are two other places in the world with commercially exploitable deposits of trona ore (used to make soda ash), and our Group has a significant presence in both.

In Türkiye, we have production sites at Eti Soda (with a capacity of 2.0 million mtpa) and Kazan Soda (with a capacity of 3.2 million mtpa) today and expanding to around 4.0 million mtpa by 2027).

In the US, we are developing two greenfield projects in Wyoming: West Soda[1] (targeting initial production of around 2.5 to 3.0 million mtpa) and Pacific Soda[1] (targeting production of around 2.5 to 5.0 million mtpa).

#1
world's largest producer of natural soda ash

Sustainability leader

In response to accelerating climate change, customers and consumers are seeking low-carbon, sustainable products.

Sustainability is at our core; it is embedded in everything we do.

Our natural soda ash is the most sustainable and environmentally-friendly choice – in terms of energy intensity, CO2e emissions, water, waste and impact on nature.

We produce soda ash with around one-third of the CO2e emissions, and require less than one quarter of the water, and generate almost no waste per unit of production by comparison with synthetically produced alternatives.

1/3
of emissions[2]

and less than
1/4
water intensity[2]

1. Net to WE Soda (WE Soda has 100% of West Soda and a 40% working interest in Pacific Soda). **2.** By comparison with synthetically produced alternatives.

The essentials of our business model continued

Unique production method

We use the cavern-based solution-extraction production method, which we developed and have optimised through operating practice over the last 15 years.

Outside China, we believe we are the only producer to use this method on a commercial scale and we hold several patents protecting different aspects of the process.

We use it at both of our facilities in Türkiye and (if developed as planned) our US greenfield projects will use substantially the same method.

Our production method means we are one of the lowest cost producers and also the most sustainable producer globally, with “locked-in” environmental and economic advantages over other producers in our industry.

#1

Most sustainable producer globally

Essential ingredient

Our product is an essential industrial ingredient with no economic or environmentally viable substitute.

Soda ash is essential for glass manufacturing, and over half of our output goes into the glass industry, whether it be windows for buildings, windscreens for cars, or containers for food and beverage.

As the world strives for Net Zero, soda ash is an essential energy transition material. Many energy transition products depend on soda ash in their production processes including PV solar panels, energy-efficient windows, and the batteries for EVs and solid-state renewable energy storage.

70–75%[1] of global soda ash demand growth to 2030 will be driven by these sustainable applications.

70–75%

of soda ash demand growth driven by sustainable applications

Exceptional cost curve

Due to the economics of cavern-based solution-extraction, and the structurally higher cost of synthetic production, our production method for natural soda ash will always be towards the lowest end of the cost curve.

Over 60% of global soda ash production comes from higher cost synthetic production methods; this is unlikely to change for the foreseeable future, even as more natural soda ash production comes on-stream.

Our main cost advantage is due to our lower energy intensity; we produce soda ash with less than half the energy intensity of synthetic alternatives.

We are able to deliver on a cost competitive basis to every major soda ash market globally; coupled with our ability to meet customers’ low-carbon procurement needs, thereby reducing their Scope 3 emissions, our proposition is compelling.

Low cost

one of the lowest cost producers compared with synthetic alternatives

Robust financials, resilient cash flow

Our low cost of production drives consistently strong profitability, in even the most challenging market conditions. We are also highly cash generative, due to our robust margins and well invested, well maintained, modern production facilities.

With target leverage within a 1.5–2.5x LTM EBITDA range, we maintain a prudent balance sheet, enabling us to invest for long-term growth and sustainability within our business.

By 2030, we plan to have invested more than $5 billion of growth capital, expanding our operations in Türkiye and bringing the enormous potential of our Wyoming projects on-stream, more than doubling our production.

We are able to do this because of our unique operating capabilities and our robust financials.

$5bn

investing in growth by 2030

1. Advancy Research and Analysis, February 2024.

2023 highlights

2023 was another year of significant progress for our business, albeit with changing opportunities and challenges.

We entered the year against a buoyant market backdrop and strong demand for our products. However, starting from the mid year, the general economic slowdown in Europe and Asia began to affect our sector and demand for soda ash softened, particularly in flat glass.

Despite the currently softer market environment, the medium and long-term demand outlook for soda ash is projected to remain strong, mainly driven by the importance of soda ash as an energy transition material.

Financial Highlights

A year of sustained margins and robust cash generation

Total sales volume

4.98 million mt

(2022: 5.0m mt).

Free cash flow[2]

$587 million

with FCF Conversion[2] of 78% (2022: FCF $743 million and FCF Conversion: 89%).

Netback Margin[5]

60%

(2022: 59%) maintained despite lower netback pricing in all regions during the second half of the year, partially offset by decreasing energy costs in the second half of the year.

Strong balance sheet

Year-end WE Soda Restricted Group Net Debt[3] of less than

$1.5 billion

(2022: $1.4 billion), equivalent to a WE Soda Restricted Group Net Leverage Ratio[4] of ~1.9x (2022: ~1.6x). Year-end cash balance in excess of $169 million (2022: $300 million).

Adjusted EBITDA[1]

$751 million

(2022: $839 million) decreased due to lower volumes and lower netback margins in all regions during the second half of the year.

Completed inaugural bond offering

October 2023

$980 million

five-year bond issued to refinance operating company debt and partial prepayment of term loan facility.

1. Adjusted EBITDA ($ millions) 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. **2.** Free Cash Flow (FCF) is calculated as Adjusted EBITDA minus Maintenance Capital Expenditure minus tax payments. FCF Conversion is calculated as Free Cash Flow divided by Adjusted EBITDA. **3.** Net Debt is 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 1 year. **4.** WE Soda Restricted Group Net Leverage Ratio is calculated as WE Soda Restricted Group Net Debt divided by WE Soda Restricted Group Adjusted EBITDA, which consists of Adjusted EBITDA excluding Adjusted EBITDA of Unrestricted Subsidiaries, being Ciner Enterprises Inc. and its subsidiaries. **5.** Netback Margin is calculated as Adjusted EBITDA divided by Netback Revenue. 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. **6.** For further details please refer to the APMs on page 134.

2023 highlights continued

Sustainability highlights

Reduced emissions intensity and increased renewable power generation

Lowest Scope 1 & 2 emissions intensity[1]

2.6% reduction

0.334 mt CO_2e per mt, a 2.6% reduction vs. 2022 (of 0.343 mt CO_2e per mt), aligned with our target to cut Scope 1 & 2 emissions by 20% by 2027 and 40% by 2032.

Focus on renewable energy to supplement our power needs

In 2023 we installed a total of

7 MW

of PV solar generation capacity and generated a total of 9,333 MWh of renewable electricity during the year, reducing our CO_2e emissions by 4,025 mt.

Awarded 'Platinum' medal by EcoVadis

In 2023 we were awarded a platinum medal by EcoVadis, a leading provider of global sustainability ratings, (based on environmental impact, labour and human rights, ethics and sustainable procurement). In 2022, we received a Gold EcoVadis medal.

Low water intensity

less than 1/4

of synthetic soda ash producers

Total water intensity was 2.15 (2022: 2.04), slightly higher than the previous year due to the start-up of our new decahydrate and caustic soda units, requiring slightly more process water but still less than 1/4 of the water intensity of synthetic soda ash producers.[2]

Positive community impact

$4.9 million

During 2023, we supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of approximately $4.9 million.

Operational highlights

Resilient performance despite challenging operating environment

Safety is our number one priority

We started a three year

"Safety Excellence Journey"

to improve personal safety and process safety management practices.

Production

4.98 million mt

During 2023 production decreased 0.4% to 4.98 million mt of soda ash and sodium bicarbonate combined (2022: 5.0 million mt) mainly driven by reduced production during mid-2023 to allow destocking in response to a loosening of supply-demand balances globally.

Logistics

We increased logistics flexibility and efficiency with the acquisition of the controlling stake at Derince Port, and the opening of our first regional storage and distribution centre at Terneuzen in the Netherlands with 85 thousand mt storage capacity.

Senior management appointments

We strengthened our leadership in key corporate roles such as Risk, IT and HR.

1. Compared with synthetically produced alternatives. **2.** Source: NexantECA analysis, April 2024.

Our strategic framework

Our mission is to challenge the status quo, to innovate and excel in everything we do.

Our business strategy aims to maintain and extend our leadership position in the global soda ash industry. Our people strategy is built around attracting, developing, empowering and retaining the best people.

We execute our strategy in a responsible and sustainable way, ensuring WE Soda creates a positive impact on our people, our customers and our communities.

Alasdair Warren
CEO

Our purpose is to responsibly produce essential ingredients for a sustainable future

Responsible

1. Providing safe workplaces to protect our **people**
Read more on page 9

2. **Partnering** with our stakeholders to maximise positive impact
Read more on page 10

3. Prioritising **environmental** stewardship to preserve our planet
Read more on page 11

Essential

4. Nurturing customer **relationships** to be their supplier of choice
Read more on page 12

5. Managing risk to reinforce business **resilience**
Read more on page 13

6. Commercial excellence to maximise **profitability**
Read more on page 14

Sustainable

7. **Leaders** in sustainable performance, guaranteeing future prosperity
Read more on page 15

8. Doubling production volume to meet market **demand**
Read more on page 16

9. Capitalising on **market growth**, driven by the energy transition
Read more on page 17

Our strategic framework continued

Responsible

Providing safe workplaces to protect our **people**

Safety is our number one priority. We aim to see every one of our people go home safely, every day.

In 2023, we started a comprehensive three-year safety programme called our "Safety Excellence Journey". We have partnered with global safety specialists dss+ who have brought objective and seasoned international safety experience to our operations. Together with dss+, we are embedding an enduring safety excellence culture within our business.

Of course, safety is about mental as well as physical wellbeing. We aim to create a safe and inclusive work environment where everyone, of any ethnicity, gender, age, sexual orientation or race, feels comfortable, valued and welcome.

Read more on page 29

2023 started our three-year "Safety Excellence Journey"

dss+

Partnering with dss+

Responsible

Partnering with our stakeholders to maximise positive impact

In 2023, we worked with our stakeholders to create more, achieve more and share more.

Our stakeholders come in many forms:

- The 25 women who have found meaningful and rewarding work through our greenhouse agriculture project.
- The customers whose Scope 3 emissions we have helped to reduce, thanks to our sustainably produced soda ash.
- The communities we support every year through a wide variety of social and economic projects.
- The approximately 11,000 disadvantaged children we reached this year with food and fun through our community partnership with the Welsh Rugby Union.

Read more on page 57

25

women working on our greenhouse project

We helped over

11,000

children and adults working with the Welsh Rugby Union

Our strategic framework continued

1 2 3 4 5 6 7 8 9

Responsible

Prioritising **environmental** stewardship to preserve our planet

Our production process has less than ⅓ of the emissions

and ¼ of the water intensity of synthetic producers

Reducing our impact on the environment is a priority for our business and for our stakeholders.

Our soda ash is produced with less than one half the energy intensity, requires less than one quarter of the water and emits far less carbon than most of our competitors. This means that our Scope 1 & 2 CO2e emission intensity is around one-third of synthetic producers.

We are committed to further reducing our already low environmental impact; by reducing our CO2e intensity and water intensity, leveraging cutting edge technologies, from new cooling systems to carbon capture and storage, to reach our goals.

As for waste, almost none is produced from our operations, due to the circular nature of our production processes.

The reward: a highly sustainable, low-carbon product that the world wants and needs.

Read more on page 47

Our strategic framework continued

Essential

Nurturing customer **relationships** to be their supplier of choice

Our ability to work in partnership with our customers generates trust and brings valuable reward.

We understand the critical importance of our products being delivered to the right place at the right time to keep production lines moving. With over 80% of our production being exported, logistics and efficient global supply chains come naturally to us.

We aim to strengthen our customer relationships by understanding what they – and their customers and consumers – require, and this includes transparency and impeccable sustainability credentials.

As the world's most sustainable producer of soda ash, we actively contribute to reducing our customers' Scope 3 emissions.

Read more on page 55

80%
of production is exported

We're actively helping our customers reduce their Scope 3 emissions

Our strategic framework continued

Essential

Managing risk to reinforce business **resilience**

Our production economics are robust and can withstand considerable volatility

We're a highly cash-generative model, even in weaker markets

We believe the way we run our business is inherently resilient and this is a significant risk-mitigator.

Our production economics can withstand considerable volatility. Even in softer markets, like those we experienced in the second half of 2023, our business supports robust EBITDA margins and is highly cash generative.

With customers wanting and needing more sustainable, lower-carbon raw materials, we can also see multiple opportunities to develop a sustainability-based price premium for our products over time.

We are never complacent; we recognise that strong risk management is an essential component of our business. In 2023, we appointed a Chief Strategy & Risk Officer and a global Head of Compliance.

Read more on page 78

Our strategic framework continued

Essential

Commercial excellence to maximise **profitability**

Our success and financial resilience are based on multiple factors.

This starts with a significant structural cost advantage: we are one of the lowest cost producers of soda ash and we are able to deliver our products on a cost competitive basis to every major market globally.

At the same time, we explore every angle to identify areas where we can bring commercial excellence to bear, reducing cost and risk, whilst improving profitability and sustainability.

Read more on page 65

We're one of the lowest cost producers of soda ash

We are globally cost-competitive

Sustainable

Leaders in sustainable performance, guaranteeing future prosperity

Sustainable business – encompassing climate, financial and operational sustainability

We've created a low-cost, sustainable business model

Sustainability in business is not only about operating responsibly, responding to climate change, and improving the world we live in.

Financial sustainability enables us to invest in growth, attract finance, invest in our people and support our customers and communities by cultivating their own prosperity.

Operating sustainability means we manage risk and opportunity in a balanced way – innovating to solve problems and being prepared to challenge and amend the status quo.

At the heart of sustaining our business is our unique production process – cavern-based solution-extraction – the only natural production method of its kind outside China.

This enables us to create a model where low cost, sustainable production and growth come together, to provide reward and opportunity for our stakeholders for many years to come.

Read more on page 27 and 36

Sustainable

Doubling production volume to meet market **demand**

By the end of this decade, global demand for soda ash is projected to increase by around 15 million mtpa, from around 66 million mtpa today to around 81 million mtpa.

Around 70–75% of this growth is expected to be driven by demand for essential sustainable products supporting the energy transition.

Currently, around 70% of global soda ash is supplied from synthetic producers. However, given its sustainability limitations, no significant new synthetic capacity is expected. The vast majority of new production capacity growth will have to come from natural production, and within this cavern-based solution-extraction has significant economic, operational and sustainability advantages. We have an advantaged position due to our operating capabilities and financial strength, and we plan to more than double our production capacity by 2030, in a responsible and disciplined manner.

Read more on page 41

By 2030, global demand for soda ash is forecast to increase by 15 million mtpa

Our production capabilities, strong balance sheet and asset base allows us to address this growth in demand

Our strategic framework continued

Sustainable

Capitalising on **market growth**, driven by the energy transition

Our natural and sustainable production process ensures we are ready to support the growth in demand for energy transition products

Ours is a business of its time.

As climate change accelerates, the world has to prioritise sustainability and we are providing a critical, sustainably produced energy transition material.

Thermal glass for energy-efficient construction, PV glass for solar panels, recyclable container glass, industrial-scale battery storage for renewable power and lithium carbonate for EV batteries all require soda ash, in addition to many other sustainability-led industrial applications.

We stand ready to serve these needs, in a responsible and sustainable way, with quality in quantity.

Read more on page 64

CEO's statement

> "A challenging operating environment, but also a year of positive change and progress."

Alasdair Warren
CEO

2023 presented a rapidly changing and often challenging operating environment for our Group. In the first half of the year, we experienced a very tight global soda ash market with robust pricing. This started to change in the second quarter, mainly due to weaker demand in all markets, a loosening of supply-demand balances and increased competitive pressures. Soda ash prices in all regions significantly reduced in the second half of 2023, negatively impacting our profitability per mt.

Producing safe tonnes

During 2023, we produced 4.98 million mt and sold 4.91 million mt of soda ash and sodium bicarbonate combined (2022: 5.01 and 5.06 million mt, respectively), a 3.1% sales volume decrease versus 2022, mainly driven by the need to allow de-stocking in mid-2023 in response to weakening market conditions.

Despite our focus on safety, during 2023 our total number of lost time injury ("LTI") workplace accidents increased significantly. In response, we developed a three-year "Safety Excellence Journey", designed to elevate our safety practices to best-in-class, international standards and we are now starting to see encouraging results. During the first quarter of 2024, we have already experienced a more than 80% reduction in LTI lost workdays (by comparison to the 2023 average) and we are focused on maintaining this progress during the remainder of 2024.

CEO's statement continued

"During 2023, we faced an increasingly difficult external operating environment, but still delivered a strong financial and sustainability performance, whilst also maintaining a prudent balance sheet. 2024 is expected to remain challenging, but we will adapt and grow to meet market demands."

We believe that with a relentless focus on safety, over time we will be able to eliminate LTI workplace accidents entirely.

Strong financial performance

Despite the increasingly challenging market backdrop, in 2023 we delivered another strong financial performance. Our Adjusted EBITDA[1] was $751 million, 11% below our record 2022 (2022: $839 million), but our Netback Margins[1] improved to 60% (2022: 59%) and FY 2023 EBITDA per mt was $153, only 8% lower than FY 2022. We generated $587 million of Free Cash Flow[1] resulting in a year-end cash balance of over $169 million and Net Debt[1,2] of less than $1.46 billion, equivalent to a Net Leverage Ratio[1,3] of ~1.9x.

Corporate structure

During 2023 and early 2024, as part of our ongoing strategy to manage risk and strengthen our corporate structure, we made further progress on simplifying our capital structure and significantly reducing our related party transactions.

In the fourth quarter of 2023 and first quarter of 2024, we completed the full re-financing of our existing term loan bank debt, significantly increasing the duration of our debt and the efficiency of our balance sheet, through the issuance of approximately $1.5 billion of five and seven-year bonds; the largest ever debut issuance in the EMEA chemicals sector. These transactions were a milestone for us in relation to our ability to successfully access the capital markets and attract a well-diversified and high-quality investor base.

During 2023, we completed the full transition of all export sales to WIDT, our 100% owned export intermediary and foreign trade company, which now acts as our exclusive export intermediary exporting 100% of our products from Turkey on behalf of Kazan Soda and Eti Soda. In June 2023, we also acquired a 60% controlling stake in Denmar from the Ciner Group, ensuring we now have full and direct control of port handling services for our bulk product export shipments at Derince Port.

During early 2024, we agreed with the Ciner Group to unwind part of the receivables balance owed to us from Park Holding (the main holding company of the Ciner Group) via the suspension of royalty payments from Kazan Soda until 2032, simplifying our balance sheet and reducing our intergroup receivables whilst also improving our profitability. Over time, we plan to unwind all remaining receivables from other members of the Ciner Group.

Our communities

Tragically, the start of 2023 presented great challenges and terrible heartbreak for the communities in Türkiye, following the earthquakes in early February. None of our operations were impacted and we provided immediate relief in the form of equipment, clothing and food, as well as one hundred prefabricated buildings. We also provided a $1.0 million charitable commitment to support the many orphaned children who lost their families in the disaster.

During 2023, we supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of around $4.4 million. Our aim is to maintain and increase our community engagement with the aim of having a positive impact on more people over time.

Emissions

In 2023, our Scope 1 & 2 CO2e emissions intensity[1] reduced by 2.4% to 0.334 (2022: 0.343), mainly due to reduced coal consumption and increased purchases of renewable electricity. We remain on track to achieve our five and ten-year emissions intensity[1] reduction targets, as we ramp up production, increase process efficiencies, invest more in renewable power, increase biomass usage, and begin piloting carbon capture technologies. By 2027, we aim to fully implement and seek validation for our Science Based Targets initiative ("SBTi") commitments.

During 2023, we established a new R&D team who are developing innovative new process technologies to accelerate our decarbonisation goals. We are also committed to enhancing our disclosure around the environmental impact of our products throughout their full life cycle and in 2023 we commenced an updated Life Cycle Assessment of all our products.

1. For further details please refer to the APMs on page 134. **2.** Net Debt referred to in this paragraph is WE Soda Restricted Group Net Debt. **3.** Net Leverage Ratio referred to in this paragraph is WE Soda Restricted Group Net Leverage Ratio.

CEO's statement continued

Our Key Sustainability Commitments

	Timing	Target	FY 2022 Performance	FY 2023 Performance
An equal number of women and men within our senior (S) and middle (M) management combined	By 2032	50%	S 8% : M 35%	**S 25% : M 35%**
A significant reduction on LTI workplace accidents	2023	–	26	**39**
Scope 1 & 2 CO2e intensity reduced by 20% / 40%[2]	By 2027 / 2032	0.274 / 0.206	0.343	**0.334**
Install 200 MW of solar PV and wind capacity[3]	By 2027	200 MW	0	**7 MW**
Eti Soda Cogen fuelled by 4% / 12% biomass[4]	By 2023 / 2027	4% / 12%	0	**7.8%**
Reduce water intensity by 20%[5]	By 2027	1.63	2.04	**2.15**
Register 80% of our suppliers on Sedex platform[6]	By 2023	80%	46%	**81%**
All major distributors operating with the same sustainability governance as our Group	By 2025	6	–	**–**
EcoVadis submission (Group)[7]	Annual	–	Gold	**Platinum**
CDP submission (Group)[8]	Annual	–	B rating[9]	**B Rating**

Renewable Energy

Decarbonising our power and heat sources is a priority for us, as these are our largest carbon emission sources. During the year, we installed 7 MW of PV solar capacity and in 2024 we plan to install another 8 MW of PV solar, bringing our total installed renewable capacity to 15 MW.

During 2023, we also revised our renewable energy targets in Türkiye, and we are now planning up to 85 MW of PV solar and 95 MW of wind capacity by 2027, and to reach approximately 250 MW of renewable capacity by 2032. During the year, we also increased the use of biomass at Eti Soda to almost 8% of all cogeneration fuel consumed (by weight), significantly exceeding our target of 4% for the year. In 2024, we plan to increase our biomass usage to 10%.

Water

During 2023, our total water intensity unfortunately increased by around 5% to 2.15 (2022: 2.04), versus our target of 1.97. This was mainly due to the installation and ramp up of the additional decahydrate and caustic units at Kazan Soda, which resulted in unexpectedly elevated absolute water consumption for cooling and evaporation. To bring our water intensity back into line with our 20% five-year reduction target, during 2024 we are planning to install dry air-cooling systems, an enhanced water recovery project and to re-use 2-bar condensate from our cogeneration units.

Growth

During early 2023, we completed the debottlenecking expansion at Kazan Soda, bringing on-stream new caustic and decahydrate units that will allow us to increase our run-rate production capacity by around 0.3 million mtpa.

We also sanctioned the construction of an additional 0.6 million mtpa of production capacity and a sodium chloride re-processing unit at Kazan Soda. We have recently received the required permits to start construction and we plan to bring these new units on-stream during 2026, increasing our total production in Türkiye to around 6.0 million mtpa.

Our longer-term growth ambitions also remain on track, to more than double our annual global production volumes to over 10 million mtpa by 2030, as we develop our greenfield projects of West Soda and Pacific Soda in the US.

CEO's statement continued

Supply Chain

The reliability and stability of our supply chain is critical for our customers. During 2023, we opened our new European logistics hub in Terneuzen to serve our customers in northern Europe and the UK with up to 85,000 mt of storage capacity, strengthening our global supply chain, improving our customer service and further reducing our downstream Scope 3 CO2e emissions.

We also continued to develop ConnexSA, our block-chain based ecosystem delivering sustainability transparency across the entire supply chain. We plan to introduce other industry participants into the project during 2024, with the aim that the platform will be operative during late 2024 or early 2025. During 2023, we also registered over 80% of our suppliers (by value) on the Sedex platform, allowing us to more effectively screen our suppliers in accordance with our own sustainability criteria, particularly in relation to ethical trading and responsible supply chain practices.

External benchmarking

During 2023, Kazan Soda was awarded an EcoVadis Gold medal and Eti Soda received a Platinum Medal, and in early 2024 our Group also received a Platinum Medal, placing it among the top 1% of basic chemicals companies assessed globally. Morningstar Sustainalytics[10] also performed a broad-based corporate ESG assessment of our Group. We received an industry-leading corporate ESG assessment score of 14.7 (2022: 16.1), which placed us as the only soda ash producer in the "low risk" category and with the best ESG risk rating score in the entire Morningstar Sustainalytics global commodity chemicals subsector (first out of 274 companies).

Outlook for 2024

During 2024, we expect that our safety performance will significantly improve whilst also increasing our total combined production volumes by around 0.3 million mtpa to 5.2 million mt, mainly driven by efficiency improvements coming from the new decahydrate and caustic units at Kazan Soda, which came on-stream during 2023. We have also contracted to sell 5.2 million mt of soda ash and sodium bicarbonate combined during 2024.

With the continued weakness in global soda ash demand, particularly from flat glass manufacturers, we have witnessed aggressive competitive behaviour from all soda ash suppliers in all regions, and this has impacted netback pricing from all regions. Some North American based natural soda ash producers have sought to significantly increase the volumes which they supply into Europe (by comparison with historic norms), mainly driven by the softening in Asian demand and the more attractive netback pricing which Europe offered. As a result, certain customers have referred to some European higher cost synthetic producers selling at or below their marginal cost of production during the first half of 2024, a position which we believe is not economically sustainable for a prolonged period.

We expect soda ash netback pricing will remain weak in all regions during the first half of the year, at around or in some cases below the levels experienced in the fourth quarter of 2023, although we believe that this is likely to represent trough pricing in most regions. We expect to see a tightening of supply demand balances and an associated improvement in Netback Prices ($ per mt) when global soda ash demand increases, which we expect will mainly be driven by global economic recovery, although we do not currently expect to see evidence of this until late 2024 or 2025 in many regions, and particularly in Europe.

We believe that we will maintain our strong market position in 2024 and beyond, albeit against a weaker market environment, given our low cost, low CO2e intensity production process, combined with our integrated global customer supply chain and long-term customer relationships, which together support our global export capabilities.

Alasdair Warren
CEO

1. See Alternative Performance Measures on page 134. **2.** 20% reduction in Scope 1 & 2 CO2e intensity by 2027 (to 0.274) and a 40% reduction in Scope 1 & 2 CO2e intensity by 2032 (to 0.206), both relative to a 2022 baseline (of 0.343). Scope 1 & 2 CO2e emissions intensity calculated as Scope 1 & 2 market-based emissions mt of CO2e emissions per mt of soda ash and sodium bicarbonate production, combined, for Eti Soda and Kazan Soda, combined (Scope 1 & 2 as defined by the GHG Protocol). **3.** Total installed PV solar and wind renewable electricity power generation capacity at Eti Soda and Kazan Soda, combined as at year end. **4.** Percentage of biomass fuel by weight consumed in the cogeneration boiler at Eti Soda. **5.** 20% reduction in water intensity by 2027 (to 1.63), relative to a 2022 baseline (of 2.04). Water intensity is calculated as cubic metres of water withdrawal per mt of soda ash and sodium bicarbonate production combined, at Eti Soda and Kazan Soda combined. **6.** Sedex is a platform to enable companies to identify, manage, and assess social and environmental supply chain risks using a suite of tools, data services, and reporting on ethical trading practices. **7.** EcoVadis is a globally trusted sustainability ratings provider, which assesses businesses on their sustainability standards across four key performance areas: environmental impact, labour and human rights, ethics and sustainable procurement. **8.** CDP is an independent nonprofit organisation that collects, benchmarks and communicates information about the life cycle environmental impact of products and processes for companies globally. **9.** Eti Soda and Kazan Soda individually assessed in 2022. **10**. See references on page 231.

Operating sustainably

Sustainable future

We define our purpose as “to responsibly produce essential ingredients for a sustainable future”.

This is our guiding principle upon which we make our strategic decisions and conduct our corporate activities.

Sustainability is at our core

Sustainability is integrated into everything we do. We are committed to operating sustainably, in an environmentally and socially responsible way. We are a leader within our industry because we believe we have the most sustainable and environmentally-friendly production process in the global soda ash industry.

Operating sustainably continued

How we manage sustainability

Today, we are the only soda ash producer in the world (outside China) to use the cavern-based solution-extraction production method on a commercial scale. This allows us to produce soda ash with the lowest Scope 1 & 2 CO2e emissions intensity and water intensity. Within our industry, we also believe that we have the lowest impact on nature and the environment[1].

Our sustainability strategy comprises seven fundamental pillars, informed by our biennial materiality assessment last conducted in 2022:

- Safe & Inclusive Workforce
- Carbon Emissions
- Water Stewardship
- Circular Economy
- Community Engagement
- Climate Resilience
- Responsible Supply Chain

Each pillar is underpinned by our business ethics and sustainability governance framework which applies to everyone within our Group. It is our ambition that all our upstream and downstream supply chain partners will also adopt a similarly rigorous sustainability framework within their own operations.

Safety is our number one priority

Notwithstanding our safety focus, we are not satisfied with our current safety performance. So in late 2022 we appointed the internationally renowned safety consultants dss+ to undertake a comprehensive review of personal safety and process safety management practices. Following this review, together with dss+ we developed a three-year "Safety Excellence Journey", designed to elevate our safety practices to best-in-class, international standards.

We started the roll-out of our "Safety Excellence Journey" in May 2023 with six key workstreams: Behavioural Based Safety Observations, Asset Integrity Management, Risk Recognition, Operations Management, Safety Communication and Health & Safety Governance.

This has resulted in a significant improvement in our safety culture and has led to important changes in many of our working practices. However, these take time for our employees to adopt and assimilate, as they adapt to international safety standards and a greater vigilance around safety-related incidents and near misses.

Despite our focus on safety, during 2023 our total number of lost time injury ("LTI") workplace accidents and the number of LTI lost workdays both increased significantly. Following analysis, this is due to the combined effects of a number of factors:

- We have experienced higher employee turnover thereby losing some inherent know-how, because new team members require time to develop necessary experience and competencies.
- We started a significant number of new initiatives, exposing more staff to new, and sometimes more complex, processes and procedures.
- The cultural and process changes that will improve our operations in the medium to long term can, in the short term, lead to a temporary impact on KPIs, such as LTIs.

We have more to do if we are to permanently reduce serious and avoidable workplace accidents, but we are confident that with the "Safety Excellence Journey" that we now have in place we will see a significant reduction in LTI workplace accidents. During the first quarter of 2024 we have already experienced a more than 80% reduction in LTI lost workdays (by comparison with the 2023 average) and we are focused on maintaining this progress during the remainder of 2024. We believe that with a relentless focus on safety, over time we can eliminate LTI workplace accidents entirely. Read our Job Safety Analysis case study on page 30.

We care for our people

We are an inclusive, performance and capability-based employer that does not discriminate, among others, based on gender, ethnicity, religion, nationality, or disability. As of 31 December 2023, approximately 37% of our white-collar employees[2] and 21% of our senior and middle management[3] were female. Approximately 36% (2022: 31%) of our workforce were under 30 years of age.

We believe that providing opportunities for young men and women is fundamental to driving the growth and prosperity of our business. By 2032, we aim to have an equal number of women and men within our senior and middle management. Investing in our people as well as transparent, two-way communication between our leaders and our workforce are core parts of our culture. During 2023, we appointed a Chief Human Resources Officer ("CHRO"), who is now leading our people strategy and associated engagement programmes. We have also initiated an HR transformation project to review and enhance our HR systems and processes with the support of Mercer, a leading global human resources consultancy.

1. We determine our impact on nature and the environment in comparison to our peers through the assessment of our Scope 1 & 2 CO2e emissions intensity of 0.334, water intensity of 2.15, and total waste directed to disposal of 85,850 mt (in each case for 2023) as these metrics provide a relative and comparable measure of performance across our industry. **2.** White Collar Employees: Supervisor/Chief/Responsible for Department/Engineer/Office & Admin Staff, Specialist, Analyst. **3.** Senior Management: C-level, Director, General Manager, Vice General Manager, Head of Corporate Function. Middle Management: all other Managers.

Operating sustainably continued

Supporting the energy transition

Soda ash is an essential material for the energy transition. Amongst other applications, it is used for example in thermal glass for energy-efficient construction, PV glass used in solar panels, recyclable container glass in the food and beverage industry, industrial-scale battery storage for renewable power and lithium carbonate used in lithium-ion batteries for EVs. From around 66 million mt of global demand in 2023, the annual demand for soda ash globally is forecast to grow by approximately 15 million mtpa by 2030, with 70–75% of the growth being driven by sustainable applications[1]. Raw materials represent an important contributor to the Scope 3 CO_2e emissions of our customers, many of whom are increasingly recognising the benefits of using sustainably produced low-carbon natural soda ash, like we produce, instead of higher carbon synthetic product[2], which today accounts for over 70% of global soda ash supply[1]. Read our case study on its use in the energy transition on page 26.

Lowest Scope 1 & 2 CO_2e emissions[2] intensity

We have the lowest Scope 1 & 2 CO_2e emissions intensity of any soda ash producer globally. We operate modern, efficient plants where the process related CO_2 released during soda ash production is captured and re-used in the production of sodium bicarbonate.

During 2023, our Scope 1 & 2 CO_2e emissions intensity was 0.334, a 2.6% reduction by comparison with 2022 (2022: 0.343) and around one-third of the Scope 1 & 2 CO_2e emissions intensity of synthetic soda ash producers. During 2023, we established our strategy for decarbonisation which includes a broad set of strategic, tactical and behavioural activities, aligned with our target to cut our Scope 1 & 2 CO_2e emissions intensity by 20% within five years and by 40% within ten years (both relative to a 2022 baseline) and to achieve net zero Scope 1 & 2 CO_2e emissions ("Net Zero") by 2050. During 2023, we focused on production efficiency, renewable energy and use of biomass as a fuel at Eti Soda, all of which are key to achieving our 2027 target. In addition, we established an R&D team who are seeking to develop innovative new process technologies, with the objective of enhancing and accelerating our ability to achieve our decarbonisation goals. Read our Championing Innovation case study on page 34.

Focus on renewable energy

WE Soda produces soda ash with the lowest energy intensity, which is less than half that of synthetic soda ash production.[3] Despite our leadership position, we are aiming to drive our energy intensity even lower by continuously improving the energy efficiency of our facilities and processes. However, during 2023, our energy intensity increased slightly to approximately 1.37 (2022: 1.30), mainly due to a decrease in production volumes (relative to 2022) and increased number of shutdowns at Eti Soda and Kazan Soda in 2023.

Decarbonising our electricity and heat sources is an important focus for us, as these are our largest sources of emissions. In 2023, we installed a total of 7 MW of PV solar generation capacity and generated a total of 9,333 MWh of renewable electricity during the year, reducing our CO_2e emissions by 4,025 mt. This is 3 MW lower than we had planned during 2023, mainly resulting from delays in permitting. In 2024, we plan to install another 5 MW of PV solar generation at Kazan Soda and a total of 3 MW at Eti Soda, bringing our total installed renewable capacity to 15 MW.

During 2023, we revised our renewable electricity generation plans in Türkiye, and we are now planning up to 85 MW of PV solar and 95 MW of wind generation capacity by 2027, and to reach approximately 250 MW of PV solar generation capacity by the end of 2032 (comprising approximately 120 MW for Eti Soda and 130 MW for Kazan Soda). This will result in approximately half of Eti Soda's electricity needs being supplied by our own renewable generation, while the remainder will be sourced from the grid, using certified renewable power purchase agreements, resulting in 100% green electricity at Eti Soda by 2032.

In the US, we are planning to develop the first soda ash production facility globally to source the majority of its electricity needs from renewable power sources and we are also assessing the potential to capture combustion and process related CO_2 emissions, significantly reducing Scope 1 & 2 emissions intensity – an important step in our journey towards Net Zero.

1. Source: Advancy research and analysis, February 2024 – growth in PV glass, lithium carbonate, flue gas treatment, green tyres, container and flat glass. **2.** Calculated as Scope 1 & 2 market mt of CO_2e emitted per mt of combined soda ash and sodium bicarbonate production at Eti Soda and Kazan Soda, combined compared with the Ammonia process based synthetic production method. **3.** Calculated as MWh of energy consumed per mt of soda ash and sodium bicarbonate production, combined with energy consumed being the sum of all renewable, non-renewable and purchased energy consumed less energy sold, at Eti Soda and Kazan Soda, combined compared with the Ammonia process based synthetic production method.

Operating sustainably continued

Low water intensity

Our production process uses a substantially closed-loop system, with consumed process water limited mainly to the steam produced during evaporation and drying, and with very limited wastewater released to the environment. This helps us to operate with significantly lower water intensity compared with synthetic soda ash producers. During 2023, our total water intensity was approximately 2.15 (2022: 2.04), slightly higher than the previous year due to the start-up of our new decahydrate and caustic soda units, which required slightly more process water but still less than one-quarter of the water intensity of synthetic soda ash producers[1]. To help achieve our water intensity reduction target of 1.63 by 2027, we are planning in 2024 to utilise new technologies at Kazan Soda, including the installation of dry air-cooling systems and reverse osmosis technology to increase the volume of water we are able to re-use and recycle.

Circular economy

We aim to apply the principles of circular economy to recover, re-use or recycle by-products and waste arising from our production process, helping us to improve our plant efficiency and sustainability, whilst also opening additional revenue generating opportunities. During 2023, we signed an EPC contract for the construction of a second calciner unit at Kazan Soda which, when completed, will allow us to reduce waste. In addition, during 2024, we plan to start the construction of a sodium chloride re-processing unit at Kazan Soda, allowing us to re-process and sell the sodium chloride we generate as a by-product from our soda ash production process, reducing our Scope 1 CO_2e emissions and waste.

Our communities

We consider ourselves a part of the communities in which we operate, and we believe that by supporting and partnering with them we create mutual long-term value. During 2023, we supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of approximately $4.9 million. Our aim is to maintain and increase our community investment over time, with the objective of having a positive impact on more people. In 2023, we engaged S360, a Türkiye based sustainability consultancy, to carry out a comprehensive community engagement survey, the outcomes of which will inform our future community investment strategy to be implemented from 2024 onwards.

Nature

As we only use the cavern-based solution-extraction production method, we are very different from many other extractive industries because we have very limited impact on pre-existing land use, enabling our facilities to easily co-exist alongside the farming communities which surround us. Our impact on existing flora and fauna is limited by comparison with other conventional underground or open cast mining methods. This is due, in part, to the relatively easy removal of surface pipelines and wellheads upon decommissioning, without the need for rehabilitating significant waste material dumps or open cast mine areas.

Supply chain

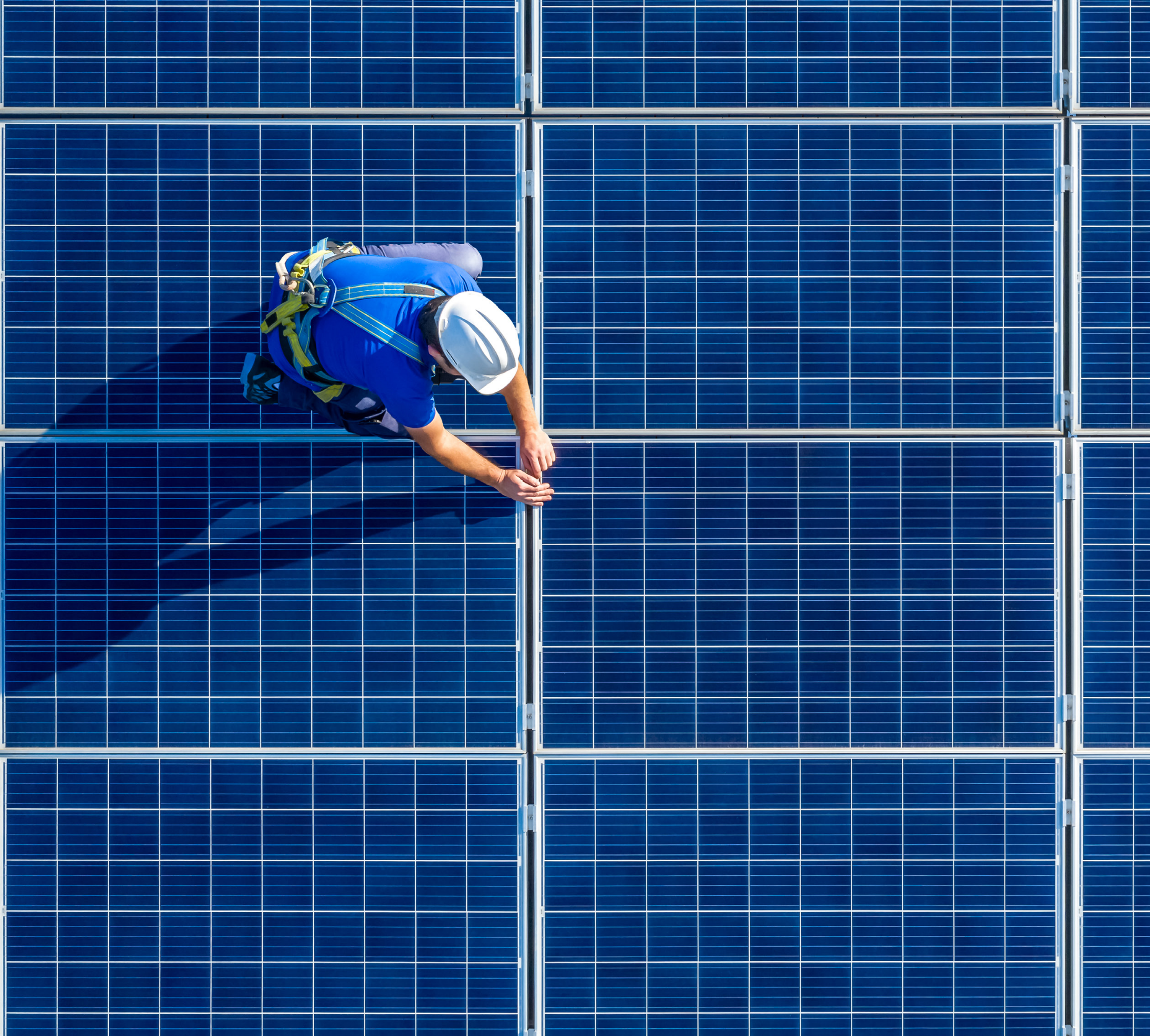
We aim to apply our own sustainability and governance principles and practices (which can be found in our Supplier Code of Conduct) to all our partners in our upstream and downstream supply chains. During 2023, we registered 81% (2022: 60%) of our core suppliers (by value) onto the Sedex[2] platform, to allow us to more effectively assess and audit our suppliers, in accordance with our own sustainability criteria, particularly in relation to ethical trading and responsible supply chain practices. We are also developing a blockchain enabled supply chain ecosystem called "ConnexSA", with the objective of delivering transparent and robust sustainability data and governance across the entire soda ash supply chain, with the aim of creating a sustainability "currency" that will allow the producers of sustainable products to achieve an economic premium for these products over time.

$4.9m

We supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of approximately $4.9 million

> "We are different from other extractive industries because we have limited impact on pre-existing land use."

1. Source: NexantECA analysis, April 2024. **2.** Sedex is a platform to enable companies to identify, manage, and assess social and environmental supply chain risks using a suite of tools, data services, and reporting on ethical trading practices.



Case study

The natural choice

Soda ash is an invisible ingredient in the energy transition; it's a key input in the manufacture of solar PV panels and lithium carbonate for EV batteries.

Supplying enough soda ash with the lowest possible environmental impact to meet the demand for these applications, will be key to achieving the goals of the Paris Agreement.

WE Soda's naturally produced soda ash, through the cavern-based solution-extraction method, has the lowest carbon emissions, water and energy intensity in our industry. To satisfy the growing demand we will be growing our production with our planned expansion project in Türkiye and two growth projects in Wyoming, USA.

Operating sustainably continued

Benchmarking our performance

We aim to operate in accordance with "best-in-class" global sustainability practices, frameworks and standards and since 2020, we have been a signatory to the United Nations Global Compact ("UNGC"). Our 2023 Sustainability Report has been prepared in accordance with Global Reporting Initiative ("GRI") criteria and our report is registered with the GRI content indexing service. In addition, we have prepared a comprehensive TCFD report with a full Climate Related Risk and Opportunity ("CRRO") assessment. See our TCFD disclosures on pages 89 to 97, our GRI Content Index on pages 125 to 131 and our Key Performance Indicators on pages 66 to 68 for more information.

Despite our leadership position within our industry, we continuously strive to improve. We have identified a significant number of ongoing and future initiatives to further reduce our energy consumption, lower our Scope 1 & 2 CO_2e emissions intensity, reduce our water usage and intensity, increase renewable power generation and eliminate waste. Amongst other targets, we have committed to achieving Net Zero by 2050 and in 2023 we continued our engagement with international sustainability consultancy, ERM to help design and implement an enhanced CO_2e emissions reduction pathway which is consistent with a "below 1.5°C" global warming outcome. For further details on our initiatives to further reduce our environmental impact, please refer to pages 36 and 56.

We believe that objective external benchmarking drives better performance. Every year, we assess our sustainability performance against a set of published targets and we disclose our performance to a number of external benchmarking bodies, some of which are summarised below.

ISO certification

To ensure 100% coverage of our production sites, both Eti Soda and Kazan Soda have a number of ISO certifications, including TS EN 9001 Quality Management System, TS EN ISO 14001 Environmental Management System, ISO 45001, Occupational Health & Safety Management System, ISO IEC 17025 Testing Laboratory Accreditation, ISO 50001 Energy Management System, ISO IEC 27001 Information Security Management System, TS ISO 26000 Guidance on Social Responsibility, ISO 37001 Anti-Bribery Management System, ISO 14064 Carbon Footprint Verification Statement, ISO 14046 Water Footprint Verification Statement and ISO 10002 Customer Satisfaction Management System. These certifications require processes and sustainable operating practices that meet internationally recognised standards.

EcoVadis

We submit annually to EcoVadis, a globally trusted sustainability ratings provider, which assesses businesses on their sustainability standards across four key performance areas: environmental impact, labour and human rights, ethics and sustainable procurement. During 2023, Kazan Soda was awarded a Gold medal and Eti Soda received a Platinum Medal, and in December 2023 WE Soda Group also received a Platinum Medal, placing it in the top 1% of all companies assessed by EcoVadis in the basic chemicals sector globally. Going forward, we intend to make EcoVadis submissions solely as the WE Soda Group.

Sustainalytics

In 2023, Morningstar Sustainalytics[1] performed a broad-based corporate ESG assessment of the WE Soda Group dated 16 May 2023[1]. We received an industry leading corporate ESG assessment score of 14.7 (2022: 16.1), which placed us as the only soda ash producer in the "low risk" category. As of the date of the corporate ESG assessment, the score would place our Group as having the best ESG risk rating score in the entire Morningstar Sustainalytics commodity chemicals subsector (first out of 274 companies) and the fifth best ESG risk rating score in the wider Morningstar Sustainalytics global chemicals sector (comprised of 559 companies).

CDP

We make annual climate change and water security submissions to the CDP, an independent nonprofit organisation that collects, benchmarks and communicates information about the life cycle environmental impact of products and processes for companies globally. In 2023, we made our first consolidated WE Soda Group submission and were awarded a "B" performance score for our climate change and a "B" performance score for our water security submissions, reflecting the strong corporate management we apply around coordinated action on climate and water issues.

ecovadis

SUSTAINALYTICS

CDP DISCLOSER 2023

1. For information about Morningstar Sustainalytics please see references on page 231.

Operating sustainably continued

Our people

Employees

1,570

excluding contractors (2022: 1,373)

Opportunity

36%

under 30 years of age (2022: 31%)

Diversity

21%

Women in management roles (2022: 15%)

	For the Year Ending 31 December		
WE Soda Group Safety KPIs	**2023**	2022	2021
Total workforce headcount[1]	1,722	1,382[2]	1,297
Total working hours (thousands)	3,063.7	2,737.4	2,553.4
Number of fatalities	0	0	0
Number of workplace accidents	44	29	52
Total number of LTI[3] workplace accidents	39	26	44
Number of LTI lost workdays	789	428	712
Number of non-fatal reportable injuries[4]	26	14	21
Number of recordable injuries[5]	6	2	6
Main types of accident	Thermal burn	Exposure to harmful substances	Lifting & handling
Accident Frequency Rate[6]	14	11	20
Occupational Accident Probability Rate[7]	2,555	2,098	4,009
LTI Frequency Rate[8]	13	9	17
Total safety training hours (thousands)	44.1	36.3	32.2

Safe & Inclusive Workforce

Providing a safe and healthy work environment is our number one priority. We strive to ensure that all employees adopt a “safety first” mindset through a proactive and preventative approach, with strong safety leadership. We actively manage workplace safety, with training and monitoring to ensure that our employees understand and recognise workplace safety and process safety-related risks, with appropriate risk control and mitigation strategies tailored to different types of safety-related risk. We aim to continuously improve our safety practices and policies, with the objective of bringing our performance into line with international best practice standards and, ultimately, to eliminate LTIs from the workplace. To measure our progress, we now monitor our performance with both leading and lagging indicators and we record all types of workplace accidents, injuries, near misses and hazardous events and report these to our senior executive management on a weekly basis and at every meeting of our Board. We have also successfully implemented the ISO 45001 OHS Management System at both Eti Soda and Kazan Soda.

1. OHS data for Turkish sites only (including Denmar after September 2023 – headcount includes employees/IET, trainees and leavers. **2.** Adjusted headcounts for 2022 is 1,503 (includes additional employees, trainees and Institute of Exploration Technique (IET)). **3.** LTI means Lost Time Injury. **4.** Number of non-fatal reportable injuries, according to the RIDDOR definition, represents injuries that result in seven or more days of incapacitation as well as Certain Serious Injury incidents. According to RIDDOR, an accident is a separate, identifiable, unintended incident, which causes physical injury. This specifically includes acts of non-consensual violence to people at work. **5.** Number of recordable injuries, according to the RIDDOR definition, represents injuries that result in more than three days and less than or equal to seven days of incapacitation. **6.** Accident Frequency Rate represents the number of total workplace accidents divided by total working hours, multiplied by one million, calculated based on SGK data. **7.** Occupational Accident Probability Rate represents the total number of accidents divided by the total workforce headcount, multiplied by 100,000, calculated based on SGK data. **8.** LTI Frequency Rate represents the number of LTI workplace accidents divided by total working hours, multiplied by one million, calculated based on SGK data.

Operating sustainably continued

Our "Safety Excellence Journey"

In 2022, we recognised that our safety performance was not where it needed to be and we decided to appoint dss+, an international safety consultant and a global leader in occupational safety and process safety management practices, to strengthen our safety practices, culture and performance with the objective of achieving international best practice standards. During late 2022, we conducted a thorough review of our safety practices and process safety management and, starting in early 2023, we embarked upon a bespoke three-year safety programme in partnership with dss+ which we called our "Safety Excellence Journey".

Our Safety Excellence Journey has been designed to change our safety culture and enable our workforce to better recognise safety-related hazards and associated risks, with the specific purpose of preventing injuries and incidents to personnel, assets, surrounding communities. We have developed a comprehensive Safety Excellence System which integrates all elements of our operations, across technology, facilities, processes and personnel and which is supported by strong leadership and management commitment. The primary goal of our Safety Excellence Journey is to ensure that each one of our employees goes home safely to their families, every day. We believe that with a committed, relentless focus on safety, our objective of zero LTI workplace accidents is achievable over time.

Whilst safety remained a challenge for us in 2023, we have identified six key initiatives to materially improve our performance. This involved selecting a wide range of employees from different levels of seniority across our organisation, to train and take responsibility for implementing the following activities:

Communication

Responsible for effective communication with our entire workforce at all levels of the organisation through various channels such as newsletters, posters and other tools to increase awareness of safety behaviour expectations and performance.

Safety Governance

Responsible for establishing a framework and committee structure to govern different aspects of personal and process safety and periodically conduct critical analysis.

Safety Observations

A programme of field safety observations designed to capture safety related events and establish a system which enables systematic analysis, follow-up, conclusions and actions.

Recognising Risk

Training to increase awareness and better recognise safety-related risks and to ensure a common understanding of Job Safety Analysis, Risk Assessments and Risk Management.

Manage Operations

Responsible for upgrading our systems and documentation to strengthen key safety-related processes including Permit To Work, Lock Out Tag Out, and Security By-Pass Authorisations.

Manage Asset Integrity

Responsible for identifying and managing process safety critical equipment to enhance asset integrity.

During 2023, we trained over 700 people within our workforce on safety-related issues as part of our Safety Excellence Journey.

	Employees Trained during 2023		
	Eti Soda	**Kazan Soda**	**Group**
Behavioural-based Safety Observations	330	380	710
Recognising Risks	88	91	179
Manage Operations	88	94	182
Assets Integrity Management	4	7	11
Communication	2	3	5

The Psychosocial Risk Analysis ("PRA") survey conducted at the end of the year, showed there has been a significant increase in our employees' awareness of occupational health and safety during 2023. In 2024, alongside our wider Safety Excellence Journey, we plan to improve on-site safety by using artificial intelligence tools that will help us to identify workplace risks, and unsafe acts and conditions. This will enable us to alert employees to risks in real time, reducing risk exposure and lowering the chance of accidents occurring. Read our Job Safety Analysis case study on page 30.

Case study

Job Safety Analysis

In Q2 2023, we launched our "Safety Excellence Journey" in partnership with international safety consultants dss+, to improve safety culture and practices at our operating sites.

Improved Job Safety Analysis and enhanced Permit to Work processes, are leading to a reduction in injuries associated with high-risk activities, such as condensate cleaning. In H1 2023 six lost time injuries were associated with this activity.

After introducing new processes and training operators, there have been no injuries associated with this activity over the ten months.

Operating sustainably continued

Health & Safety reporting

In 2023, based on the reporting requirements of Sosyal Güvenlik Kurumu (“SGK”, the Turkish Social Security Institution), we had 39 LTI workplace accidents (2022: 26) and 789 lost workdays (2022: 428). We have reported no fatalities during the last five years. Our safety statistics for 2021 and 2022 are for WE Soda Group employees only and exclude third-party contractors. From 1 January 2023, in line with best practice global standards, we have recorded and reported our safety performance for all personnel working at our sites, including third-party contractors, and we plan to continue this in 2024 and beyond (see performance indicator table on page 99).

Reporting of Injuries, Diseases and Dangerous Occurrence Regulations (“RIDDOR”)

RIDDOR benchmarking acts as a useful tool to compare our performance against a rigorous regulatory and reporting framework, alongside SGK. The data shows that the numbers of high impact (reportable) injuries and dangerous occurrences (indicating possible high consequence near-misses) remain at high levels. We believe that our Safety Excellence Journey will help us to significantly improve our safety performance in the coming years and, with a committed, relentless focus on safety, we believe that our objective of zero LTI workplace accidents is achievable over time.

	For the Year Ending 31 December		
WE Soda Group Safety Performance (SGK[1] reporting)	**2023**	2022	2021
Total workforce headcount[2]	1,722	1,382	1,297
Total working hours (thousands)	3,063.7	2,737.4	2,553.4
Number of fatalities	0	0	0
Number of work accidents	44	29	52
Total number of LTI[3] workplace accidents	39	26	44
Number of LTI lost workdays	789	428	712
Accident Frequency Rate[4]	*14*	*11*	*20*
LTI Severity Rate[5]	*258*	*156*	*279*
NACE 08 “Other Mining & Quarrying” Sector – Türkiye			
Accident Frequency Rate (benchmark figures)	*n/a[6]*	*29*	*27*
LTI Severity Rate (benchmark figures)	*n/a[6]*	*396*	*426*

	For the Year Ending 31 December		
WE Soda Group Safety Performance (RIDDOR reporting)	**2023**	2022	2021
Total workforce headcount	1,722	1,382	1,297
Total working hours (thousands)	3,063.7	2,737.4	2,553.4
Total non-fatal reportable injuries[7]	26	14	21
Total recordable injuries[8]	6	2	6
Deaths	0	0	0
Dangerous occurrences[9]	*18*	*9*	*1*
Total incapacitation days	750	381	639
Reportable non-fatal injury rate[10]	***1,510***	***1,013***	***1,619***
UK Chemical Manufacturing Industry			
Reportable non-fatal injury rate	*226*	*221[11]*	*176*

1. General Directorate of OHS Sosyal Güvenlik Kurumu (“SGK”). **2.** OHS data for Turkish sites only, including Denmar from September 2023. Headcount includes employees/IET, trainees and leavers. **3.** LTI means Lost Time Injury. **4.** Accident Frequency Rate represents the number of total workplace accidents divided by total working hours, multiplied by one million, calculated based on SGK data. **5.** LTI Severity Rate represents the number of LTI lost workdays divided by total working hours, multiplied by one million, calculated based on SGK data. **6.** SGK benchmark data not yet published (due in late 2024). **7.** Number of non-fatal reportable injuries, according to the RIDDOR definition, represents injuries that result in seven or more days of incapacitation as well as Certain Serious Injury incidents. According to RIDDOR, an accident is a separate, identifiable, unintended incident, which causes physical injury. This specifically includes acts of non-consensual violence to people at work. **8.** Number of recordable injuries, according to the RIDDOR definition, represents injuries that result in more than three days and less than or equal to seven days of incapacitation. **9.** Dangerous occurrences are categorised under reportable incidents; however, they are not classified under total number of accidents. **10.** Reportable non-fatal injury rate represents the number of all reported non-fatal injuries divided by workforce headcount, multiplied by 100,000. **11.** RIDDOR benchmark data updated during 2023.

Operating sustainably continued

Employee wellbeing

We recognise the importance of wellbeing within our workforce. Every year we conduct a Psychosocial Risk Analysis ("PRA") to understand where our employees would like to have further support and where improvement actions may be needed. We also provide our employees with confidential mental health and dietician services, to support their physical and mental wellbeing. In 2022 and 2023, all our managers were given Psychosocial Risk Management & Awareness training, and all our employees were given training on Family Relations and Stress Management.

In 2023, the results of our annual PRA highlighted an improved sense of commitment, belonging and value as well as improved levels of support, approval and appreciation felt by our employees from both their colleagues and managers, indicating that our focus on management training throughout 2022 and 2023 has had a positive impact on our workforce.

Notwithstanding our safety performance in 2023, the results also showed an improved familiarity with health and safety practices and procedures and indicated that managers have also become more effective in this area, highlighting the positive impact that our Safety Excellence Journey is beginning to have. The results also indicated areas where we need to improve during 2024, including a need to focus on work-life balance, recognition and a focus on enhancing our collaborative approach.

Diversity and inclusion

Diversity and inclusion are important elements of our culture; we have four generations working together and we believe that this enriches our culture. Our workforce comprises 23% Generation Z (under 27 years of age), 62% Generation Y (28 to 43 years of age), 14% Generation X (44 to 59 years of age), and 1% Baby Boomers (60 to 69 years of age). We are committed to providing everyone with a positive work environment and equal opportunities. Our Code of Business Ethics sets out our approach to ensuring that our workplace allows for the participation and inclusion of all. As at 31 December 2023, we employed 1,570 full time staff excluding contractors (2022: 1,373), we contracted a total of 109 foreign workers for construction activities, approximately 3% of our employees were registered as disabled. We recognise the right to collective bargaining, however none of our employees were members of labour unions in 2023.

We recognise that industrial manufacturing has not traditionally been a popular choice for women when looking at career and employment options. However, we believe that a diverse and inclusive workforce is an important driver of our success, and we are proactively working to improve gender diversity within our workforce, with a particular focus on management and leadership opportunities. In 2023, we welcomed a total of 61 women to the WE Soda Group which represented 20% of our total new hires, 27 of them were engineers and managers, increasing the proportion of female employees within our senior and middle management to 21% (2022: 15%).

We will continue to work hard to achieve gender balance within our leadership team. During 2023, we appointed two women as Vice General Manager at Eti Soda and Kazan Soda, respectively. We have set the target, amongst others, of having an equal number of women and men within our senior and middle management combined by 2032.

To support this objective, we aim to recruit each year an equal number of female and male graduates from universities and technical high schools and, for all lateral hires for roles within senior and middle management, we require an equal number of female and male candidates to be shortlisted for the final selection process. In 2023, we recruited three women and one man onto our Junior Engineering Programme; for university students in their third and fourth years, this programme reflects our commitment to nurturing young talent and offers internships and project opportunities to students, providing them with "real-world" experience and a head start in their careers. Read our Internal Female Promotion case study on page 42.

As at 31 December 2023, Kazan Soda employed 801 staff including fixed term contractors (788 excluding fixed term contractors; 2022: 732) comprising 615 blue-collar, 160 white-collar staff and 26 management of which 706 (88%) were male and 95 (12%) were female. The 7.7% increase in employees at Kazan Soda during 2023 was mainly driven by the additional staff required for our debottlenecking and capacity expansion projects. It was also driven by our focus on improving plant efficiency and availability, which required an increase in the frequency of "washouts" in certain operating units, whilst maintaining a safe operation and without requiring excess overtime.

As at 31 December 2023, Eti Soda employed 578 staff (2022: 554) comprising 446 blue-collar, 117 white-collar staff and 15 management staff, of which 522 (90%) were male and 56 (10%) were female. The 4.3% increase in employees at Eti Soda during 2023 was also driven by our focus on improving plant efficiency and availability, whilst maintaining a safe operation.

1,570

We employed 1,570 full time staff excluding contractors (2022: 1,373) and approximately 3% of our employees were registered as disabled.

Operating sustainably continued

	Permanent Employees, as at 31 December 2023 (Excluding Contractors)									
	Total		Senior management[1]		Other Management[2]		Other White Collar Workers[3]		All Blue Collar Workers[4]	
London										
Male	17	*61%*	9	*82%*	4	*67%*	4	*36%*	n/a	*n/a*
Female	11	*39%*	2	*18%*	2	*33%*	7	*64%*	n/a	*n/a*
Total	**28**		**11**		**6**		**11**			
Türkiye[5]										
Male	1,345	*88%*	16	*70%*	32	*89%*	210	*63%*	1,087	*96%*
Female	177	*12%*	7	*30%*	4	*11%*	122	*37%*	44	*4%*
Total	**1,522**		**23**		**36**		**332**		**1,131**	
WE Soda Group[6]										
Male	1,377	*88%*	32	*78%*	40	*80%*	218	*63%*	1,087	*96%*
Female	193	*12%*	9	*22%*	10	*20%*	130	*37%*	44	*4%*
Total[4]	**1,570**		**41**		**50**		**348**		**1,131**	

Talent attraction, training and development

We aim to attract, develop and retain the best talent. We engage with potential employees through multiple channels including participating in university career days and providing internship opportunities. In 2023, we worked with 221 students as part of our internship programme, from universities across Türkiye and from local technical high schools. As at 31 December 2023, 36% of our workforce is under 30 years of age (2022: 31%). We strongly believe that offering opportunities for young women and men is vital for the prosperity of the communities where we operate. This belief forms the cornerstone of our business growth and prosperity strategy.

During 2023, four existing employees were promoted to Vice General Manager at Eti Soda and Kazan Soda, in addition to two Vice General Managers, five Directors and eight Managers that were also promoted in accordance with our culture of prioritising internal candidates for promotion, thereby retaining internal expertise and providing a pathway for employee development. We plan to build on this success throughout 2024. Read our Internal Female Promotion case study on page 42.

We know that attracting the best young talent to our company is key to our success, promoting sustainable development and innovation. In 2023, we started our Candidate Engineering Programme with Gazi University and Hacettepe University with the aim that young engineers will undertake an internship with us for a minimum of two days per week gaining valuable work experience, and then have the potential for full-time employment following their graduation.

Training is a key part of retaining and developing talent within our business. In 2023, we offered over 27,500 hours of vocational, social development, management, and occupational safety training to our staff at Eti Soda and over 43,400 hours of training across the same categories at Kazan Soda. We also provided almost 3,800 hours of training to our senior management team focused on compliance, health and safety and sustainability. We plan to roll out a more extensive training programme in 2024.

Employee retention

In 2023, we experienced high employee turnover relative to previous years, leading to the loss of skills, expertise and specific WE Soda business awareness. Having recognised this as a challenge, in 2024 we are putting in place plans, initiatives and incentives to ensure that not only do we attract the best talent, but we also retain it. We will report on our progress in the coming year.

Employee satisfaction

We conduct employee satisfaction surveys on a biennial basis, with the next one taking place in Q2 2024. A cycle of two years enables our HR teams to analyse feedback and subsequently implement changes to our employee programmes to enhance our working environment as well as remediate areas which can be improved. Thereafter, new initiatives and programmes are monitored to assess impact and effectiveness before a further survey is undertaken. Please refer to our 2022 Sustainability Report for more information on the outcomes of the previous survey. https://www.wesoda.com/assets/documents/42222-we-soda-sr-2022.pdf

1. Includes C-level, Director, General Manager, Vice General Manager, Head of Function. 2. Includes: Managers. 3. Includes: Supervisor/Chief /Responsible for the Department/ Engineer / Office & Admin Staff, Specialist, Analyst. 4. Includes: Head Foreperson, DCS Operator, Chemist, Laboratory, Technical Worker, Security, Driver & Service/Maintenance, Worker, Operator, Technician. 5. Includes Eti Soda, Kazan Soda, Istanbul office and Derince Port. 6. Includes London office, US office, Eti Soda, Kazan Soda, Istanbul office and Derince Port.

Case study

Championing innovation

In early 2023, we formally established a research and development ("R&D") function, located at Kazan Soda.

The new R&D team's objective is to identify and develop new, high-value, sustainable uses for our products, developing production process improvements through the use of innovative technologies and identifying and developing new technologies to capture, store, re-use and/or monetise residual process and combustion-related CO_2e emissions.

In 2024, we plan to pilot several of the technologies which the team began to develop in 2023.

Operating sustainably continued

Business ethics and compliance

Our values guide our employees to operate responsibly, doing the right thing in the right way. We believe that "how we do things" is as important as "what we do" and we have a "zero tolerance" approach to misconduct. Our Code of Conduct and Business Ethics Policy applies to all of our directors, officers and employees, and set the tone for our broader compliance and ethics programme, supported by our global or entity level compliance policies and procedures. In 2023, our commitment to ethics and compliance was acknowledged by EcoVadis as "advanced".

We have the objective that all of our upstream and downstream supply chain partners should operate to the same ethical standards as our Group. In this regard, in 2021 we introduced our Supplier Code of Conduct, which sets out our minimum expected standards from our suppliers. During 2024, we plan to introduce a Distributor Code of Conduct with the objective that this will be adopted by all of our major regional distributors by 2025.

Digitalisation and cyber security

In 2023, we appointed a Chief Information Officer ("CIO") responsible for enhancing our information systems, the digitalisation of our non-financial data management systems, the implementation of our cyber security roadmap and supporting our sustainable development programmes.
During 2023, we completed a thorough analysis of digitalisation within our business, benchmarked against industry best practices, and this allowed us to develop a five-year digitalisation roadmap and IT governance framework. During 2024, our key priority will be restructuring our IT organisation and systems to support our digitalisation plans.
Cyber security is an important part of our commitment to the safety and security of our operations and people. In late 2023, the international services firm KPMG undertook a thorough analysis of the cyber security risks associated with our business, from both an IT and an operational technology perspective. During 2024, KPMG will work with us to further develop our cyber security framework and systems.

> "Cyber security is an important part of our commitment to the safety and security of our operations and people."

Operating sustainably continued

Our Operations

Production

4.98 million

mt soda ash and sodium bicarbonate combined in 2023 (2022: 5.0 million mt)

Water intensity

2.15

of water per mt soda ash, with target to reduce by 20% in the next five years (2022: 2.04)

Production growth[1]

>10 million

mtpa by 2030 – more than doubling production

Sales to

85

countries and 204 individual port destinations

Scope 1 & 2 CO2e emissions intensity

0.334

of CO2e mt soda ash and sodium bicarbonate sold, with target to reduce by 40% in the next ten years (2022: 0.343)

Responsible and sustainable production

Our operating model is inherently circular; we have almost no solid and liquid waste by comparison to synthetic soda ash producers because, where possible, we re-use, repurpose and recycle by-products to eliminate waste, improving our plant efficiency and our sustainability. Within our industry, we believe we produce soda ash with the lowest Scope 1 & 2 CO2e emissions intensity and water intensity[2], and we believe we have the lowest impact on nature and the environment[3]. We are able to do this because we only produce natural soda ash using the cavern-based solution-extraction production method. It is our ambition to lead our industry in terms of our impact on society, through inclusive recruiting and employment, creating high-quality local job opportunities, and by active engagement to support the communities in which we operate.

We have identified a significant number of ongoing and future initiatives to improve our sustainability performance. Amongst other targets, we have committed to reducing our already low water intensity by a further 20% within five years, reducing our already low Scope 1 & 2 CO2e emissions intensity by 20% within five years and by 40% within ten years (all relative to a 2022 baseline) and to achieving Net Zero by 2050. In 2023, we continued to partner with ERM to implement a CO2e emissions reduction pathway that is consistent with a "below 1.5°C" global warming outcome.

Production

We operate two large, modern facilities located in Türkiye, known as Eti Soda and Kazan Soda, which both use the cavern-based solution-extraction method to produce natural soda ash and sodium bicarbonate. We are the only soda ash producer to successfully use this production method on a commercial scale outside China, and we are one of the lowest cost producers in the world, with a robust global supply chain allowing us to deliver on a cost-competitive basis to all major soda ash markets globally.

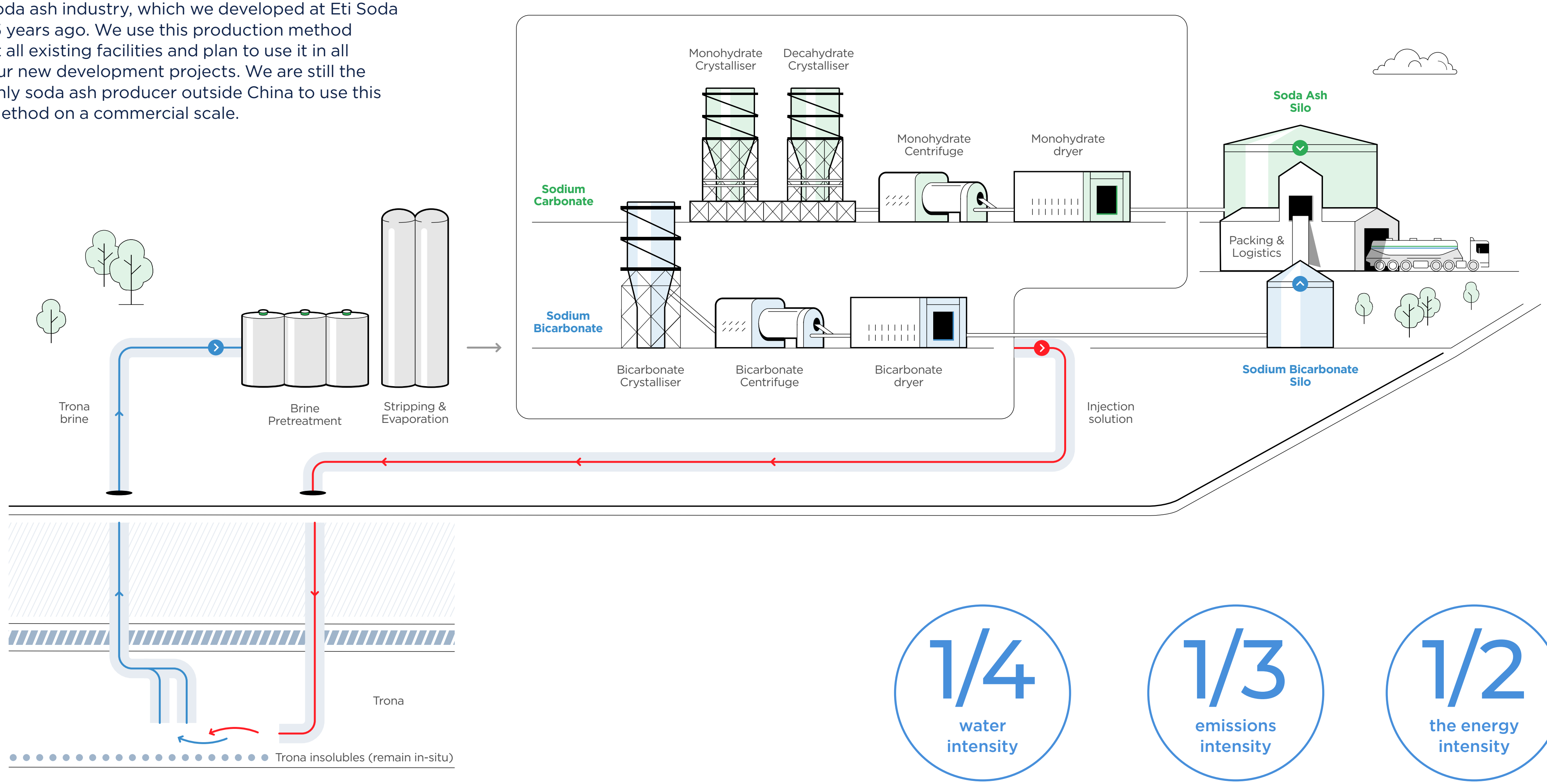
During 2023, we produced 4.98 million mt of soda ash and sodium bicarbonate combined (2022: 5.0 million mt), a 0.4% production volume decrease versus 2022, mainly driven by the need to reduce production volumes to allow de-stocking during mid-2023 in response to a loosening of supply-demand balances globally. We continuously seek to drive operational efficiency improvements at our facilities, and we experience generally high levels of operational availability driven by our core operating philosophy: to maintain 24/7 production through a regular and comprehensive programme of preventative maintenance with high levels of operating redundancy and back-up in all the key operating units throughout our facilities.

1. Forecast annual production capacity, assuming all currently planned projects are developed as planned. **2.** Source: NexantECA analysis, April 2024. **3.** We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 1.37 MWh per mt, Scope 1 & 2 CO2e emissions intensity of 0.334 per mt, water intensity of 2.15 per mt, and total waste directed to disposal of 85,850 mt (in each case for 2023) as these metrics provide a relative and comparable measure of performance across our industry.

Operating sustainably continued

Our "game-changing" production process: solution-extraction

We were the first to use the cavern-based solution-extraction production method within the soda ash industry, which we developed at Eti Soda 15 years ago. We use this production method at all existing facilities and plan to use it in all our new development projects. We are still the only soda ash producer outside China to use this method on a commercial scale.

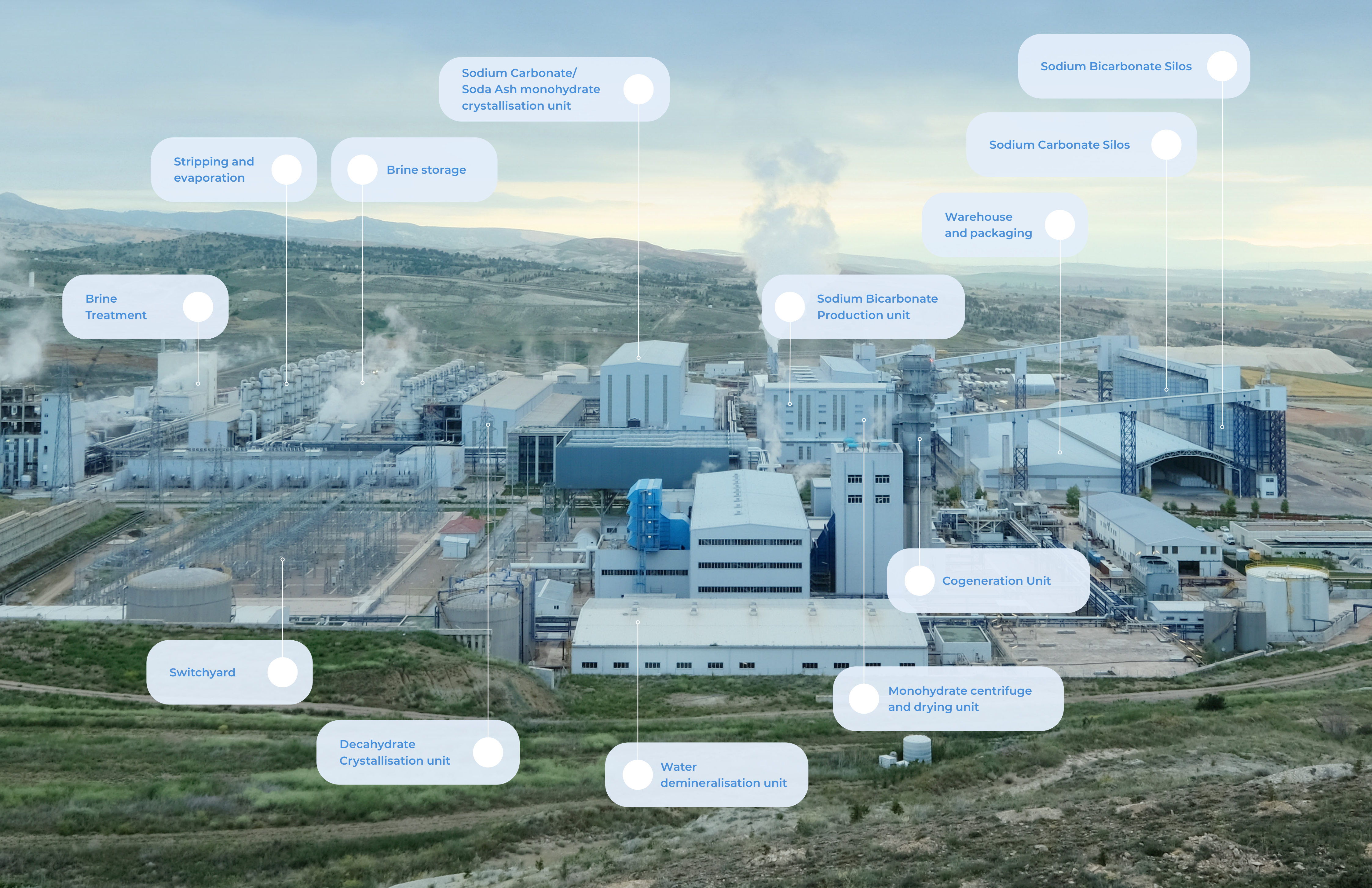


1/4 water intensity

1/3 emissions intensity

1/2 the energy intensity

Compared to synthetic soda ash producers


Sodium Carbonate/
Soda Ash monohydrate
crystallisation unit
Sodium Bicarbonate Silos
Sodium Carbonate Silos
Stripping and
evaporation
Brine storage
Warehouse
and packaging
Brine
Treatment
Sodium Bicarbonate
Production unit
Cogeneration Unit
Switchyard
Monohydrate centrifuge
and drying unit
Decahydrate
Crystallisation unit
Water
demineralisation unit

Operating sustainably continued

Production (thousand mt)	2023	2022	2021
	For the Year Ending 31 December		
Eti Soda			
Soda ash	1,748.0	1,809.5	1,744.5
Sodium bicarbonate	214.0	218.5	207.5
Eti Soda Total	**1,962.0**	**2,028.0**	**1,952.0**
Kazan Soda			
Soda ash	2,819.5	2,788.0	2,713.0
Sodium bicarbonate	193.5	185.0	187.0
Kazan Soda Total	**3,013.0**	**2,973.0**	**2,900.0**
Group			
Soda ash	4,567.6	4,597.5	4,457.5
Sodium bicarbonate	407.5	403.5	394.5
Group Total	**4,975.1**	**5,001.0**	**4,852.0**

Soda ash is an essential material for the energy transition, with highly visible long-term demand growth[1]. From around 66 million mtpa of global demand in 2023, annual global demand for soda ash is forecast to grow by approximately 15 million mtpa, to around 81 million mtpa by 2030[1]. Around 90% of the 15 million mtpa global growth is expected to come from the higher growth economies of Asia, China and South America, and 70–75% is expected to be driven by the long-term structural demand growth within sustainable applications mainly driven by the energy transition[1], such as PV solar glass and lithium carbonate used in lithium-ion EV batteries.

The world needs more responsibly produced natural soda ash which we believe is ultimately likely to command a price premium relative to synthetically produced soda ash. To satisfy this growing demand, we are investing more and growing faster than any other company in our industry[1]. In total, we plan to invest more than $5 billion, mainly in the US, to more than double our annual production volumes, with the aim of delivering more than 10 million mtpa of low-carbon natural product by 2030. In the short to medium term, we plan to further optimise and expand Kazan Soda, and our combined annual production of soda ash and sodium bicarbonate from Türkiye should reach 6.0 million mtpa by 2027.

In Wyoming, US, we own a 40% non-controlling interest in an early-stage greenfield development project known as Pacific Soda, and a 100% ownership interest in an early-stage greenfield development project known as West Soda. Both projects are in the basic engineering and permitting phase and both are located near Green River, Wyoming. If developed as planned, both projects will use the same cavern-based solution-extraction production method that we developed and use in our Turkish operations. Read our Natural Choice case study on page 26.

Eti Soda

Eti Soda is 74% owned and operated by WE Soda, with the remaining 26% owned by the Eti Maden Operations General Directorate (“Eti Maden”), a state-owned company whose main focus is the production of boron in Türkiye which it sells globally. Eti Soda is located 100km north-west of Ankara, approximately 270km by road from our bulk export facility at Derince and 80km from Kazan Soda.

Eti Soda was the first soda ash production facility in the world to use the cavern-based solution-extraction production method on a commercial scale. The Beypazarı trona ore deposit was originally discovered in 1979 by the Turkish General Directorate of Mineral Research and Exploration, and Eti Soda was established in 1998 by the Ciner Group to exploit the trona ore deposit at this location.

In 2004, a cavern-based solution-extraction pilot plant was established at the site and construction of the current Eti Soda production facility commenced in 2007, with first production in late 2009 at an initial production capacity of 1.1 million mtpa. In early 2017, the production capacity was increased to 1.7 million mtpa and, following additional debottlenecking, the current plateau production rate has been stable at approximately 2.0 million mtpa since 2021.

Going forward, total combined production from Eti Soda is expected to remain at around 2.0 million mtpa. Eti Soda has three soda ash production units and two sodium bicarbonate production units. Approximately 16% of the electrical power needs and 100% of the steam needs of the facility are provided by a coal and biomass fuelled cogeneration unit, with the remaining electrical power purchased from the grid.

In 2023, Eti Soda produced 1.75 million mt of soda ash and 0.21 million mt of sodium bicarbonate, a decrease in total combined production of 3.3% versus 2022, mainly driven by grid outages in the second half of the year and production curtailments in mid-2023 to allow de-stocking in response to a loosening of global supply-demand balances. During the year, Eti Soda achieved a plant efficiency of 97.7% (measured as the ratio of soda ash equivalent volume of combined soda ash and sodium bicarbonate production to the soda ash equivalent volume of trona ore extracted; 2022: 98.0%) with an operational availability of 93.9% (the ratio of total hours of operation to total hours in a year; 2022: 97.8%), mainly driven by total outage days of 22 days equivalent (2022: 8 days equivalent) resulting from grid outages and production curtailments.

1. Source: Advancy research, February 2024.

Operating sustainably continued

During 2023, we drilled 26 new exploration wells and seven appraisal wells which resulted in the discovery of approximately 4.23 million mt of additional trona resources to the northwest of the existing mineralisation zone. In addition, within the mine area we constructed four additional well sets (together comprising 23 vertical wells and seven deep wells equipped with submersible pumps), taking the total number of well sets in operation to 42 (2022: 38 well sets). During 2024, we plan to construct 19 new well sets and drill a further ten exploration wells within the existing mineralisation zone and nine exploration wells outside the existing mineralisation zone together with workover operations on eight existing production wells, to improve production efficiency.

Kazan Soda

Kazan Soda is 100% owned and operated by WE Soda and is located 35km northwest of Ankara, 340km by road from our bulk export facility at Derince and 80km from Eti Soda. The Kazan trona deposit was originally discovered by Rio Tinto in 1998, before being acquired by the Ciner Group in 2011, when a cavern-based solution-extraction pilot plant was established at the site. Construction of the current Kazan Soda production facility started in late 2014 with first production in late 2017. Kazan Soda has five soda ash and two sodium bicarbonate production units, and a 379 MW cogeneration plant fuelled by natural gas which is used to provide 100% of the steam and 100% of the electrical power needs of the facility, selling the excess electricity to the grid.

In 2023, Kazan Soda produced 2.82 million mt of soda ash and 0.19 million mt of sodium bicarbonate, an increase in total combined production increase of 1.3% versus 2022. As planned, in early 2023 we commissioned the additional decahydrate and caustic units, increasing total production by approximately 0.2 million mtpa and reducing the amount of purge we generate, thereby increasing efficiency and reducing waste. The full effect of this debottlenecking expansion will be seen in 2024, when our total combined production capacity at Kazan Soda is expected to be approximately 3.2 million mtpa. During 2023, Kazan Soda achieved a plant efficiency of 98.5% (2022: 96.4%) with an operational availability of 92.3% (2022: 96.5%), mainly driven by total maintenance days of 28.3 days equivalent (2022: 12.8 days equivalent). Although plant efficiency increased during the year, operational availability decreased mainly driven by production curtailments in mid-2023 to allow de-stocking in response to a loosening of global supply-demand balances and changes in safety procedures and systems.

To optimise mine efficiency, during 2023 we constructed 12 additional well sets (each comprising one horizontal injection well and two vertical extraction wells), taking the total number of well sets in operation to 123 (2022: 111). In 2024, we plan to complete the fourth phase of the Kazan Soda mine area development, with the construction of four new well sets, taking the total fourth phase development to 16 additional well sets. Phase five is scheduled to be completed by the end of 2025, with a total of 20 new well sets (comprising 29 horizontal injection wells and 69 vertical extraction wells), which will provide sufficient mine capacity to support the approximately 1 million mtpa expansion and further optimisation of Kazan Soda during 2026.

In 2023, we had planned to start the construction of additional 0.5 million mtpa soda ash and 0.1 million mtpa sodium bicarbonate production units at Kazan Soda. However, we experienced delays in permitting and, following receipt of the required permits in March 2024, we are now planning to start construction during 2Q 2024 and commission the new units during mid 2026. Once completed, our operating efficiency will further improve, reducing our Scope 1 CO_2e emissions intensity and unit operating costs. During the year, we also signed an EPC contract with China Tianchen Engineering Company ("TCC") and FLSmidth & Co. for the construction of a second calciner unit at Kazan Soda during 2024 and 2025. Following the commissioning of this unit, approximately 165,000 mt of calcium carbonate waste which was previously sent to the purge pond will now be fully recycled, reducing waste and unit operating costs. In addition, during 2024, we plan to construct and commission a 0.1 million mtpa sodium chloride re-processing unit at Kazan Soda, allowing us to re-process and sell the sodium chloride generated as a by-product from the soda ash production process, reducing and monetising waste as well as reducing our Scope 1 CO_2e emissions.

98.5%
plant efficiency achieved at Kazan Soda

Operating sustainably continued

West Soda

West Soda is an early-stage greenfield soda ash and sodium bicarbonate development project based only on private land leases with a targeted production capacity of around 2.5–3.0 million mtpa. The Air Permit application report and the Mine Permit application report for West Soda were submitted to the relevant agencies in October and December 2023, respectively, and the Industrial Siting application report was submitted in February 2024. Additionally, to establish mineral reserves and resources, three exploration wells were drilled in 2023 and three further wells are planned in 2024.

While substantial further development activity is required, we plan to bring West Soda into production as soon as practicable, given the more streamlined development timeline afforded by our exclusive control over the project and the absence of any federal land permitting requirements, while taking into account anticipated future levels of global market demand for soda ash and sodium bicarbonate. Although we have so far only completed basic engineering design work, we currently intend to develop West Soda from the outset to source the majority of its electricity needs from renewable power sources and/or capturing the combustion and process related CO2e emissions from the plant – an important step in our journey towards Net Zero by 2050. We also intend to design the plant to have the potential, over time, to be progressively expanded on a modular basis to meet growing global demand.

Pacific Soda

Together with Şişecam, we are in the early stages of evaluating Pacific Soda, which is 60% owned and controlled by Şişecam, but where we contribute the cavern-based solution-extraction development "know-how" and our 40% share of the capital required for the development. Pacific Soda is based on both federal and private land leases and Şişecam and we plan to develop Pacific Soda with a production capacity of up to 5.4 million mtpa. If developed as planned, Pacific Soda is not expected to achieve full run rate production until 2028 at the earliest and, once developed, we will be responsible for the sales and marketing of our 40% share of production (equivalent to up to approximately 2.2 million mtpa).

Şişecam Chemical Resources

On 21 December 2021, we completed the sale of 60% of our controlling interest in its formerly wholly-owned US subsidiary, Ciner Resources Corporation (subsequently renamed and converted into Şişecam Chemicals Resources LLC). Following the sale, we no longer control Şişecam Chemicals Resources and our remaining 40% interest in Şişecam Chemicals Resources is reported as an equity-accounted investment with effect from 21 December 2021. Please refer to Notes on page 151 of the Consolidated Financial Statements for further details.

2.5-3.0 million mtpa

targeted production capacity of West Soda

"We intend to develop West Soda to source the majority of its electricity needs from renewable power sources – an important step in our journey towards Net Zero by 2050."

Case study

Internal female promotion

Gender diversity is an important tenet of our operating philosophy and particularly within our leadership team, setting the right tone and culture throughout our organisation.

An even more powerful example is when we can promote internal female candidates into senior leadership roles.

During 2023, we appointed three women as Vice General Managers, Tuğçe Beşir and Tuğçe Can at Eti Soda and Ecehan Aksoy at Kazan Soda. All are senior leaders with technical backgrounds who have been with WE Soda for over 10 years.

Operating sustainably continued

Türkiye reserves

Estimates of Proven and Probable Mineral Reserves and Measured and Indicated Mineral Resources in Türkiye as at 31 December 2022 have been prepared by Agapito Associates, Inc. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Reserves (2014 edition). Estimates of Proven and Probable Mineral Reserves and Measured and Indicated Mineral Resources have been updated based on 2023 production volumes:

	Extraction method	Effective ownership percentage[1]	Trona ore area	Mineral resources[2] *(in million mt)*	Mineral reserves[3] *(in million mt)*	Estimated minimum remaining life of mine
Eti Soda[4]	Solution	74%[5]	~6.7km²	Measured: 141.9 Indicated: – Total: 141.9	Proven: 54.5 Probable: – Total: 54.5	~20 years[6]
Kazan Soda	Solution	100%	~19.7km²	Measured: 258.0 Indicated: 90.6 Total: 348.6 Inferred: 12.3	Proven: 85.8 Probable: 31.8 Total: 117.6	~27 years[7]

1. Mineral Reserves and Mineral Resources figures are shown on a 100% basis and have not been reduced to reflect our less than 100% ownership interests in Eti Soda. 2. Mineral Resources describe a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. Measured and Indicated Mineral Resources figures include the Probable and Proven Mineral Reserves shown in this table. Mineral Resources are presented on a combined soda ash and sodium bicarbonate equivalent basis. Total Mineral Resources in the above table do not include Inferred Mineral Resources, due to the lower level of confidence compared to Indicated Mineral Resources and Measured Mineral Resources. 3. Probable and Proven Mineral Reserves are the economically mineable part of a Measured and Indicated Mineral Resource, respectively. Presented on a combined soda ash and sodium bicarbonate equivalent basis. 4. The additional discovered resource at Eti Soda in 2023 is not included in the Agapito Associates, Inc. report. 5. Turkish state-owned commercial enterprise Eti Maden has a 26% non-controlling interest in Eti Soda. 6. Assumes a production rate of 1.95 million mtpa of combined soda ash and sodium bicarbonate as at 31 December 2022. 7. Assumes a production rate as at 31 December 2023 of 2.95 million mtpa of combined soda ash and sodium bicarbonate and, following receipt of permitting in April 2024, a production rate increase of 0.95 million mtpa to 3.9 million mtpa with effect from mid 2026, which would reduce the existing estimated minimum remaining mine life from 33 years to 27 years.

At Eti Soda, the trona ore body is located at a depth of between approximately 200 and 500 metres below the surface, within a trona ore area of approximately 6.7 square km. There are 13 major trona beds, six upper and seven lower beds separated by 20–25 metres of interburden, comprising claystone, bedded tuff and oil shale delineated to the north by the east-north-east trending Çakıloba Fold and Fault Zone and to the south by the similarly oriented Zaviye Fault. It is divided into the western (Elmabeli) and eastern (Ariseki) sectors by the north-south trending Kanlıceviz Fault. In general, faulting does not significantly affect the trona beds within the basin.

As of 31 December 2023, the combined soda ash and sodium bicarbonate equivalent Proven and Probable Reserves were estimated to be 54.5 million mt, equivalent to a minimum remaining useful mine life of approximately 19 years (based on a total combined production rate of 1.95 million mtpa).

At Kazan Soda, the trona ore body is located at a depth of approximately 650 metres below the surface, within a trona ore area of approximately 19.7 squareat Behiçbey, approximately. There are 12 major trona beds and the "trona zone" is composed of alternating individual beds of trona and oil shale-dolomitic mudstones. The strike of the trona zone is from south-west to north-east and dipping from north-west to south-east and there are no significant faults in the trona zone.

As of 31 December 2023, the combined soda ash and sodium bicarbonate equivalent of Proven and Probable Reserves were estimated to be approximately 117.6 million mt, equivalent to a minimum remaining useful mine life of approximately 27 years (based on a total combined current production rate of 3.0 million mtpa and taking into account the planned capacity expansion, adding a further 0.95 million mtpa of production during 2026).

Production costs

We believe we are one of the lowest cost producers of soda ash globally. During 2023, our cash costs decreased by 13%, mainly due to a reduction in the cost of energy and royalty expenses.

Our historically lower cash costs are mainly due to the fact that we produce only natural soda ash using the cavern-based solution-extraction production method, which has lower energy intensity and lower raw material input costs by comparison with synthetic soda ash production. In addition, some of our cash production costs are denominated in Turkish lira, allowing us to benefit in US dollar terms when the Turkish lira depreciates against the US dollar. We use our production cash cost advantage together with our efficient global customer supply chain to deliver competitively priced products to all the major soda ash consuming markets globally.

For further details on our production costs see "Our financial review" on pages 69 to 71.

Operating sustainably continued

Operational efficiency

Optimising our processes and seeking efficiency gains are key tools to reduce our environmental impact. In 2023, we created a Research & Development ("R&D") function to develop, assess and pilot new process technologies, with the objective of improving the efficiency of our operations and reducing our impact on the environment. During 2024, we plan to expand this R&D function to also work with our customers to help them develop new processes using our products to reduce their impact on the environment.

In 2023, at Kazan Soda we completed a debottlenecking project involving additional decahydrate and caustic soda units. This resulted in increased plant availability, improving efficiency whilst also reducing CO2e emissions intensity and waste. Additionally, in 2023 we started a number of energy efficiency projects including the installation of variable frequency drives ("VFDs") on well injection pumps and more energy efficient lighting systems, which together are forecast to save around 180 MW of energy per year.

At Eti Soda, in 2023 we achieved a 2% reduction in electricity consumption through a series of energy efficiency projects which were initiated in 2022 including the use of alternate cooling tower fan materials, the addition of VFDs to well injection pumps, enhanced dust filtering systems and more energy efficient lighting systems. Further energy efficiency projects will be pursued at both production facilities in 2024.

Within our logistics operation, in 2023 we started multiple initiatives to improve efficiency, reduce our CO2e emissions intensity and lower our unit transportation costs. These include increasing our sales in bulk format to reduce waste and handling costs, the use of larger bulk ships, which can reduce our CO2e emissions intensity by up to 85% per voyage, the development of our first regional logistics hub at Terneuzen in the Netherlands, and the use of bulk inland rail transportation from Kazan Soda which we aim to progressively develop in the medium term.

Raw materials

Our main raw materials are natural gas, coal and electricity to provide energy (heat in the form of steam used in our production process) and electrical power for our production facilities. Other raw materials used in our production process are water and chemicals, such as lime, caustic soda and antifoam. As part of our sustainable operations, we are particularly focused on strategies to increase the proportion of our electrical power needs which can be generated from renewable energy sources as well as strategies to reduce our consumption of water.

We believe we operate the most energy efficient soda ash production facilities globally, at less than one-half of the energy intensity of synthetic soda ash producers. In 2023, our energy intensity[1] increased by approximately 4% to 1.37 (2022: 1.30), mainly driven by a 1% reduction in our production during the year.

	For the Year Ending 31 December		
Energy consumption (MWh)	**2023**	2022	2021
Eti Soda			
Diesel	11,155	7,911	6,966
Coal	872,638	922,095	943,543
Biomass	115,482	0	0
Solar	2,195	0	0
Purchased electricity	518,926	529,451	497,919
Total consumption[2]	1,520,397	1,459,458	1,448,428
Energy Intensity	**0.775**	**0.720**	**0.742**
Kazan Soda			
Diesel	37,318	12,584	6,948
Natural Gas	6,143,068	5,881,722	5,714,085
Solar	7,138	0	0
Purchased electricity	111,396	94,094	155,028
Sold electricity	(1,025,195)	(948,324)	(987,733)
Total consumption[2]	5,273,724	5,040,075	4,888,329
Energy Intensity	**1.750**	**1.695**	**1.686**
Group Energy Intensity	**1.37**	**1.30**	**1.31**

1. Energy intensity is calculated as MWh of energy consumed per mt of soda ash and sodium bicarbonate production, combined (energy consumed being the sum of all renewable, non-renewable and purchased energy consumed less energy sold). **2.** Total energy consumption is the sum of all renewable, non-renewable and purchased energy consumed less energy sold.

Operating sustainably continued

Power and energy

As well as being the largest producer of natural soda ash in the world, we are also a large electrical power producer. We have cogeneration plants at Kazan Soda and Eti Soda, which produce electricity used in our operations and steam used as a heat source in our production process, reducing our energy costs and ensuring stable supply.

Kazan Soda has a large natural gas fuelled 379 MW cogeneration plant, which provides 100% of our electrical power and 100% of our heat (steam) needs for the plant and also generates electricity beyond our operational requirements which is sold to the open market. At Eti Soda, we generate approximately 16% of our electrical power and 100% of our heat (steam) needs through a 12 MW capacity coal and biomass fuelled cogeneration facility, with the remainder of Eti Soda's electrical power produced by solar PV as well as purchased from the grid.

In 2023, the Kazan Soda cogeneration plant produced 3.6 million mt of steam and 2.06 million MWh of electricity, consuming approximately 577 million standard cubic metres of natural gas, and our new solar PV installation, which was commissioned in May 2023, produced 7,138 MWh of renewable electrical power. 1.025 million MWh of electrical power beyond our operational needs was sold to the grid during the year (equivalent to approximately 50% of the total electricity produced). There were no major cogeneration plant maintenance or overhaul operations in 2023 and the next major overhaul is planned for early 2024, when our production facilities will temporarily source electrical power from the grid, with steam (for heat) generated from our natural gas fuelled auxiliary boilers.

In 2023, the Eti Soda cogeneration plant produced 1.12 million mt of steam and 93,758 MWh of electrical power, and our new solar PV installation, which was commissioned in June 2023, produced 2,195 MWh of renewable electrical power.

In 2023, the cogeneration plant consumed approximately 370,000 mt of coal (2022: 403,000 mt) and 31,285 mt of biomass (2022: 9,100 mt). Following an initial pilot in 2022, we increased the use of biomass to approximately 7.8% of all cogeneration fuel consumed (by mass) in 2023, significantly exceeding our 2023 target of 4% and in line with our target to increase biomass usage to 12% by 2027, reducing our Scope 1 & 2 CO2e emissions intensity and the amount of waste we generate. The increased use of biomass in 2023, increased our operating costs by approximately $2 million during the year due to the higher costs of biomass in comparison to coal. In 2024, we plan to increase our biomass usage at the Eti Soda cogeneration plant to 10%.

Renewable energy growth

As part of our commitment to further reduce our already low Scope 1 & 2 CO2e emissions, we have started generating renewable energy to supplement our power needs at Eti Soda and Kazan Soda. During 2023, we generated 9,333 MWh of solar PV electricity which reduced our CO2e emissions by approximately 4,025 mt. In the medium to longer term, as part of our decarbonisation strategy, we are planning to significantly increase the amount of renewable electricity we produce and use at both facilities.

In 2023, to supplement the renewable energy we generated ourselves, we procured the supply of 150,000 MWh of renewable electricity at Eti Soda and 111,464 MWh at Kazan Soda, thereby reducing the emissions associated with the electricity we purchase from the Turkish grid. In 2024, we will join the Renewable Resource Guarantee System (YEK-G) to further improve our access to renewable electricity produced throughout Türkiye.

	For the Year Ending 31 December		
Energy sourcing (million MWh)	**2023**	2022	2021
Energy from non-renewable sources			
Natural gas	6.14	5.88	5.71
Coal	0.87	0.92	0.94
Energy From renewable sources			
Renewable electricity purchased	0.26	0.14	0.09
Biomass	0.12	0	0
Solar	0.01	0	0

Operating sustainably continued

In addition to increasing the proportion of biomass we used as fuel in the Eti Soda cogeneration plant, during 2023 we constructed 7 MW of solar PV capacity (5 MW at Kazan Soda which came on-stream in May 2023, and 2 MW at Eti Soda). During 2024, we plan to install a further 5 MW of solar PV capacity at Kazan Soda and 3 MW at Eti Soda, in line with our decarbonisation strategy and bringing our total solar PV capacity to 15 MW by the end of 2024.

Total 85 MW of PV solar and 95 MW of wind generation capacity by 2027, and to reach approximately 250 MW of PV solar generation capacity by 2032 (comprising approximately 120 MW for Eti Soda and 130 MW for Kazan Soda).

Following the results of the solar PV feasibility studies and wind station tests at Eti Soda and Kazan Soda, we have decided to increase our longer term installed renewable electricity capacity target by 25% to 250 MW by 2032, but to adjust downwards our medium term target to 180 MW by 2027 (a 10% reduction from our original target of up to 100 MW of solar PV and over 100 MW of wind power by 2027) mainly related to expected permitting and approval timelines.

We believe that the opportunity for renewable energy generation is even greater in the US, given the attractive solar PV and wind potential of many areas including Wyoming and the possibility to implement innovative renewable power and heat technologies for our new projects which, together with fiscal and other investment incentives that are available in the US for renewable projects, makes it a very attractive prospect. If developed as planned, West Soda will be the first soda ash production facility globally to source the majority of its electrical power needs from renewable sources and/or to use carbon capture and storage, significantly reducing Scope 1 & 2 CO_2e emissions intensity. Over time, we intend that all heat (steam) needs will also come from carbon-neutral sources – an important step in our journey towards Net Zero by 2050.

Natural gas

In 2023, energy costs represented approximately 58% of our total cash production cost (2022: 65%) mainly as a result of the significant reduction in natural gas prices. We have historically benefitted from low-cost supplies of natural gas and coal in Türkiye, which have, on average, historically been lower than those paid by soda ash producers in Europe and other parts of the world. Natural gas prices in Türkiye generally decreased in 2023, supported by tariffs introduced by BOTAŞ, the state-owned natural gas trading company. In 2024, unless there is a major gas supply crisis, we expect that natural gas prices will remain relatively stable, on average at or below 2023 price levels.

Eti Soda does not use natural gas as an energy source, but it is the main source of energy at Kazan Soda. To reduce our reliance on natural gas at Kazan Soda, and to protect against potential interruptions of the supply of natural gas which could disrupt our ability to operate, during early 2023 we changed the burner systems of our back-up steam boilers at Kazan Soda so that they could be dual fuelled with either natural gas or diesel. In addition, and with the objective of further mitigating our reliance on natural gas, in 2022 we applied for the necessary permits for three additional back-up steam boilers at Kazan Soda, which could be fuelled with either biomass or coal. However, in 2023 we decided to cancel this project due to the limited availability of biomass.

Chemicals

At Kazan Soda, we use lime to produce caustic soda which is used to decompose sodium bicarbonate into soda ash as part of our production process at that facility. In 2023, following the commissioning of the additional caustic soda production unit at Kazan Soda, we almost eliminated our need to purchase caustic soda from third parties, reducing our costs and increasing the efficiency of our operations.

2050

Over time, we intend that all heat (steam) needs will also come from carbon-neutral sources – an important step in our journey towards Net Zero by 2050.

"At Eti Soda, we undertook a feasibility study for 65 MW of solar PV capacity and we also conducted a feasibility study for 100 MW of wind power generation to be located within the Eti Soda licence area."

Operating sustainably continued

Our impact on nature and the environment

Water Stewardship

Water is an essential input to our production process, as well as being important to the local communities in which we operate. We operate in a water stressed area and climate change is expected to increase the pressure on water resources and increase the risk of water scarcity. As a result, we operate a water stewardship strategy designed to protect and preserve the water resources for our communities and our operations; we aim to minimise the volume of water that we consume, and we carefully monitor our water use balances in accordance with the ISO 14046 standard, as well as the quality of the water leaving our operations. Additionally, in 2023 Eti Soda provided approximately 665,000 cubic metres of water for local community agricultural projects as part of our social responsibility activities.

During 2023, our total water intensity[1] increased by approximately 5% to 2.15 (2022: 2.04), versus our 2023 target of 1.97. This was due to several factors including the installation and ramp up of the additional decahydrate and caustic units at Kazan Soda, which resulted in slightly elevated absolute water consumption for cooling and evaporation. Changes in water quality from different water sources at Eti Soda also resulted in an increase in the water consumption required to support the backwashing of filters and increased filtration within the production facility. Greater than expected shutdown times across both Eti Soda and Kazan Soda also increased our water intensity as production was reduced while equipment requiring cooling water remained operational.

Kazan Soda has higher water intensity by comparison with Eti Soda due to the higher sodium chloride content within the trona ore, requiring additional processing units which consume larger volumes of cooling water (with associated evaporation losses from within the cooling towers). The water supply to Kazan Soda is also of lower quality than at Eti Soda because it is sourced under an extraction licence from the Kirmir River.

	For the Year Ending 31 December		
Water intensity[1]	**2023**	2022	2021
Eti Soda[2]	1.69	1.66	1.75
Kazan Soda	2.45	2.30	2.14
Group	**2.15**	**2.04**	**1.99**

To help achieve our 20% reduction in water intensity by 2027, at Kazan Soda during 2024 we are planning to install dry air-cooling systems and an enhanced water recovery project using reverse osmosis technology (to increase the volume of water we re-use and recycle, improving the efficiency of our water treatment processes and reducing the amount of water we need to withdraw). Additionally, we plan to re-use 2-bar condensate from the cogeneration units at Eti Soda and Kazan Soda, further reducing our water consumption (as we replace the use of raw water with recycled process water). During 2023, Kazan Soda was granted a rainwater capture permit, allowing the construction of 0.56 million cubic metres of rainwater storage which will start during 2024. By 2027 we plan to have constructed four rainwater storage areas at Kazan Soda with a total capacity of 2.15 million cubic metres (enhancing our water security and reducing the volume of water which will need to be supplied from external sources).

Carbon Emissions

Reducing our CO2e emissions is a priority for us. We already produce soda ash with low Scope 1 & 2 CO2e emissions intensity by comparison with synthetic soda ash producers, mainly because we have the lowest energy intensity and also because the majority of the CO2 released during our soda ash production process is captured and re-used in the production of sodium bicarbonate.

In 2023, our Scope 1 & 2 CO2e emissions intensity reduced by 2.6% to 0.334 (2022: 0.343), achieving our target despite a decrease in our total production volumes. This was mainly due to our reduced consumption of coal and increased purchases of renewable electricity at Eti Soda and Kazan Soda.

We remain on track to achieve our Scope 1 & 2 CO2e emissions intensity[1] reduction targets of 20% within five years (to less than 0.274 by 2027), and 40% within ten years (to less than 0.206 by 2032), in both cases relative to a 2022 baseline, and to achieve Net Zero by 2050.

Over the next four years, we plan to accelerate our emission intensity reduction programme, to meet our 20% reduction target by 2027, as we ramp up production,

increase process efficiencies, invest more in renewable power, increase the usage of biomass, and begin piloting carbon capture technologies.

We also benchmark our CO2e emissions performance on an "ex-works" basis, which takes into account Scope 1 & 2 CO2e emissions intensity as well as certain upstream supply chain Scope 3 categories[3], because we believe this allows a more accurate comparison of relative emissions intensity across different soda ash production methods. In 2023, our ex-works CO2e emissions intensity[1] was approximately 0.51, materially lower than ex-works CO2e emissions intensity for synthetic soda ash producers, which typically range from approximately 1.17 to 2.09.[3]

1. Water intensity is calculated as cubic metres of water withdrawal per mt of soda ash and sodium bicarbonate production, combined. **2.** Including the water that Eti Soda provides for local community agricultural projects as part of our social responsibility activities. **3.** Source: NexantECA analysis, April 2024.

Operating sustainably continued

	For the Year Ending 31 December		
CO2e emissions intensity	**2023**	2022	2021
Scope 1 & 2[1]			
Eti Soda	0.313	0.335	0.351
Kazan Soda	0.349	0.349	0.347
WE Soda Group	**0.334**	**0.343**	**0.348**
Ex-works[2]			
Eti Soda	0.475	0.490	n/a
Kazan Soda	0.528	0.528	n/a
WE Soda Group	**0.507**	**0.512**	**n/a**
Delivered[3]			
Eti Soda	0.525	0.530	n/a
Kazan Soda	0.569	0.566	n/a
WE Soda Group	**0.552**	**0.551**	**n/a**

During 2023, we established a R&D function focused on developing technologies to reduce our process and combustion related carbon emissions and we also commenced a detailed technical and economic assessment of all externally available decarbonisation strategies, beyond those we are already implementing, to help us achieve our emission reduction targets. Our R&D function will be at the forefront of our decarbonisation activities and has already developed and evaluated a number of innovative approaches to achieve reductions in our carbon emissions. As part of our external study, we have identified 24 technologies for further analysis during 2024, including carbon capture and storage, carbon utilisation, alternative fuels, e-boilers and high temperature heat pumps, among others, that will allow us to develop and implement the best available CO2 abatement and removal technologies for our operations, at a pace that meets our corporate objectives. Read our Championing Innovation case study on page 34.

During 2023, we continued to work on the carbon reduction initiatives we commenced in 2022, mainly based on the sourcing of renewable energy supplies and the management of our process emissions. We will continue to develop and implement these in 2024 and beyond, including:

Optimising sodium bicarbonate balance (Scope 1)

The majority of CO2 released during our soda ash production is recycled during sodium bicarbonate production, lowering overall CO2e emissions. By more optimally balancing our soda ash and sodium bicarbonate production as part of our planned capacity expansion at Kazan Soda, we believe we will be able to reduce our Scope 1 & 2 CO2e emissions intensity. This has already been substantially optimised at Eti Soda but can be further optimised at Kazan Soda, following the completion of the additional soda ash and sodium bicarbonate production units by 2026.

Renewable power (Scope 2)

We have performed wind power tests and are conducting an ongoing feasibility study to assess our full renewable power potential at our Turkish facilities. We estimate that we can deliver up to 250 MW of renewable energy capacity by 2032, significantly reducing our Scope 1 & 2 CO2e emissions intensity. In 2023, we installed 7 MW of solar capacity and advanced our permitting and land preparations for future installations. In 2024, alongside our planned installation of 8 MW of solar capacity we will also be assessing the viability of hybrid technologies within our cogeneration units.

Use of biomass as a fuel source (Scope 1 & 2)

We have increased the proportion of biomass that we use in our cogeneration plant at Eti Soda, replacing coal and reducing our Scope 1 & 2 CO2e emissions intensity. In 2023, we achieved 7.8% biomass usage, and we remain confident of reaching our 10% target during 2024 and our 12% target by 2027.

Process optimisation (Scope 1 & 2)

Predictive maintenance activities for all critical machinery and equipment aim to increase production efficiency by shortening downtimes. Optimise system start-up and upgrades to more energy efficient equipment (to burn fuel more efficiently, recover waste heat and reduce electrical losses) also reduce energy consumption. The use of the SAP maintenance module at Eti Soda and Kazan Soda allows for an improved approach to equipment maintenance that will reduce downtimes and therefore enhance our process efficiency.

Carbon capture (Scope 1)

During 2023, we used our R&D function to conduct a detailed analysis of CO2 capture, liquefaction and storage technologies which could be used within our process and combustion units at Eti Soda and Kazan Soda. In addition to developing our own innovative carbon capture technologies and processes, we also initiated discussions with several external carbon capture technology providers. In 2024, we plan to develop and install a pilot plant to further develop our own technologies, and also to evaluate other geological storage methods, with the objective of deploying a combination of these technologies at Eti Soda and Kazan Soda in the medium term. In the short term, we plan to develop a CO2 liquefaction facility at Eti Soda to capture our residual process emissions, with the objective of selling liquified CO2 to the Turkish food and beverage industry.

1. Scope 1 & 2 CO2e emissions intensity calculated as Scope 1 & 2 market-based emissions mt of CO2e emissions per mt of soda ash and sodium bicarbonate production, combined (Scope 1 & 2 as defined by the GHG Protocol). **2.** Ex-works emissions intensity calculated as Scope 1, Scope 2 and certain upstream Scope 3 mt of CO2e emissions per mt of combined soda ash and sodium bicarbonate production (Scope 1 & 2 as defined by the GHG Protocol and within Scope 3 only including categories 1, 3, 4, 5, 6 and 7 as defined by the GHG Protocol). **3.** Delivered CO2e emissions intensity calculated as Scope 1, Scope 2 and certain upstream and downstream Scope 3 mt of CO2e emissions per mt of combined soda ash and sodium bicarbonate production (Scope 1 & 2 as defined by the GHG Protocol and within Scope 3 only including categories 1, 3, 4, 5, 6, 7 and 9 as defined by the GHG Protocol).

Operating sustainably continued

West Soda (Scope 1 & 2)

If developed as planned, we believe West Soda will be the first soda ash production facility globally to source the majority of its electricity needs entirely from renewable power sources and/or to use carbon capture and storage, significantly reducing Scope 1 & 2 CO2e emissions intensity. Over time, we intend that all heat (steam) needs will also come from renewable sources – an important step in our journey towards Net Zero by 2050.

Maximising bulk logistics (Scope 3)

We intend to reduce Scope 3 emissions and costs through a combination of increased bulk sales, inland rail transportation of bulk product (using electric powered locomotives), shipping more bulk volumes in larger (50,000+ DWT) vessels and by developing further regional logistics hubs in key locations globally.

Supply chain (Scope 3)

In 2023, we developed a sustainable procurement system within our upstream supply chain with the objective of providing greater supply chain visibility, disclosure and governance. All of our largest suppliers are now reviewed according to various aspects of sustainability performance including their CO2e emissions footprint and other key sustainability criteria. In 2024, we intend to roll this out to all parts of our upstream supply chain and, by 2025, we have the objective that all of the largest distributors in our downstream supply chain will operate with the same sustainability practices and governance as our Group.

By taking these steps, we aim to significantly reduce our CO2e emissions and create a more sustainable future for our industry, our customers, our communities and for society as a whole.

Science-based targets

In 2023, we outlined our aim to reduce our Scope 1 & 2 CO2e emissions intensity by 20% within five years and by 40% within ten years, in both cases relative to a 2022 baseline. As we outlined in our 2023 CDP report, our strategic trajectory involves establishing science-based targets ("SBTs") within the next two years. By 2027, we aim to fully implement and seek validation for our SBTi commitment through the Science Based Targets Initiative ("SBTi").

Life-cycle assessment

We are committed to measuring and enhancing our disclosure around the environmental impact of our products throughout their full life cycle. In 2023, we commenced an updated Life Cycle Assessment ("LCA") of our products from Eti Soda and Kazan Soda, based on 2022 baseline data. These assessments are due to be completed in early 2024 and will provide valuable insights for us and our stakeholders on the full impact associated with our manufacturing processes, our products and how they are used. The results underscore the environmental benefits of our products in comparison with synthetically produced soda ash and the important role they can play in the decarbonisation pathways of our customers. Once our product LCAs are completed, it will enable our stakeholders to make clear comparisons between the environmental impacts of our products compared to the LCAs and the associated impacts of synthetically produced soda ash and sodium bicarbonate.

40%

We aim to reduce our Scope 1 & 2 CO2e emissions intensity by 40% within ten years

> We aim to significantly reduce our CO2e emissions and create a more sustainable future for our industry, our customers, our communities and for society as a whole."

Operating sustainably continued

Waste management and circular economy

Approaching waste management with a circular mindset is an effective and sustainable way to reduce waste, whilst opening additional revenue streams and reducing our environmental impact. We take measures to recover, re-use or recycle the waste generated in our operations, thereby reducing the amount of waste we send for disposal. Our generated waste is classified, collected and separated at source before being sent to contracted licensed companies for recycling and disposal.

Where possible, we aim to apply the principles of circular economy to recover, re-use or recycle by-products and waste arising from our production process, helping us to improve our plant efficiency and sustainability. At Kazan Soda, most liquid waste (purge) is used to produce caustic soda for re-use in the soda ash production process. Following the start-up of the new caustic soda unit at Kazan Soda, almost all purge solution is now re-used in the production of caustic soda, eliminating liquid waste. In addition, to reduce solid waste, the lime mud resulting from caustic soda production is recycled via a lime recovery unit, where it is converted into lime for re-use in caustic soda production.

Today, not all the lime mud volume can be re-used due to a lack of capacity, however by 2025 we plan to install an additional lime recovery unit as part of the Kazan Soda capacity expansion which, when completed, will allow all lime mud to be re-used. To further reduce solid waste at Kazan Soda, in 2023 we started the construction of a plant to allow all the raw sodium chloride produced as a by-product of soda ash production, to be reprocessed and sold as industrial salt. Through these waste management and recycling processes, Kazan Soda's efficiency is increased, and our production process will become even more sustainable, both environmentally and economically.

At Eti Soda, roughly half of the solid waste produced from the cogeneration unit (in the form of fly ash and other ash or slag) is sold to local cement companies and the rest is stockpiled on site. In 2023, with the increased usage of biomass as a cogeneration plant fuel source, we reduced the amount of fly ash and slag we produced, in line with our strategy to reduce our stockpile to zero over time.

Air quality

We regularly sample and monitor the effect of our activities on the environment. Air sampling for particulate matter is carried out at defined intervals by accredited institutions in line with our regulatory and permitting requirements. At Eti Soda, dust, CO, SO2, and NO2 parameters are constantly monitored, and we take necessary actions to improve our processes and to keep air emissions as low as possible.

By 2025

we plan to install an additional lime recovery unit at Kazan Soda, which will allow all lime mud to be re-used

"Through our waste management and recycling, our production process will become even more sustainable, both environmentally and economically."

Operating sustainably continued

Our upstream supply chain

Our sustainability governance applies to everyone within the WE Soda Group, and we also aim to apply it to all our partners across our upstream and downstream supply chains. Our Supplier Code of Conduct and Modern Slavery Statement outline the behaviours and practices we expect from our suppliers. These have been developed in line with international standards such as the Principles of Corporate Governance, the UN Universal Declaration of Human Rights, International Labour Organisation Conventions, the UN Convention on the Rights of the Child, OECD Guidelines and ISO criteria, and also reflect our commitment to the United Nations Global Compact initiatives, our Sustainable Development Goals and the defence of human rights.

Given the location of our production facilities, the vast majority of our suppliers are companies based in Türkiye, who often require education, help and support to fully understand the importance of sustainability. To improve the sustainability performance of our supply chain, we work with our suppliers to increase their understanding of sustainability and to drive greater transparency in relation to ethical trading and responsible supply chain practices. In 2024, we also aim to increase the number of direct engagements that our procurement team have with our suppliers to further enhance this support. We require all our suppliers to fully comply with applicable laws and internationally recognised sustainability standards and we also expect our suppliers to enforce these standards within their own supply chains. In addition, we ask our suppliers to endorse and comply with our Supplier Code of Conduct. https://www.wesoda.com/information

Sedex

In 2021, we introduced a vetting process using the Sedex platform, to allow us to screen our core suppliers in terms of their sustainability approach and performance in accordance with our own sustainability criteria. During 2023, we registered nearly 81% of our core suppliers (by value) onto the Sedex platform and risk screened 37% using the Sedex risk screening tool. In 2024, we aim to register more than 90% of our core suppliers and to risk screen at least 50% of these suppliers. In 2023, we initiated a project with Ernst & Young to develop a procurement tool, using a platform called Promena, that will further enhance our upstream supplier engagement, driving greater sustainability transparency within our supply chain and enabling us to collect and assess the sustainability performance of our suppliers, to improve their performance.

	For the Year Ending 31 December			
	2023		2022	
Sedex participation	**Number**	**Share of spend (%)**	Number	Share of spend (%)
All Group suppliers[1]	**210**	**100%**	**210**	**100%**
Suppliers screened using Sedex	63	37%	45	39%
Suppliers onboarded to Sedex	178	81%	98	53%

ConnexSA

In October 2022, we announced the launch of a blockchain-based soda ash supply chain ecosystem called “ConnexSA”, with the objective of delivering transparency and robust sustainability data and governance across the entire supply chain, from our suppliers to our end customers. ConnexSA is a decentralised, encrypted sustainability data tracking platform that will allow soda ash producers and their customers to provide verified and traceable sustainability metrics throughout the supply chain and, ultimately, to end consumers. We believe that greater sustainability transparency will transform the sustainability performance of our industry and will also, over time, support our ability to generate a “sustainability premium” in terms of the price at which we are able to sell our low carbon sustainably produced natural soda ash relative to synthetic product.

We are aiming to develop the ConnexSA ecosystem in partnership with our customers and our suppliers, with open access features and independent governance and assurance, to allow universal participation across our industry. In 2023, we partnered with Dogma Alares, a strategic consultancy specialised in machine learning and digital applications, and we appointed a team to spear-head the ConnexSA development programme. We hope that ConnexSA will be adopted across the soda ash supply chain, and we plan to introduce other industry participants into the project during 2024, with the aim that the platform will be operative during late 2024 or early 2025.

1. Core supplier perimeter defined as the suppliers critical to the production of our product and who are used on a repeat basis.

Operating sustainably continued

Our downstream supply chain

Global logistics

The soda ash industry is logistics intensive and involves detailed planning to ensure a robust and reliable global customer supply chain.

In 2023, 84% of our production by volume was exported (2022: 80%) to 204 individual port locations in 84 countries, mainly in bulk format. 16% was sold to Turkish domestic customers in a variety of formats (2022: 20%). Our 2023 global sales by volume were almost evenly split between emerging economies and developed markets, with approximately 36% sold into Europe, 16% into Türkiye, 30% into Asia (including China), 10% into the Americas (mainly Brazil) and 9% into the Middle East and Africa.

Many of our largest industrial end-user customers have operations in multiple geographies and they increasingly recognise the benefits that we can provide globally in terms of security of supply. We have built an extensive logistics and distribution network around the world, allowing us to meet our customers' needs in every major soda ash market. Today, we sell minimal volumes into China or North America but in the medium term, following the development of our greenfield projects in US, we expect that we will sell a larger proportion of our production volumes into both of these markets.

In 2023, we upgraded our supplier and customer evaluation tools, enhancing our ability to screen and evaluate supply chain and customer risks, specifically regarding sanctions and forced labour. A third-party vetting system is planned to be launched in 2024, which will also provide a sustainability risk rating throughout our supply chain.

Inland transportation

Eti Soda and Kazan Soda are located 80km apart, enabling them to coordinate logistics and operations to achieve mutual efficiencies. Eti Soda and Kazan Soda are, respectively, 270km and 340km from our bulk export port at Derince and other container port facilities, which enables us to export on a cost-competitive basis to all the key geographic markets for soda ash and sodium bicarbonate globally.

In 2023, 76% of our total global sales volumes were transported from our production facilities in bulk using silo trucks (2022: 80%), and 24% was transported in a variety of packaged formats comprising 1.25 mt "Big Bag XL" (mainly loaded as break bulk when exported), 25 mt container liner bags (mainly for export), regular 1.0 mt "Big Bag" format and 25kg capacity bags (on pallets). The decrease in bulk shipments during 2023 was driven by a need to store (and therefore sell) a greater quantity of packaged products, mainly to manage inventories. In 2024, we are planning to increase sales of our products in bulk format to reduce waste (packaging and pallets) and handling costs by leveraging our distribution hub in Terneuzen and the extensive bulk distribution networks of our partners, our current sales plan indicates that we will see increased bulk shipments to Europe, South America and Asia in 2024.

For bulk deliveries to our Turkish domestic customers and bulk exports from Derince, all of our products are today transported by road using around 450 silo trailers which we own or lease, each of which can carry 29 mt of soda ash. In 2023, on average, we transported almost 10,000 mt per day in our silo trucks, from Eti Soda and Kazan Soda combined, with approximately 380 round-trip road journeys per day from our production facilities mainly to our export port.

Reducing our downstream Scope 3 CO2e emissions is a priority for us and we are planning to develop a rail link directly to the Kazan Soda facility which, when completed, will allow us to transport substantially all bulk export product from this facility directly to our export ports via rail using specialist railcar containers and electric powered locomotives, to materially reduce Scope 3 emissions and unit transportation costs. In 2023, the State Railway of Türkiye ("TCDD") re-initiated the tender process for the construction of the remaining civil works for the rail link, after some delays, and it is now expected to be completed by the end of 2025 allowing us to achieve our rail transportation targets from Kazan Soda by the end of 2028.

84%

of our production by volume was exported in 2023

Operating sustainably continued

To allow us to start the transportation of product by rail before the direct rail link is completed, in 2023 we rented a railcar loading facility with 6,000 mt storage capacity at Behiçbey, approximately 16km from Kazan Soda, and we plan to start rail transportation of breakbulk export product initially around 3,000 mt per week during 2024. We have also designed and tested railcar containers which will each carry 31 mt of product and we are currently in the process of procuring a railcar fleet of this design consisting of approximately 150 units which can be loaded and unloaded using our existing facilities at Kazan Soda and at Derince. Until the direct rail link is completed, these railcar containers will be transported to and from the Behiçbey loading facility using our existing road transport providers.

Export facilities

In June 2023, WE Soda acquired a 60% controlling stake in Denmar from the Ciner Group to formally bring the governance of our export port facility under our direct control. Denmar holds a lease at Derince Port until the end of 2033 and performs port handling services for bulk shipments at Derince. Following our acquisition, we have started a number of initiatives to bring Denmar systems, safety protocols and administrative functions into line with the rest of our business.

In 2024, this work will include the rollout of the "Safety Excellence Journey", already started at Eti Soda and Kazan Soda. With the objective of further reducing our supply chain risk, during 2023 we evaluated the development of a second bulk export port from Türkiye. After reviewing a range of locations, Mersin Port was selected as the most suitable location due to its lower earthquake risk in comparison to other locations including the Black Sea, Izmir and other Mediterranean ports. Ground analysis and basic engineering is underway to determine the total investment cost for construction of storage and other export infrastructure.

Terneuzen logistics hub

In 2023, to further improve efficiency, customer service and supply chain reliability whilst reducing our downstream Scope 3 emissions, we opened our first regional storage and distribution hub in Terneuzen (near Antwerp) in the Netherlands, to serve our customers in north-west Europe and the UK. The facility became operational in the fourth quarter of 2023 with 85,000 mt of storage capacity, the ability to receive vessels of up to 65,000 DWT and the capability to load, unload and transload at up to 6,000 mt per day. By the end of 2024, we plan to increase capacity to 14,000 mt per day.

26%

In 2023, our ten largest end user customers in aggregate amounted to 1.28 million mt of sales and represented 26% of our total global sales by volume

"Following the success of Terneuzen, we are planning to add further logistics hubs in key regional markets globally over time"

Operating sustainably continued

During 2024 and 2025 we plan to progressively increase the annual capacity distributed via the Terneuzen hub with the objective of ultimately serving all our bulk customers in the UK and north-west Europe via this hub. By transporting bulk product from Türkiye to Terneuzen using our own 65,000 DWT ultramax vessels, before transloading to smaller vessels, barges, rail and other local logistics alternatives, we are able to reduce transportation costs, operational risks and downstream Scope 3 CO_2e emissions. Following the success of Terneuzen, we are planning to add further logistics hubs in key regional markets globally over time.

Regional distributors

As part of our customer supply chain, we maintain an efficient global network of around 30 regional distributors, who distribute our product within their designated geographic regions, while we also reserve the right to sell directly to certain large industrial end user customers within these regions. All of our regional distributor agreements were either renewed in 2023 or are in the process of being renewed, with the majority of the renewed contracts being for a five-year term. We typically aim to renew all regional distributor agreements as and when they come to term and we also plan to have all of our major distributors operating with the same sustainability governance as WE Soda by 2025.

Our distributor network gives us indirect access to medium sized and smaller local customers and those located inland, and also provides logistics and storage services and support to our larger global end user customers, as needed. In 2023, our global sales by volume were split approximately 31% direct to end user customers and 69% via regional distributors. In 2023, our ten largest end user customers in aggregate amounted to 1.28 million mt of sales and represented 26% of our total global sales by volume, and our ten largest regional distributors in aggregate amounted to 2.9 million mt of sales and represented 60% of our total global sales by volume.

Operating sustainably continued

Industrial end user customers

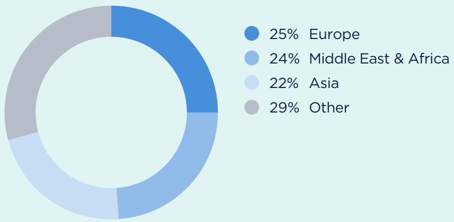
Due to the significant time it takes to transport our products to our customers, combined with the essential nature of our products, the reliability of our customer supply chain is critical, and often more important to our customers than price. In 2023, the majority of our sales were made to customers with whom we have done business for more than ten years.

Strong customer relationships are a key component of our business model and we have been able to build these long-term relationships due to our high levels of customer service, the reliability of our global supply chain and the quality of our products. This was a critical factor in 2023, when the loosening of soda ash supply-demand balances globally, particularly in the second half of the year, and volatility in the Asian market meant that best in class customer service, alongside price, was an important factor in our ability to maintain sales volumes.

We aim for high levels of customer satisfaction and in late 2023, we undertook an extensive customer satisfaction survey involving all our major end user customers, using an independent third-party survey company and the Net Promoter Score ("NPS") methodology assessing the following key service dimensions: reliability of supply, commercial offer, quality, sustainability, logistics offer, customer service and customer centricity.

Customer satisfaction survey

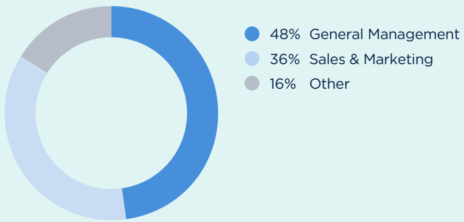
Distributors Responses by Geography



Insight

Distributors were equally represented across key WE Soda markets

Distributors Responses by function

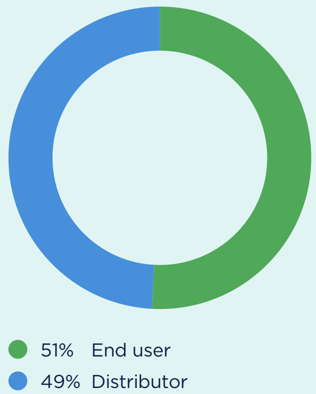


Insight

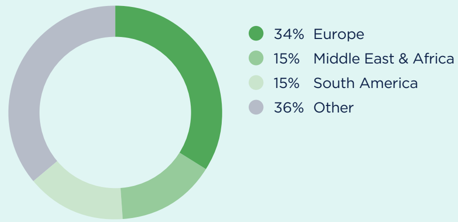
Mostly general management level reflecting the size of some distributors

Total survey responses

Total of 51 respondents participated in the survey and eight interviews were conducted



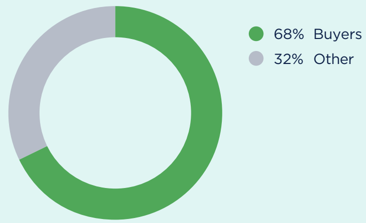
End user Responses by Geography



Insight

End user's geography represents WE Soda's key markets

End user Responses by function



Insight

WE Soda sales team's engagement is predominantly focused on buyers

Operating sustainably continued

On average, WE Soda scored highly across all dimensions and, in particular, we are seen by our customers as the clear leader in the dimensions of sustainability, customer service and customer centricity.

Reliability of supply, commercial offer and quality were considered to be the most important dimensions for both our end user customers and our distributors. These are the key areas we will be focusing on during 2024 to enhance our customer engagement with the objective of establishing ourselves as the leading global supplier of soda ash. The survey also highlighted that further developing our Customer Relationship Management ("CRM") systems and streamlining customer order management processes are areas where we can improve.

Global shipping

We deliver our products under several different contract structures. In 2023, we exported 78% of our product in bulk or breakbulk format, of which 15 percentage points ("ppt") was shipped with Free on Board ("FOB") or Free Carrier ("FCA") Incoterms (2022: 33ppt), where ownership of the product transfers to the customer and sales are recognised at the port of loading, and where the customer is responsible for the transportation expenses of the product. The remaining 63ppt (equivalent to 56% of our total export volumes) was shipped on Cost Insurance and Freight ("CIF") or Cost and Freight ("CFR") Incoterms (2022: 67ppt) where sales are recognised at the port of loading, but ownership of the product transfers at the port of delivery and we are responsible for the transportation cost.

Sales on CIF or CFR Incoterms are mostly to Europe, Asia and South America. For sales to domestic Turkish customers, we are responsible for transportation expenses and our products are typically delivered by us directly to the customer facilities.

In early 2023, freight and container rates continued to soften as a result of the global economic slow-down. Softer commodity prices and reduced volumes led to a stablising of rates in the first half of 2023 and by the end of the year, we experienced a notable increase in rates, mainly due to a tightening of short-term supply-demand balances. However, our shipping rates remained stable during 2023 due to the long term contracted nature of our vessel fleet. In 2024, we expect a relatively flat and stable year for freight and container rates but with the potential for some upward inflationary pressures and due to tightening EU ETS (Emission Trading System) regulations.

To reduce our Scope 3 emissions and unit transportation costs, in 2023 we initiated a programme to use larger vessels for the transportation of our bulk products. This will allow us to use fewer vessels for the transportation of our products, reducing the number of voyages and therefore emissions. We also plan to develop regional storage and distribution hubs in key locations globally. Starting in 2025, we plan to start transporting bulk product by rail from Kazan Soda and by 2028 we expect to transport substantially all of the Kazan Soda bulk product using electric powered locomotives, which we expect will result in significantly lower emissions.

Operating sustainably continued

Our communities

We consider ourselves a part of the communities in which we operate and, by supporting them, we believe we create long-term value for our communities and for our business. Our approach to community engagement focuses on five main areas:

- Building a sustainable future
- Environment and nature
- Youth and education
- Community support
- Women's empowerment

During 2023, we supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of around $4.9 million. Our aim is to maintain and increase our community engagement, including in the US as we expand our operations in Wyoming, with the aim of having a positive impact on more people over time. You can read more about how we create social impact in our 2022 Social Impact Report, and through our partnerships with the Welsh Rugby Union and Hestia available on our website at https://www.wesoda.com/operating-sustainably/community-engagement

Building a sustainable future

Eti Soda and Kazan Soda are both located within agricultural communities. Over several years, Eti Soda has increased the availability of agricultural irrigation water by funding the development of irrigation systems and by providing water to the nearby villages of Başören, Bağözü and Çakıloba. Prior to the establishment of the irrigation system, fields were watered using groundwater from draw wells, which was inefficient and significantly reduced the available groundwater. Eti Soda now provides water from the Sarıyar dam, out of the water quota that has been set for Eti Soda by government, increasing the efficiency of agricultural water use and improving crop yields.

Kazan Soda, in collaboration with the Provincial Directorate of Agriculture, supports local farmers in surrounding villages to improve animal welfare standards by providing animal feed, PV solar energy, ventilation and shade. Beekeeping continues to be practiced on site and during 2024 we are planning additional activities to educate local communities about apiculture.

In late 2023 we engaged sustainability consultancy S360 to support us in revising and updating our social investment strategy during 2024.

Environment and nature

Building on a project which started at Kazan Soda in 2016 focused on preserving biodiversity, during 2023 we initiated a similar project at Eti Soda and constructed an endemic plant conservation area at that site. Our 2023 activities included inviting students from local schools to a "biodiversity and world environment day" hosted by us which focused on the importance of protecting biodiversity and endemic species. In 2024, we will install a number of camera traps across our license area to support biodiversity monitoring.

Youth and education

Education underpins the long-term prosperity and sustainability of communities. We aim to do our part by providing educational support and opportunities for local people. We run a traineeship and internship programme for engineering students from technical high schools and universities. During 2023, we provided scholarships for 46 university students from the Beypazarı region, near Eti Soda, and 36 university students from the Kazan region, a net increase of three places compared to 2022.

In 2017 we opened a school which specifically caters to the needs of individuals with disabilities and special educational needs. The school has a capacity for 180 students and conforms to European standards. Whilst the school was subsequently transferred to the Ministry of National Education in the same year, Eti Soda still provides regular ongoing support. In 2023, we continued to provide sponsorship for the school and are proud of the medals which students recently received in regional athletics competitions.

Also in 2023, as a direct response to the tragic earthquakes in south-eastern Türkiye in February 2023, we committed $1.0 million to Darüşşafaka High School, the oldest non-government school for orphaned children in Türkiye, which through our donation will be increasing its capacity to be able to include extra students who sadly lost their families in the earthquake. Read our Earthquake relief assistance case study on page 59.

Community support

Sport often sits at the heart of the communities in which we operate and provides a strong medium for community engagement. We support a number of sports-centric community initiatives in Türkiye and in the UK. In 2023, we continued our role as national community partner of the Welsh Rugby Union ("WRU") in the UK, providing financial support for two major community initiatives across the nation of Wales: "Fit, Fed, Fun" and "Jersey for All". We chose to partner with the WRU because the UK is where we are headquartered and we wanted to make a real and lasting impact on a part of the UK that faces significant socio-economic challenges, with a real need for community-based support in the large concentration of poorer communities that are located in that region.

Through the "Fit, Fed, Fun" initiative we are supporting local communities with rugby-based sports camps across Wales during each of the school holidays for three years, with a specific aim of reaching children from poorer communities.

Operating sustainably continued

During 2023, we supported 214 camps through four of the main school holiday breaks: Easter, Whitsun, Summer and the October half-term and almost 11,000 children attended. The one-day camps provide inclusive sports-based activities hosted by the WRU for children of all ages and abilities, providing breakfast and lunch and educational messaging around the need to support local communities, protect the environment and reduce waste.

"Jersey for All" is an initiative providing inclusive sports-based activities for children and young adults with disabilities and special educational needs ("SEN") at five SEN community hubs across Wales for three years, culminating each year in a SEN "Olympics" held at the National Stadium in Cardiff. As part of the "Jersey for All" programme, the WRU also run an inclusion event over two days at the Principality Stadium in Cardiff which, in April 2023, was attended by over 600 individuals, targeting inner-city schools with a wide range of inclusive activities. You can read more about "Fit, Fed, Fun" and "Jersey for All" on our website: https://www.wesoda.com/wru-partnership.

Women's empowerment

Eti Soda has undertaken several projects in the Beypazarı region, near Eti Soda, predominantly focusing on agriculture as a source of sustainable livelihood. In 2020, Eti Soda started the greenhouse project, focused on creating employment opportunities for local women in agriculture. The project was developed in partnership with the ANFA on land supplied by Eti Soda adjacent to the Eti Soda facility. It involves a large, permanent glasshouse structure which uses electricity and heat (in the form of waste process water) supplied by Eti Soda, but it is managed by ANFA to grow a variety of different plants which are used in the surrounding area for the planting of communal areas, parks and roadside landscaping.

The operation is staffed exclusively by women from the local community and family members of Eti Soda employees. Kazan Soda has also developed a beekeeping initiative, providing support to local women who were primarily involved in the agriculture sector and who are also employed as gardeners for all the vegetation and horticulture around the Kazan Soda site. These initiatives aim to increase the level of female employment within our local communities, provide economic empowerment to women and promote economic sustainability in the region. In the UK, we partner with Hestia, a charity which supports victims and survivors of modern slavery and, during 2023, we supported the charity in a number of ways through initiatives such as Art is Freedom, the Big Day Out festival and the Survivor Support Fund.

Case study

Earthquake relief assistance

On 6 February 2023, a series of catastrophic earthquakes struck the south-east region of Türkiye, ten cities were affected, and thousands of lives were lost.

The recovery from this disaster will unfortunately take many years, but we were able in the immediate aftermath to provide direct assistance with the provision of equipment, clothing and food, and by providing one hundred prefabricated buildings to support families in the worst affected areas, with a place to live, clean water and sanitation.

These buildings were constructed offsite and transported to the affected areas, in order that they could be installed and operational as soon as they reached the areas in critical need.

Operating sustainably continued

Ethics and Compliance

In 2023, we established a global compliance function and appointed a Global Head of Compliance, reporting to our Chief Legal Officer and other executive Board members. On a quarterly basis, we update our Board on compliance matters and provide a more detailed report on compliance-related risks to the Audit & Risk Committee.

Policies and procedures

Our Code of Conduct and Business Ethics Policy, as well as our Anti-Bribery and Anti-Corruption Policy, Sanctions Policy, and Whistleblowing Policy are reviewed annually by the Board, and most recently in May 2023. Specific policies in place within our Group include:

- Anti-Bribery & Corruption
- Anti-Money Laundering
- Sanctions
- Whistleblowing
- Conflict of Interest
- Data Protection
- Labour & Human Rights
- Anti-Slavery & Human Trafficking
- Equal Opportunities
- Anti-Harassment & Bullying
- Competition Law Compliance Manual (with specific procedures where needed)

We believe that acting fairly and ethically are essential to achieving business and operational excellence. In 2023, we introduced our Competition Law Compliance Manual which sets out our business principles to promote fair and ethical conduct. We also implemented a new Anti-Money Laundering Policy setting out our updated rules and principles regarding money-laundering matters and the control measures to ensure compliance. Our policies apply to all employees, directors and officers of the Group and its affiliates, both permanent and temporary, at all levels and in all jurisdictions globally.

Reporting concerns

Our Whistleblowing Policy was implemented in 2020 and was last reviewed and approved by the Board in May 2023. Our Global Head of Compliance provides whistleblowing updates to our Audit & Risk Committee on a quarterly basis and to the Sustainability Committee on an ad-hoc basis.

Our whistleblowing programme was re-branded as “we•speakup” in 2023, aligning the programme with our corporate branding. The whistleblowing channels available for employees and other stakeholders are via their line manager or a member of the senior leadership team; via the wishes/complaints boxes located at Eti Soda and Kazan Soda; via our legal and compliance officers; directly, via the we•speakup email or post addresses; and, from early 2024, via a we•speakup ethics hotline which has been launched at all locations where we operate.

Operating sustainably continued

Training and communication

Our Ethical Standards are set out in our Employee Handbook and form part of our new joiner onboarding and induction process. From 2024, and annually throughout their employment term, our employees must acknowledge their commitment to ethical business practices, in compliance with our Code of Conduct and Business Ethics Policies. All employees now receive training based on the requirements of their specific roles, including topics such as anti-money laundering, sanctions, and competition law compliance.

In 2023, in addition to our existing learning management system already in place at Eti Soda and Kazan Soda, we introduced a learning management system for our employees in the UK and US, and we engaged Access Learning, an international training library service, to further enhance our training capabilities. We also launched a dedicated compliance section on our corporate website setting out details of our Corporate Compliance Programme.

Working with third parties

We seek to ensure that our upstream and downstream supply chains operate with the same ethical standards as our Group, as detailed in our Business Ethics Policy and Supplier Code of Conduct, particularly regarding environment, bribery and corruption, labour law compliance, competition law compliance and sanctions. During 2023, we updated our third-party compliance management system, which now evaluates risks introduced by third parties on an ongoing basis. In addition, during 2023 we introduced a new screening tool which provides in-depth network analysis regarding sanctions, including forced labour, and more than 7,000 business partners have now been screened with this tool. During 2024, we plan to launch a new third-party compliance onboarding platform which, amongst others, will provide sustainability risk ratings for third parties.

Using data responsibly

We are committed to the highest ethical standards while dealing with the personal information of our employees and other stakeholders. Our Data Protection Policy has been in place since 2021, and privacy, confidentiality, and ethical and responsible use of data are part of the Global Business Ethics Policy. In early 2024, we will launch a Data Retention Procedure, which sets out our data retention guidelines based on business needs, legal requirements and data protection laws.

Political engagement

We do not make corporate political contributions of any kind, nor do we sponsor any political parties or meetings.

From 2024

our employees must acknowledge their commitment to ethical business practices, in compliance with our policies.

"We seek to ensure our upstream and downstream supply chains operate with the same ethical standards as our Group."

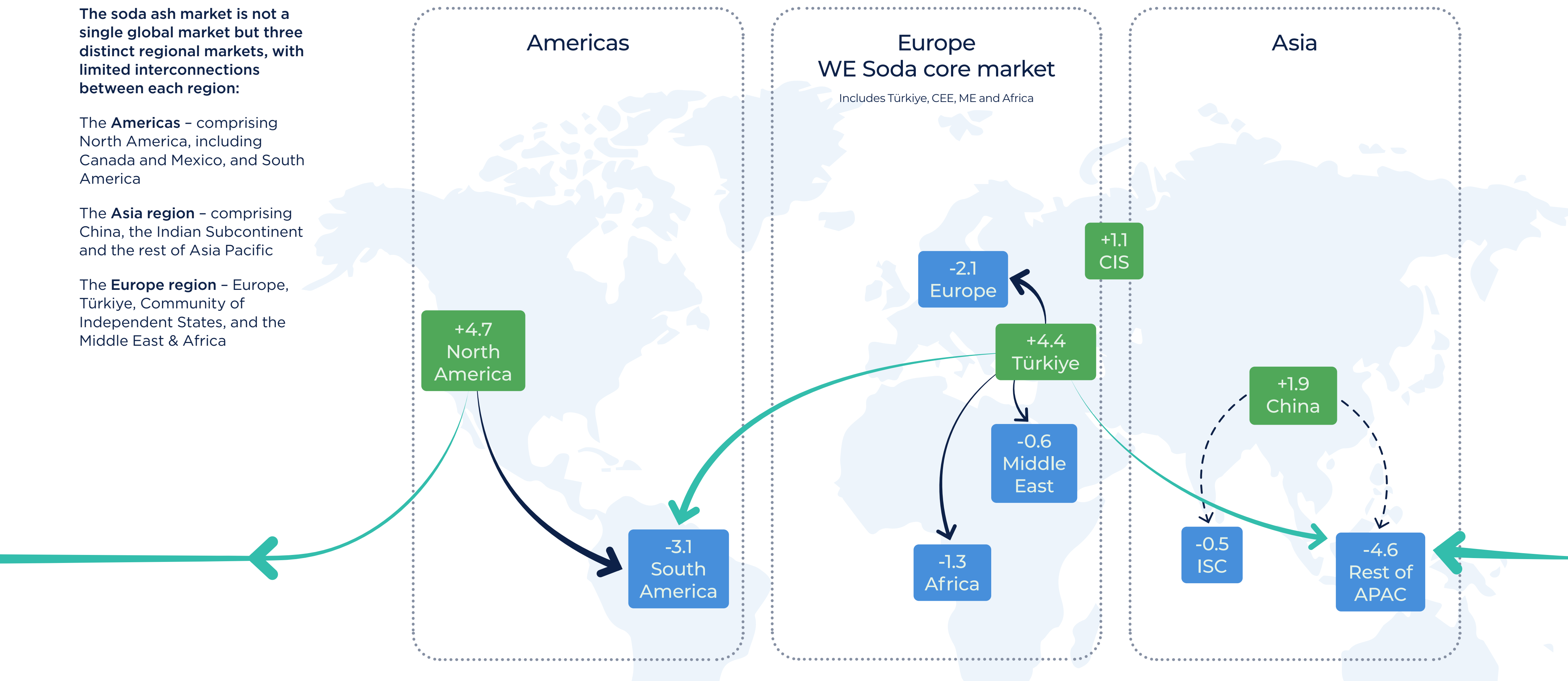
Supplying our customers

The soda ash market is not a single global market but three distinct regional markets, with limited interconnections between each region:

The **Americas** – comprising North America, including Canada and Mexico, and South America

The **Asia region** – comprising China, the Indian Subcontinent and the rest of Asia Pacific

The **Europe region** – Europe, Türkiye, Community of Independent States, and the Middle East & Africa



Key

Supplying our customers continued

The soda ash market has unique characteristics – from a supply, demand and structural perspective – when compared to other commodities. Its future growth will be determined by the energy transition and supply will be constrained by the world's shift to a more sustainable future.

WE Soda is well positioned to take advantage of this market opportunity, whilst operating responsibly and delivering for its customers.

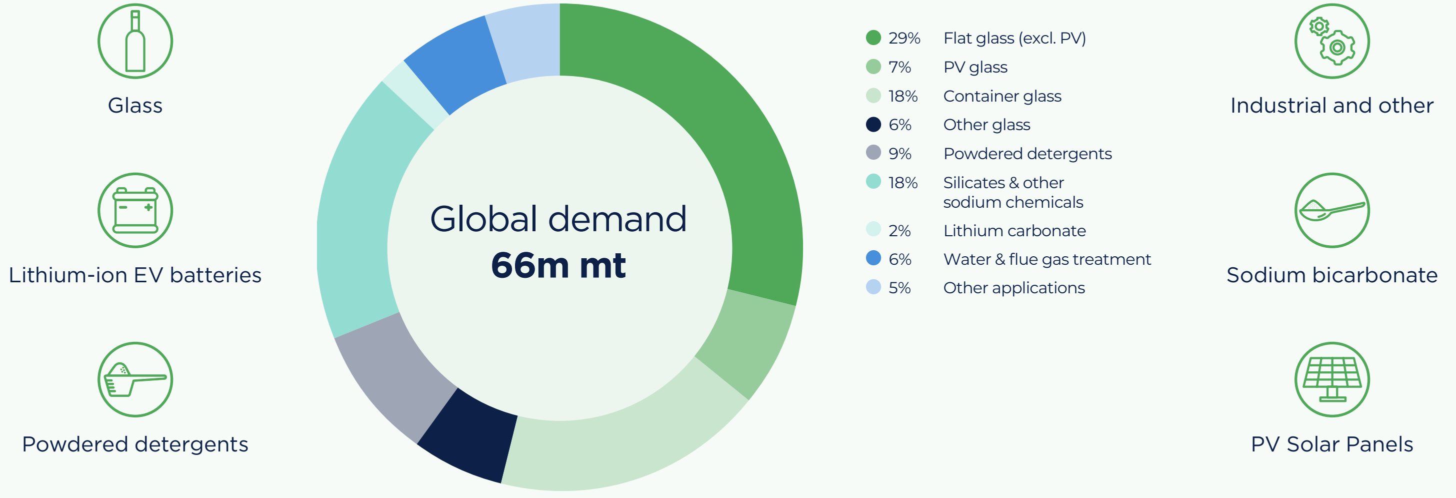
One of life's essential ingredients

Soda ash is the tenth most consumed inorganic industrial ingredient in the world. It is an essential component in a wide variety of industrial processes without which most industrial consumers of soda ash cannot operate and with no economically feasible and environmentally viable substitute.

Soda ash is a critical ingredient in glass manufacturing, which accounts for approximately 60% of global soda ash demand, along with use in many other sustainable applications and products used in everyday modern life. Our sales broadly reflect the end-use demand for all soda ash globally.

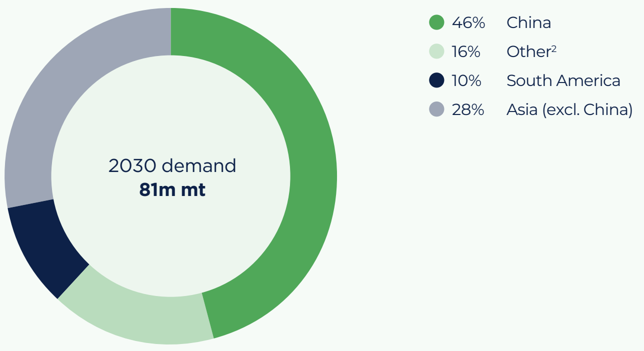
Uses of soda ash in 2023

60% used in glass manufacturing

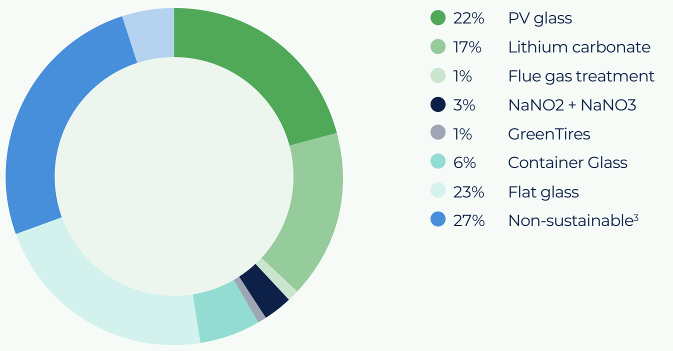


Demand growth by region by 2030

85% growth[1] from China, Asia and South America



70–75% growth[1] from sustainable applications



Source: Update to 2023 Advancy industry report (February 2024).

1. 2023–2030. 2. "Others" region includes Western Europe, Türkiye, MEA, CEE, CIS and NAM. 3. Includes powdered detergents, other glass applications and other chemical or industrial applications including use in caustic soda, sodium percarbonate, sodium dichromate, STPP, pulp and paper, alumina and mining industries.

Supplying our customers continued

81 million
mtpa soda ash global demand by 2030

15 million
mtpa global demand growth by 2030

70–75%
Global demand growth from sustainable end uses

The energy transition drives soda ash demand

We expect that current patterns of global economic growth and emerging sources of new demand, particularly those driven by the long-term trends of sustainability and the energy transition, will positively influence global soda ash demand in the future.

From 66 million mtpa of global demand in 2023, the annual global demand for soda ash is forecast to grow by a further 15 million mtpa by 2030, reaching almost 81 million mtpa[1]. This is equivalent to a compounded annual growth rate of 2.9%, or approximately 2.1 million mtpa of additional global soda ash demand every year.

Demand for soda ash is resilient because approximately 70–75% of forecast global demand growth is expected to be driven by sustainable applications facilitating the energy transition, most of which exhibit long-term, non-cyclical structural growth trends[1]. Thermal glass for energy-efficient construction, PV glass for solar panels and lithium carbonate for EV batteries together are forecast to represent over 60% of global soda ash demand growth until 2030.

From a regional perspective, almost 85% of forecast demand growth is expected to be driven by the developing markets of China, the rest of Asia (including the Indian subcontinent) and South America, mainly due to their growing populations, increasing economic prosperity and continued urbanisation. For South America, this is augmented by the strong expected growth in lithium carbonate production, particularly from Chile and Argentina, which is expected to increase significantly over this period. In the case of China and Asia, the rapid growth in PV glass manufacturing capacity is also expected to drive additional demand for soda ash.

As the largest and one of the lowest-cost producers of sustainably produced soda ash we are well-positioned to capitalise on this growth.

Sustainability and other factors constrain soda ash supply

Environmental regulation, laws and policies in many parts of the world, including in both China and the EU (which together represent over 80% of global synthetic soda ash production capacity), effectively prohibit any material increase of synthetic soda ash production capacity in these markets.

It is mainly for this reason, together with broader sustainability and environmental concerns, that over 80% of the 15 million mtpa soda ash demand growth by 2030 will need to be satisfied by new natural (as opposed to synthetic) production capacity additions.

Commercially exploitable quantities of trona ore only occur in three regions globally: near Green River in Wyoming, US, near Ankara in Türkiye and in Inner Mongolia in China. By far the largest trona deposits are located in Wyoming but the thickest and most voluminous beds of the highest grade trona ore exist at depths which can only be safely extracted on an economically viable basis using cavern-based solution-extraction.

We are the only soda ash producer outside China that has a proven track record on a commercial scale of using the cavern-based solution-extraction production method. This gives us a significant capability advantage over our competitors who use conventional mining or synthetic production methods.

Taken together, we believe all these factors will create supply-side challenges for the soda ash industry in the medium to long-term, and new supply additions will be challenging to bring on-stream for many of our competitors.

Together with the resilient long-term structural demand growth that is expected globally, this is likely to drive tight (and possibly tightening) supply-demand balances within the soda ash supply chain in the coming years, especially when the regional structure of the global market is also taken into consideration.

Against a backdrop of tightening supply-demand balances, security of supply will become increasingly important, and the resulting market environment is likely to support robust soda ash pricing.

1. Source: Advancy research, February 2024.

Supplying our customers continued

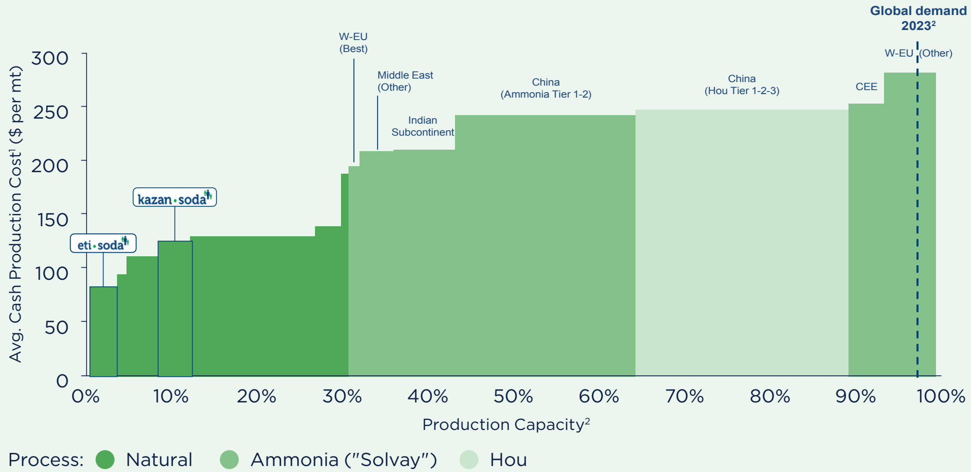
Low-cost producer with "locked-in" advantages

We are one of the lowest cost producers of soda ash globally.

Soda ash production is energy intensive, and energy costs typically account for approximately 50% to 60% of the production costs for all producers – whether natural or synthetic. We have a significant production cost advantage by comparison with synthetic producers, because we have approximately half of the energy intensity and significantly lower raw material input costs. We also have significantly lower Scope 1 & 2 CO_2e emissions intensity, by comparison with synthetic producers, which is likely to drive further economic advantage for us over time.

We have strong and we believe sustainable operating margins because of the market structure of the global soda ash industry, our low cost of production and our efficient global customer supply chain. The higher cost synthetic soda ash producers, directly or indirectly, have historically, effectively set the reference price for soda ash in the largest soda ash markets globally. As a result, we believe that we have a significant "locked-in" economic advantage by comparison with other soda ash producers, throughout the commodity cycle.

Average estimated cash production costs[1] by region $ per mt, 2023E



Source: 2023 Advancy industry report

Sustainability premium

We believe that, over time, the sustainability characteristics of products and producers will become a barrier to entry with certain customers, particularly those who are most focused on the sustainability of their own production processes and products.

This is likely to include higher "value-in-use" customers (where the raw material cost of the soda ash is low by comparison to the value of the product which it is used to produce). These customers may be more prepared to pay a price premium for sustainably produced soda ash to ensure security of supply, particularly in a market with tightening supply-demand balances.

Given the high-carbon low-sustainability characteristics of synthetic soda ash, this may provide a barrier to entry for synthetic soda ash producers to such customers and result in premium pricing for natural soda ash.

Solving sustainability challenges for our customers

We help our customers solve their sustainability challenges.

Soda ash is often an important contributor to the Scope 3 emissions of our industrial customers, many of whom increasingly recognise the benefits of using sustainably produced, low carbon natural soda ash instead of higher carbon synthetic product, which today accounts for over 70% of global soda ash supply.

We are working hard to take our already low CO_2e emissions even lower, and our R&D team are helping to develop innovative product solutions for our customers, with the objective of enhancing and accelerating their decarbonisation goals as well as our own.

Together with our customers, we are developing a blockchain enabled supply chain ecosystem called "ConnexSA", with the objective of delivering transparent, verified sustainability data for our customers, across the entire supply chain. We believe that greater transparency will transform the sustainability performance of our industry and our customers, and it will also, over time, allow our customers to generate a "sustainability premium" for their sustainably produced products.

Security of supply

We deliver security of supply for our customers.

Due to our strong financial position and our unique operating capabilities, we are able to invest more and grow faster than any other soda ash producer globally. If all our growth projects are developed as planned and to full capacity, we will invest around $5.0 billion and more than double our production capacity by 2030 – delivering additional production capacity and export facilities in both Türkiye and the US.

We are also investing to broaden and strengthen our global customer supply chain. We have already opened our first regional storage and distribution hub in Terneuzen to further improve our already strong customer service and supply chain reliability. We intend to develop more regional logistics hubs over time.

Against a likely backdrop of tightening soda ash supply-demand balances, we intend to deliver for our customers by growing our volumes of low carbon, sustainably produced soda ash delivered to our customers anywhere in the world – when and where they need it.

1. Calculated as total cash operating expenses excluding shipping and transportation expenses but including selling, general and administrative expenses. 2. Based on 2023 capacity of soda ash, excluding ~6 million mt capacities in several geographies (mostly CIS, SAM with assumed poor cost positions).

Our key performance indicators[1]

We track and report our progress against a number of financial and non-financial key performance indicators ("KPIs"), which we believe best enable us to monitor and benchmark our performance against our strategic objectives, including those associated with sustainability, growth and profitability. Progress against our KPIs is measured and reviewed by the executive management team monthly and discussed at every Board meeting.

Netback Revenue[2]
($ million)

Performance

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. By monitoring Netback Revenue (as opposed to Revenue) we are able to compare on a like-for-like basis sales from different regions and customers over different periods.

In 2023, our Netback Revenue was $1,257.8 million (2022: $1,433.1 million).

Going forward, we will aim to pursue sales and marketing strategies which will seek to maximise multi-year netback revenue.

$1,257.8 million

Netback Revenue decreased in 2023, as netback pricing was impacted during the second half of the year by weaker demand in all regional markets, loosening supply-demand balances and increased competitive behaviour.

Adjusted EBITDA[2]
($ millions and $ per mt)

Performance

EBITDA represents profit/(loss) for the period before interest in equity-accounted associates, depreciation and amortisation expenses, finance expenses, net of finance income and taxation. Adjusted EBITDA ($ millions) 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. Adjusted EBITDA ($ per mt) is calculated as the Adjusted EBITDA divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period.

In 2023, Adjusted EBITDA was $750.5 million (2022: $839.4 million) and Adjusted EBITDA ($ per mt) was $153.0 per mt (2022: $165.9 per mt).

Going forward, we will aim to maintain and improve our Adjusted EBITDA and Adjusted EBITDA ($ per mt).

$750.5 million
$153.0 per mt

Adjusted EBITDA decreased in 2023, due to lower volumes and lower netback margin in all regions in the second half of the year.

Free Cash Flow[2]
($ millions)

Performance

Free Cash Flow is calculated as Adjusted EBITDA minus Maintenance Capital Expenditure[2] (incurred to maintain, over the long term, our operating income or operating capacity) minus tax payments.

In 2023, Free Cash Flow was $586.6 million (2022: $742.9million).

Going forward, we will aim to maximise our Free Cash Flow because the greater the Free Cash Flow the more cash is available to fund Expansionary Capital Expenditure (with the objective to increase, over the long term, our operating income or operating capacity) and to fund distributions to our shareholder.

$586.6 million

Free Cash Flow decreased in 2023, in line with our Adjusted EBITDA and impacted by higher Maintenance Capital Expenditure[2] and higher tax payments, including additional taxes levied as a result of the earthquake in Türkiye.

1. Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions, it does not include US associates and subsidiaries. 2. See Alternative Performance Measures on page 134.

Our key performance indicators continued

Production volume
(mt per year and mt per day)

Performance

Production volume (mt per year) is the total combined volume in mt of soda ash and sodium bicarbonate produced in one calendar year, and production (mt per day) represents the average daily production for the period. Production volume is a key driver of our revenue, and we aim to maintain and grow our production volume over time.

In 2023, we achieved a production volume (mt per year) of 4.98 million mt (2022: 5.0 million mt), mainly driven by the need to reduce production volumes to allow a de-stocking during mid-2023 in response to a loosening of supply-demand balances globally.

Going forward, we plan to more than double our production volume to more than 11 million mt per year by 2030, if all of our current production growth projects are developed as planned.

4.98 million mt

In 2023, we achieved production volume of 4.98 million mt.

Scope 1 & 2 CO2e emissions intensity (Scope 1 & 2 mt CO2e per mt production)

Performance

Reducing our Scope 1 & 2 CO2e emissions intensity is a priority for us. We assess our emissions performance annually and we are aiming to further reduce our emissions in every part of our business. We believe that we already have the lowest Scope 1 & 2 CO2e emissions intensity (defined as Scope 1 & 2 market mt of CO2e emissions per mt of soda ash and sodium bicarbonate production combined) within our industry because we operate modern, efficient low energy intensity solution-extraction based plants where most of the CO2 released during soda ash production is captured and re-used in the production of sodium bicarbonate.

In 2023, our Scope 1 & 2 CO2e emissions intensity reduced to 0.334 (2022: 0.343), consistent with our long-term objective.

Going forward, we have committed to achieving Net Zero CO2e emissions by 2050 and we have set the target of reducing our Scope 1 & 2 CO2e emissions intensity by 20% within the next five years and by 40% within the next ten years, relative to a 2022 baseline and we have identified a number of ongoing and future initiatives, including renewable power generation.

0.334

In 2023, our Scope 1 & 2 CO2e emissions intensity reduced to 0.334, consistent with our long-term objective.

Water intensity
(m^3 water per mt production)

Performance

Water is an essential input to our production process, as well as being important to the local communities in which we operate. Because climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, we operate with a well-defined water stewardship strategy to protect and preserve the water resources of our communities and our operations, and we aim to minimise our water consumption and water intensity (calculated as m^3 of water withdrawal per mt of soda ash and sodium bicarbonate production, combined).

In 2023, our water intensity was 2.15m^3 water per mt production (2022: 2.04), slightly higher than the previous year due to the start-up of our new decahydrate and caustic soda units which required slightly more process water but is still less than one-quarter of the water intensity of synthetic soda ash producers.

Going forward, we will address the water treatment at Kazan Soda, and we have set the target of reducing our water intensity by 20% within the next five years, relative to a 2022 baseline, mainly through the use of dry air-cooling systems to reduce evaporation losses.

2.15

In 2023, our water intensity increased to 2.15 due to the start-up of our new decahydrate and caustic soda units at Kazan Soda.

Our key performance indicators continued

Safety
(LTI workplace accidents and LTI lost workdays)

Performance

Providing a safe and healthy work environment is our number one priority and we are committed to ensuring the safety of all our employees, contractors and visitors across all of our operations. We aim to continuously improve our safety practices, policies and performance in line with global best practice standards. We monitor this with various indicators, including the total number of lost-time injury (LTI) workplace accidents and the total number of LTI lost workdays, respectively, at our facilities

In 2023, the number of LTI workplace accidents and LTI lost workdays increased by around 50% to 39 (2022: 26) and 84% 789 (2022: 428), respectively. Safety is our number one priority and we are not satisfied with our current safety performance. In late 2022, we appointed the internationally renowned safety consultants dss+ to undertake a comprehensive review of personal safety and process safety management practices. Following this review, together with dss+ we developed a three-year "Safety Excellence Journey", designed to elevate our safety practices to best-in-class, international standards.

50% increase

During 2023, our LTI workplace accidents increased by 50%.

Employee satisfaction and turnover
(%)

Performance

We conduct an employee satisfaction survey on a biennial basis (the next one will take place in April 2024) administered by an independent third-party organisation which provides us with important insights into how our employees feel about their workplace, and their levels of satisfaction, commitment and motivation. We also closely monitor levels of staff turnover at each of our operating facilities and offices.

Investing in our people as well as transparent, two-way communication between our leaders and our workforce are core parts of our culture which we believe have contributed to our low levels of staff turnover and high levels of employee satisfaction. Going forward, we will continue to operate with the same ethos and will also plan to continue our approach of responding to areas of improvement identified in our surveys.

76% satisfaction

In 2022, our employee survey revealed that we have high levels of employee satisfaction at 76%.

Our financial review[5]

Financial highlights

		2023	2022
Revenue	$ million	**1,561.4**	1,773.8
Netback Revenue[1]	$ million	**1,257.8**	1,433.1
Adjusted EBITDA[1]	$ million	**750.5**	839.4
Adjusted EBITDA[1]	$ per mt	**153.0**	165.9
Netback Margin[1]	%	**60%**	59%
Profit before tax	$ million	**473.8**	641.9
Basic EPS – continuing operations	$	**3.44**	5.41
Net cash from operating activities	$ million	**650.5**	859.2
Capital Expenditure[1]	$ million	**106.3**	80.1
Free Cash Flow[1]	$ million	**586.6**	742.9
FCF Conversion[1]	%	**78%**	89%
WE Soda Restricted Group Net Debt[1]	$ million	**1,460.4**	1,347.6

Note: Figures may not add up due to rounding.

Financial performance

Revenue

Revenue, consisting principally of soda ash and sodium bicarbonate sales, decreased by $212.4 million, to $1,561.4 million in 2023, from $1,773.8 million in 2022. The decrease was primarily due to a 3.1% reduction in sales volumes for soda ash and sodium bicarbonate and a decrease in soda ash prices, as netback pricing was driven lower by weaker demand in all regional markets, loosening supply demand balances and increased competitive behaviour from other producers, resulting in $153.0 million decrease in our revenue. Electricity revenue decreased to $84.6 million in 2023, from $143.7 million in 2022, resulting in a further $59.1 million decrease in revenue, primarily due to a decrease in electricity pricing.

Domestic sales and export sales decreased to $330.7 million and $1,231 million, respectively, in 2023 from $448.8 million and $1,324.9 million, respectively, in 2022.

In 2023, Eti Soda produced 1.96 million mt and sold 1.94 million mt of soda ash and sodium bicarbonate combined, generating $584.3 million in total revenues, compared to 2.06 million mt sales of soda ash and sodium bicarbonate combined in 2022. In 2023, Kazan Soda produced 3.01 million mt and sold 2.97 million mt of soda ash and sodium bicarbonate combined, generating $976.4 million in total revenues (including electricity sales and after elimination of intercompany electricity sales) compared to 3.00 million mt sales of soda ash and sodium bicarbonate combined in 2022.

Our total soda ash production volume of 4.57 million mt in 2023 remained at approximately the same level compared to 4.60 million mt in 2022, and sodium bicarbonate production volume increased by approximately 1% to 0.41 million mt in 2023, from 0.40 million mt in 2022.

Cost of sales

The key components of our cost of sales are energy costs (partially offset by revenues received from sales of electricity generated by the Kazan Soda cogeneration plant, presented in revenue), transportation expenses, and royalties and mining state share. The table below sets out the breakdown of our cost of sales:

	2023		2022	
	$m	**%**	$m	%
Net energy costs[2]	284.8	39%	396.5	48%
Royalties and mining state share	93.4	13%	104.7	13%
Personnel expenses	25.3	4%	17.7	2%
Depreciation and amortisation	62.9	9%	56.3	7%
Transportation expenses	176.5	24%	152.4	18%
Export expenses[3]	41.3	6%	743.1	5%
Other[4]	39.5	5%	55.4	7%
Total	**723.7**	**100%**	**826.1**	**100%**
add back:				
Electricity revenue[2]	84.6		143.7	
Electricity revenue – inter-segment[2]	29.4		25.6	
Total cost of sales	**837.7**		**995.4**	

Cost of sales decreased by $157.7 million, or 16%, to $837.7 million in 2023 from $995.4 million in 2022. The decrease in cost of sales reflects the reduction in sales volumes and cost of energy, particularly natural gas, partially offset by increases in shipping and packaging material costs and personnel expenses.

1. See Alternative Performance Measures on page 134. **2.** Energy costs are presented on a net basis, after deducting electricity revenue generated by our cogeneration plant at Kazan Soda. **3.** Excludes transportation expenses but includes insurance, commissions, custom and port-related expenses and others. Including services by Denmar Türkiye of $1.8 million that became in-house following acquisition in 2023. **4.** Includes, among others, raw material costs (other than energy costs), packaging costs, maintenance expenses and rent costs. **5**. Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

Our financial review continued[2]

Administrative expenses increased by $56.8 million to $100.6 million in 2023 from $43.8 million in 2022, mainly due to higher personnel expenses resulting from wage inflation adjustments in Türkiye, new senior management appointments and ongoing exploration and permitting work at our US greenfield projects of West Soda and Pacific Soda. We also incurred one-off audit and consultancy expenses connected with our preparations for an IPO on the London Stock Exchange, similar to 2022. Marketing expenses comprised $5.9 million in 2023 and remained at approximately the same level as in 2022.

Adjusted EBITDA[1] and Netback Margin[1]

Adjusted EBITDA decreased by $88.9 million, or 11%, to $750.5 million in 2023 from $839.4 million in 2022, due to lower volumes and lower netback margins in all regions in the second half of the year, partially offset by the decreased energy costs. Netback Margin was maintained at 60% in 2023 compared to 59% in 2022, despite lower netback pricing in all regions in the second half of the year, partially offset by the decreasing energy costs. Eti Soda contributed $367.5 million to Adjusted EBITDA for 2022, as compared to $406.8 million in 2022 and Kazan Soda contributed $412.0 million to Adjusted EBITDA for 2023, as compared to $449.0 million in 2022.

Other operating income and expenses

Other net operating income decreased to $26.0 million in 2023 from $45.6 million in 2022. This was primarily due to the effect of foreign exchange and allocation of port related costs, resulting in a $10.2 million one-off gain in 2022.

Net finance expenses

Net finance expenses increased by $32.5 million to $168.4 million in 2023 from $135.9 million in 2022, reflecting the effect of foreign exchange on TRL denominated receivables from related parties and global trend of increasing interest rates, partially offset by fair value gains on bond related embedded derivatives and interest rate swaps, as well as one-off expensing of transaction costs, following the refinancing of our former term loan facilities in 2022.

Profit before tax

Profit before tax decreased by $168.1 million to $473.8 million in 2023 from $641.9 million in 2022, following the same trends and driven by the same factors as for our Adjusted EBITDA.

Taxation

Our Group benefits from significant tax credits due to investment incentives, patent incentives and capital contribution incentives for both Eti Soda and Kazan Soda, which together with other incentives and carried forward tax losses, result in lowering the Group's effective tax rate.

The Group had a net tax credit of $55.5 million and $188.6 million for 2023 and 2022 respectively, which consists of a corporate tax charge of $92.5 million and $52.5 million and deferred tax credits of $148.0 million and $241.1 million for 2023 and 2022 respectively.

The Group has paid an equivalent of $94.6 million corporate tax in 2023 and an equivalent of $56.7 million in 2022, the difference with corporate tax charges for the corresponding years being primarily timing and effects of foreign exchange.

Cash flows

Cash flows from operations

Our net cash generated from operating activities decreased to $650.5 million in 2023 from $859.2 million in 2022, primarily due to an overall decrease in profitability of the operations and balanced with working capital management.

1. See Alternative Performance Measures on page 134. **2.** Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

Our financial review continued[4]

Capital expenditure[1]

In 2023, Capital Expenditure was mainly focused on drilling new exploration wells and the construction of additional well sets, to optimise our wellfield efficiency, as well as Kazan Soda debottlenecking expansion, with new decahydrate and caustic soda units. The table below sets out our total Capital Expenditure, split between Maintenance Capital Expenditure and Expansionary Capital Expenditure.

	2023 $ million	2022 $ million
Capital Expenditure	**106.3**	80.1
Maintenance Capital Expenditure	**69.4**	39.9
Eti Soda	21.3	19.1
Kazan Soda	48.1	20.8
Expansionary Capital Expenditure	**24.8**	29.5
Eti Soda	2.0	1.0
Kazan Soda	22.8	28.5
Other	**12.1**	10.8
Eti Soda	4.8	2.1
Kazan Soda	5.7	3.6
Corporate and Other	1.6	5.1

Free Cash Flow[1]

Our Free Cash Flow decreased by $156.6 million to $586.6 million in 2023 from $742.9 million in 2022, in line with our Adjusted EBITDA and impacted by higher Maintenance Capital Expenditure and higher tax payments, including additional taxes levied as a result of earthquake in Türkiye, achieving FCF Conversion[1] of 78%, as set out below:

	2023 $ million	2022 $ million
Free Cash Flow	586.6	742.9
FCF Conversion (%)	78%	89%

Net Debt[1] and funding

With a strong balance sheet and liquidity position, our consolidated Net Debt is at $1,500.8 million as at 31 December 2023, compared to $1,356.7 million as at 31 December 2022. WE Soda Restricted Group Net Debt[1] is at $1,460.4 million, an equivalent to the WE Soda Restricted Group Net Leverage Ratio[1] of 1.9x, compared to 1.6x as at 31 December 2022. In October 2023, we successfully issued a $980 million five-year 9.50% bond to refinance operating company debt and to partially prepay the term loan facility. Please refer to Note 4 *Financial risk management of the consolidated financial statements* for further details.

	2023 $ million	2022 $ million
Borrowings	1,664.4	1,704.9
Lease liabilities	26.8	13.8
Total financial liabilities	**1,691.2**	**1,718.7**
Less: Cash and cash equivalents	(169.6)	(308.7)
Less: Derivative financial instruments	(20.7)	–
Less: Restricted cash	–	(53.3)
Net Debt	**1,500.8**	**1,356.7**
Less:		
Net Debt of Unrestricted Subsidiaries[2,3]	(7.3)	(9.1)
Working Capital Loans with a maturity of less than 1 year[3]	(33.2)	–
WE Soda Restricted Group Net Debt	**1,460.4**	**1,347.6**
WE Soda Restricted Group Net Leverage Ratio	**1.9x**	**1.6x**

Post Balance Sheet Events

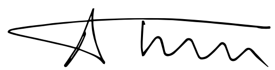
Issuance of $500 million bond

In February 2024, we successfully issued a $500 million seven-year 9.375% bond. Additionally, we executed US dollars denominated six-year Cancellable Interest Rate Swap transactions, in order to economically hedge the fixed coupon payments of the bond to floating.

Royalty set-off for Kazan Soda

We have agreed on set-off of non-trade payables of Park Holding A.Ş. ("Park Holding") against future nine years' royalty payments to be made by Kazan Soda. For the computation of the present value of the future royalty payments, the annual 9.50% interest rate of the bond issued by the Group has been applied to each respective year's royalty which was computed based on the budget or medium-term forecasts of WE Soda. This present value denominated in US dollars ($276.3 million) is converted to Turkish Lira by using indicative US dollars/Turkish Lira exchange rate announced by The Central Bank of the Republic of Türkiye on 11 March 2024.

Please refer to Note 39 *Post Balance Sheet Events* of the consolidated financial statements for further details on post balance sheet events.



Ahmet Tohma
Chief Financial Officer

1. See Alternative Performance Measures on page 134. 2. Ciner Enterprises Inc. and its subsidiaries. 3. In accordance with the terms of the bonds and RCF. 4. Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

Our Non-Financial and sustainability information statement

Environmental matters

Our approach and key policies

Within our industry, we believe we produce soda ash with the lowest CO2e emissions and water intensity and waste, meaning that we have the lowest impact on nature and the environment.

Our Environment Policy Statement sets out our commitment to conducting business in an environmentally responsible way and outlines the high standards we uphold in terms of energy usage, emissions, water usage, pollution, waste, biodiversity, customer safety and sustainable procurement.

Outcomes of policies and impacts of activities

During 2023:

- We saw a 2.6% reduction in Scope 1 & 2 CO2e emissions intensity compared to 2022, consistent with our long-term objectives.
- We saw an increase in water intensity of around 5.4% compared to 2022, due to the commissioning of the new deca and caustic units at Kazan Soda.
- We approved the development of a new sodium chloride re-processing plant at Kazan Soda, which when operational will reduce waste.
- We duel fired our cogeneration boilers at Eti Soda with 7.8% biomass, reducing Scope 1 & 2 CO2e emissions intensity and fly ash waste.
- We installed 7 MW of solar PV power with a further 8 MW and 13 MW due to come on stream in 2024 and 2025 respectively. We are further increasing our renewable power potential in Türkiye and estimate that we can deliver up to 180 MW by 2027, and 250 MW by 2032 (a 10% reduction from our original target of up to 100 MW of solar PV and over 100 MW of wind power by 2027) mainly related to expected permitting and approval timelines.

Colleagues

Our approach and key policies

Providing a safe and healthy work environment is our number one priority and we are committed to ensuring the safety of all our employees, contractors and visitors across all our operations. Investing in our people and transparent, two-way communication between our leaders and our workforce are core parts of our culture. Our colleagues are essential to our success and we are an inclusive, performance and capability-based employer, that does not discriminate, among others, based on gender, ethnicity, religion, nationality or disability.

Our Business Ethics Policy outlines the business standards and behaviours we expect from our colleagues. Each of our operating sites and offices has its own Health & Safety Policy and most recently we have rebranded and relaunched our whistleblowing service "we•speakup" which provides our employees and stakeholders with a confidential and secure channel to communicate any concerns they may have.

Outcomes of policies and impacts of activities

During 2023:

- We continue to work with dss+ to improve safety and by the end of 2023 we were eight months into a three-year Safety Excellence Journey Programme.
- As of 31 December 2023 37% of our white collar workers and 21% of our senior and middle management were women.
- We worked with over 221 students as part of our internship programme, providing work opportunities for young women and men, so that today 36% of our workforce are under 30 years of age.
- During the fourth quarter of 2023 our HR teams have put in place plans, initiatives and incentives to ensure that not only do we attract the best talent, but we also retain it.

Social matters

Our approach and key policies

Through engagement and positive social impact we aim to offer meaningful support to our employees and our local communities. We integrate with the communities in which we operate, and we believe that by supporting both local and national initiatives we create mutual long-term value and prosperity for our stakeholders and for our business. We align our social responsibility initiatives with the UN Sustainable Development Goals most relevant to our business.

We have demonstrated our commitment to effective engagement through a variety of community and social impact initiatives in Türkiye and the UK over several years with five areas of focus: building a sustainable future; environment and nature; youth and education; community support; and the empowerment of women.

Outcomes of policies and impacts of activities

During 2023:

- We supported a diverse range of community and social impact projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of approximately $4.9 million.
- In the UK, as the national community partner of the WRU, we provided financial support for two major community initiatives across the nation of Wales: "Fit, Fed, Fun" and "Jersey for All", with the specific aim of reaching children and families from poorer communities and those with disabilities and special educational needs.
- We worked on initiatives with Hestia, a charity that supports adults and children who are affected by modern slavery.
- In Türkiye, we continued with our biodiversity project at Kazan Soda, our agricultural support and Greenhouse Project at Eti Soda and a variety of other social projects that have been running for several years.
- We provided significant support for victims of the Turkish earthquake including providing housing and education. Read our Earthquake relief assistance case study on page 59.

Our Non-Financial and sustainability information statement continued

Respect for human rights

Our approach and key policies

We have zero tolerance for any form of child, forced labour, modern slavery or any other action that breaches an individual's human rights, and we support the rights of all people as set out in the Universal Declaration of Human Rights. We aim to apply our sustainability governance and practices to all our partners across our upstream and downstream supply chains.

Our Labour & Human Rights policy and Modern Slavery Statement set out the principles which underpin the expected behaviour of all individuals working for or with our Group.

Outcomes of policies and impacts of activities

During 2023:

- No human rights violations were identified.
- We reviewed and published our 2022 Modern Slavery Statement, which can be found on our website.
- We registered 81% of our core suppliers (by value) onto the Sedex platform, to allow us to more effectively screen our suppliers in accordance with our own sustainability criteria.

Anti-corruption and anti-bribery

Our approach and key policies

We expect that all individuals working for or with WE Soda, conduct business responsibly and with integrity.

We have a number of policies which define our control measures against corruption and bribery including our Anti-bribery & Corruption policy, our local Whistleblowing policies, our Business Ethics policy and our Supplier Code of Conduct. We aim to apply our sustainability governance and practices to all our partners across our upstream and downstream supply chains.

Outcomes of policies and impacts of activities

During 2023:

- We had no reported fines, penalties or settlements for corruption or bribery.
- We revised our Supplier Code of Conduct to better define our expectations of legal compliance, working conditions and business ethics amongst our suppliers.
- We registered 81% of our suppliers (by value) onto the Sedex platform, to allow us to more effectively risk screen our suppliers and monitor their key policies and approaches.
- We developed a blockchain enabled supply chain ecosystem called "ConnexSA", with the objective of delivering transparency, robust sustainability data and governance across our entire supply chain.

Climate-related financial disclosures

Our approach and key policies

Within our industry, we believe we produce soda ash with the lowest CO2e emissions, water intensity and waste, and that we have the lowest impact on nature and the environment[1]. Further reducing our CO2e emissions and water intensity is a priority for us. Climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, as such we operate with a well-defined water stewardship strategy to protect and preserve the water resources of our communities and our operations.

Our TCFD report outlines our approach to assessing and managing climate-related financial disclosures, material climate related risk and opportunity scenarios and their financial quantification. This forms part of our risk management process and allows us to set and manage climate-related targets.

Outcomes of policies and impacts of activities

During 2023:

- We have committed to achieving Net Zero CO2e emissions by 2050 and our Scope 1 & 2 CO2e emissions intensity is set to reduce by 20% by 2027 and by 40% by 2032, relative to a 2022 baseline.
- We achieved our target 2.6% reduction in Scope 1 & 2 CO2e emissions intensity vs 2022.
- Although in 2023 we experienced a 5.4% increase in water intensity relative to 2022 we are confident we will reduce our water intensity by 20% within the next five years, relative to a 2022 baseline.
- Our energy consumption increased by approximately 4% to 4.6 relative to 2022 figures mainly due to a reduction in production during the year.

Read more on pages 89 to 97

1. We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 1.37, Scope 1 & 2 CO2e emissions intensity of 0.334, water intensity of 2.15, and total waste directed to disposal of 85,850 mt (in each case for 2023), as these metrics provide a relative and comparable measure of performance across our industry.

Our stakeholders

Importance of materiality

We aim to create value for our stakeholders in everything we do, and we engage with our stakeholders to gain insights into what they want and need from us as a business. These insights allow us to determine those areas of interest for our stakeholders and help us to shape the way in which we do business.

Materiality Assessment

We undertake a biennial Materiality Assessment and, in November 2022, we commissioned the sustainability consultancy ERM to help us assess the material issues for our business and those of concern to our stakeholders. ERM engaged with our employees through a Sustainability Survey and also conducted interviews with our management team, our customers, our regulators, our local communities and our suppliers. ERM also considered key regulatory requirements and the expectations of leading rating agencies, using a range of published sources and sustainability questionnaires. Our next materiality assessment will take place in the Autumn of 2024.

Key findings

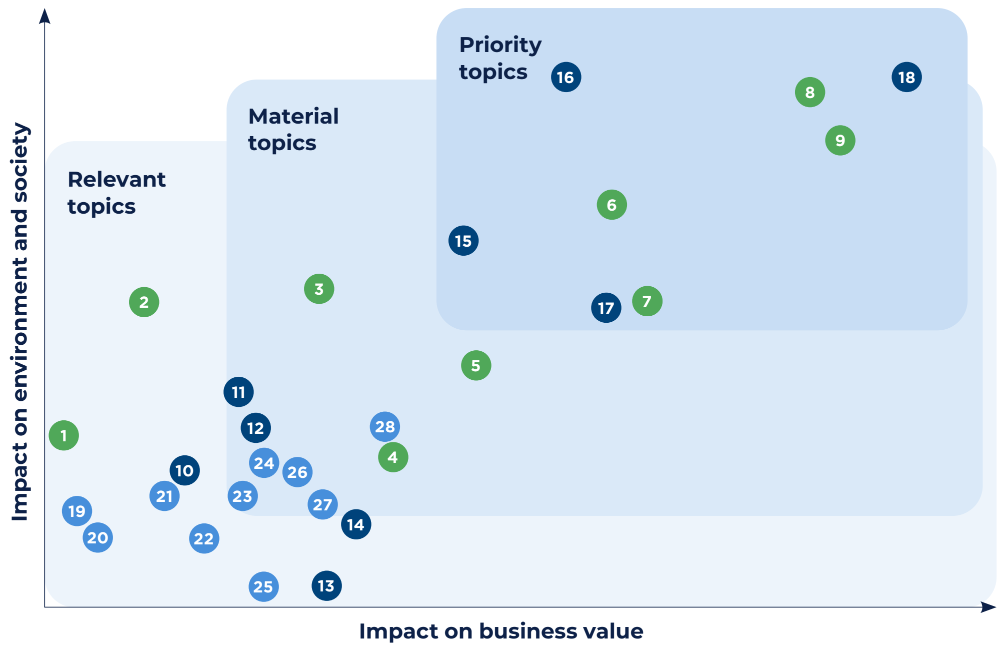
The materiality assessment showed us that our most material issues – shown as "Priority topics" – are closely aligned with our areas of strategic focus. It also revealed that environmental and social issues were of the highest priority to our stakeholders.

Employee issues were prioritised

Occupational health, safety and wellbeing were identified as the highest priority for our business and stakeholders. Many internal interviewees commented that we have strong management systems in place around occupational health & safety, demonstrating that we are focused on prioritising those topics which matter most to our employees. We will ensure that these continue to be a core part of our business strategy.

The topic of workforce relations was also highlighted as a priority. This follows a reduction in employee satisfaction, following the coronavirus pandemic, partly because less socialising was possible between our colleagues. In response, we have developed a roadmap to reintroduce more social events to help motivate and engage our employees. Environmental impact related issues were also rated as priority topics, including water stewardship, CO2e emissions, energy use and efficiency and waste management. These topics are fundamental drivers of our business strategy, and we measure our performance and report our impact through KPIs.

Our 2022 Materiality Matrix



Environment

1. Closure and remediation
2. Biodiversity
3. Product lifestyle and circular economy
4. Climate resilience
5. Air quality
6. Energy use and efficiency
7. Waste management
8. Water stewardship
9. GHG emissions

Social

10. Talent attraction and retention
11. Skills training and development
12. Human rights
13. (Geo)political risk
14. Emergency preparedness and security
15. Workforce relations
16. Community relations and engagement
17. Sustainable supply chain management
18. Occupational health, safety and wellbeing

Governance

19. ESG governance structures
20. Data and cybersecurity
21. Corporate reputation and culture
22. Tax and revenue transparency
23. Customer satisfaction
24. Technology and innovation
25. Policy and regulatory landscape
26. Diversity, equity and inclusion
27. Anti-corruption and bribery
28. Business integrity, transparency and ethics

Our stakeholders continued

Sustainable Development Goals ("SDGs")

In 2015, UN Member States adopted the 17 SDGs as part of the 2030 Agenda for Sustainable Development and encouraged companies to develop programmes to support this initiative. Sustainability is fundamental to our success and it is at the core of how we conduct our business. There are six SDGs in particular which we believe are relevant to our operations and where we believe we have made a significant impact.

SDG 5 – Gender equality

Promoting gender equality is a core part of our recruitment practices, our employment policies and practices, and our community and social engagement. We have set ourselves the target of having an equal number of female and male employees within our middle and senior management within the next ten years and we have recently begun to report on our gender pay. We also run community and social projects which focus on the empowerment of women. Our Eti Soda Greenhouse project employs women from the local community and at Kazan Soda we have developed a women's entrepreneur project to support and encourage women to set up their own businesses, driving sustainable economic independence.

SDG 6 – Clean water and sanitation

Water is essential to our production but also to the wellbeing and sustainability of our communities. Because climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, we operate with a water stewardship strategy that is designed to protect and preserve the water resources of our communities and our operations. We have implemented several initiatives at Eti Soda and Kazan Soda which support the efficient use of water, promoting responsible water consumption without negatively impacting our host communities.

SDG 8 – Decent work and economic growth

Our employees and the communities in which we operate are key to the success of our business. We offer fair pay and an inclusive and supportive work environment with regular training and personal development opportunities. We also care for, invest in and support the communities in which we operate. Our aim is to ensure that these communities continue to be sustainable long after our sites are decommissioned. By encouraging productive and inclusive employment, including members of our local communities, it allows us to support sustainable economic growth.

SDG 12 – Responsible consumption and production

We carefully design sustainability into our operational processes to minimise our environmental impact, by ensuring that we use efficient production methods to minimise energy consumption, CO_2e emissions and water, and we minimise waste by recycling or commercialising by-products. We believe we already produce soda ash with the lowest impact on nature and the environment (in terms of energy intensity, emissions intensity, water intensity and waste) and we are committed to further improving this performance. By 2030, we plan to have developed the first soda ash production facility in the world using entirely renewable power sources.

SDG 13 – Climate action

We report in accordance with TCFD recommendations, which sets an important and transparent framework for reporting climate-related risks and opportunities. We have committed to achieving Net Zero CO_2e emissions by 2050, and we have engaged ERM to help design and implement an emissions reduction pathway that is consistent with a "below 1.5°C" global warming outcome. Amongst other sustainability improvement targets, we have set the target of reducing our Scope 1 & 2 CO_2e emissions intensity by 20% within the next five years and by 40% within the next ten years, and we have set the target of reducing our water intensity by 20% within the next five years, in all cases relative to a 2022 baseline.

SDG 15 – Life on land

Environmental stewardship is a cornerstone of our responsible approach to realising our strategic ambitions. Our stewardship encompasses our efforts to support initiatives that promote biodiversity and positively contribute to conserving the natural environment in which we operate. We have very limited impact on pre-existing land use, enabling our facilities to easily co-exist alongside the farming communities that surround us. Our impact on existing flora and fauna is also limited due, in part, to the relatively easy removal of surface pipelines and wellheads upon decommissioning, without the need for rehabilitating significant waste material dumps or open-cast mine areas.

Our stakeholders continued

Stakeholder types

Employees

About our stakeholders

Our employees are fundamental to the success of our business – driven by their hard work, entrepreneurial spirit, curiosity, and diversity. We employ around 1,570 people, including those with fixed-term contracts.

How we engage

- OHS monitoring and reporting
- Biennial employee satisfaction surveys
- Employee representatives
- Regular employee meetings
- Suggestions/complaints boxes
- Social activities

Areas they have told us they are interested in

- Occupational health, safety and wellbeing
- Employee training and development
- Communication with management
- Career opportunities
- Responsible management
- Ethical business practices

Company initiatives introduced

- Employee Whistleblowing Hotline
- Online training system
- Enhanced health, safety and wellbeing policies and initiatives
- we.speakup whistleblowing programme

Customers

About our stakeholders

We supply large industrial customers and regional distributors in over 80 countries, delivering to over 200 global port destinations via an integrated global customer supply chain that operates 24/7 and is responsible for shipping our product around the world.

How we engage

- Sales, marketing and customer relationship teams
- Regular meetings and discussions
- Senior management visits
- Regular surveys
- Certifications

Areas they have told us they are interested in

- Sustainability
- GHG emissions
- Water stewardship
- Reliability of supply chain
- Occupational health, safety and wellbeing
- Product life cycle and circular economy

Company initiatives introduced

- "ConnexSA"
- Annual Sustainability Report
- Customer surveys and NPS
- ISO 9001 Quality Management System

Suppliers

About our stakeholders

We have around 210 major suppliers, including suppliers of energy, processing chemicals and equipment, mainly located in Türkiye and Europe.

How we engage

- Supplier onboarding, evaluations and Supplier Code of Conduct
- Regular supplier meetings
- Supplier surveys
- Sedex audits
- Certifications

Areas they have told us they are interested in

- Occupational health, safety and wellbeing
- Sustainable supply chain management
- Energy use and efficiency
- Product life cycle and circular economy

Company initiatives introduced

- Sedex membership
- Supplier screenings
- Supplier Code of Conduct
- Modern Slavery policy

Local communities

About our stakeholders

We believe that by supporting our local communities, we will create value for today and for the future. All of our operating sites are located in rural, agricultural and farming areas.

How we engage

- Local community infrastructure, education and empowerment projects
- Social projects and charitable donations
- Participation in community events
- Regular community engagement meetings

Areas they have told us they are interested in

- Community relations and engagement
- Air quality
- Occupational health, safety and wellbeing
- Waste management
- Business integrity, transparency and ethics

Company initiatives introduced

- Eti Soda Greenhouse project
- Local infrastructure investment
- Internships and scholarships
- Sponsorships and donations

Our stakeholders continued

Stakeholder types continued

Investors

About our stakeholders

Today, we are wholly-owned by the Ciner Group, one of Türkiye's largest industrial groups with operations in various sectors, including energy and mining, glass and chemicals, shipping, logistics and media.

In October 2023 we issued an inaugural $800m 5 year bond maturing in 2028, and with a coupon of 9.5%, thereby welcoming a new set of financial stakeholders in the form of bond holders.

How we engage

- Board meetings
- Shareholder meetings
- Legal, financial and sustainability reporting
- Quarterly financial and operational public reporting

Areas they have told us they are interested in

- Sustainability
- Occupational health, safety and wellbeing
- GHG emissions
- Waste management
- Water stewardship
- Energy use and efficiency

Company initiatives introduced

- Publishing of our Annual Report
- ISO 14001 Environment Management System
- ISO 5001 Energy Management System
- CDP climate change and water disclosure
- Publishing of Annual Sustainability Report
- Quarterly financial and operational public reporting

Industry

About our stakeholders

The nature of our business means that we are an industrial minerals processing company, producing an inorganic industrial ingredient, and we are considered to be part of the broader chemicals industry.

How we engage

- Industry trade fairs
- Conferences and panels
- Legal, financial and sustainability reporting
- Certifications

Areas they have told us they are interested in

- Sustainability
- GHG emissions
- Water stewardship
- Diversity, equality and inclusion
- Community relations and engagement
- Human rights

Company initiatives introduced

Member of:

- European Soda Ash Producers Association
- Middle East Trade Association
- Istanbul Minerals and Metals Exporters Association ("İMMİB")
- Istanbul Chemicals and Chemical Products Exporters' Association ("IKMIB")

Civil society

About our stakeholders

We consider civil society to be made up of broader society (beyond our local communities) including non-governmental organisations ("NGOs"), national and international organisations, academic institutions and research organisations.

How we engage

- Industry trade fairs
- Conferences and panels
- Legal, financial and sustainability reporting
- Certifications

Areas they have told us they are interested in

- Workforce relations
- Biodiversity
- Sustainable supply chain management
- Energy use and efficiency
- GHG emissions
- Natural resource use

Company initiatives introduced

- UN Global Compact, including CEO Water Mandate and Women's Empowerment Principles
- Turkish Red Cross

Regulators

About our stakeholders

We are governed and regulated by national and local government organisations in the counties and regions in which we operate and by global and national regulatory bodies in the countries and regions in which we sell our products, as well as global trends and United Nations initiatives.

How we engage

- Official correspondence
- Regular meetings
- Audits and field visits
- Legal, financial and sustainability reporting
- Certifications

Areas they have told us they are interested in

- Occupational health, safety and wellbeing
- GHG emissions
- Community relations and engagement
- Energy use and efficiency
- Waste management
- Water stewardship
- Technology and innovations

Company initiatives introduced

- EU REACH registration
- Bond listed on and regulated by TISE

Risk management

Our approach to risk management

Effective risk management enables us to identify and mitigate potential threats and take advantage of opportunities associated with our strategy and operations. References to Board, Audit & Risk Committee and Sustainability Committee refer to the Kew Soda Board and its committees unless otherwise stated. During 2023, the Board had responsibility for oversight of our principal risks and responses, while the Audit & Risk Committee monitored the effectiveness of our approach to risk management and internal controls during 2023.

In March 2024, the Independent Non-Executive Directors stepped down from the Kew Soda Board and joined the WE Soda Board. The Kew Soda Board Committees were also disbanded and replaced with equivalent Committees, both in terms of membership and duties, at WE Soda level. This is explained in more detail in the Governance section starting on page 106.

Going forward, the WE Soda Audit & Risk Committee will monitor the effectiveness of the approach. Accountability for our overall risk position currently lies with the Board and our Chief Strategy & Risk Officer, reporting to our CEO. The executive management team, through the Executive Risk Committee is responsible for our day-to-day activities and is responsible for the management of our financial and non-financial risk across all areas of our business.

During 2023, the Audit & Risk Committee assisted the Board in relation to financial reporting, internal controls, whistleblowing, fraud and compliance, review and monitoring of the annual audit, as well as risk management. Certain operational and sustainability risk areas were delegated by the Board to the Sustainability Committee. Going forward, the WE Soda Audit & Risk Committee and WE Soda Sustainability Committee will assist the WE Soda Board on these activities.

Following a detailed review and reassessment of existing and potential risks to the Group, supported by Deloitte in 2022, which identified the principal risks we believe could materially impact the Group's performance, future prospects or reputation, a key focus of the Audit & Risk Committee in 2023 was the review of an updated risk management framework developed by the management team, which will continue to be a key focus area of the WE Soda Audit & Risk Committee. This review resulted in further refinement to the Enterprise Risk Register which contains all identified risks and provided the Board, the Audit & Risk Committee and our executive management with an assessment of the Group's principal and other risk exposures, and the responses to each risk.

Our principal risk areas are summarised in the table below and discussed in more detail on pages 79 to 86.

Operational risks Risks that relate to the process, supply chain or corporate functions that support operating activities	• **Health and safety** • **Key production and export facilities** • **Environmental impact** (particularly water) • **Emergency response and disaster recovery** • **Transportation and logistics**
Strategic risks Risks that challenge the strategy and strategic vision or risks that pose a threat to executing the strategy of the business	• **Strategy execution** • **Information technology ("IT") and cybersecurity** • **Key person dependency**
External risks Risks that may arise from the external operating environment	• **Communities** • **Macroeconomic** • **Geopolitical** • **Customer and external stakeholder expectations**
Financial risks Risk that relate to current and future financial performance, balance sheet and financial reporting	• **Netback Revenue and Netback Margin** • **Production costs** (particularly energy) • **Financial liquidity**
Legal and compliance risks Risks that may arise from the legal and regulatory landscape	• **Legal and compliance**

Our principal risks and uncertainties

We have identified the principal risks which we believe are capable of materially impacting the Group's performance. These have been reviewed and approved by the Audit & Risk Committee and the Board. We have set out below a summary of our principal risks, our assessment of the potential impact and likelihood of each potential risk and our response to each.

Key

Low impact	Medium impact	High impact
Low likelihood	Medium likelihood	High likelihood

Health & Safety

Description of risk

The Group's operations could expose employees to hazards, and a failure to establish and maintain effective personal and process safety management policies and procedures could lead to incidents or injury which could expose the Group to litigation and fines, regulatory impact and potential reputational damage.

Response to risk

- Following the detailed risk-based safety assessment at our facilities undertaken in 2022 with dss+, we have identified and prioritised areas of personal safety and process safety management practices for improvement.
- We are seeking to improve safety in these areas through the deployment of a new safety observation programme to promote safer working practices and behaviours. We have also assigned dedicated maintenance teams and revised operating procedures for those areas which represented the greatest risk.
- A comprehensive safety improvement programme has been developed with dss+ (the "Safety Excellence Journey") and was rolled out during 2023 to help us develop a deeper, broader and stronger safety culture throughout the Group.
- We are aiming to significantly improve our safety performance and continue to work with dss+ to significantly reduce LTI workplace accidents in 2024, with the objective of eliminating LTI workplace accidents over time.

Key Production and Export Facilities

Description of risk

Today our Group is heavily reliant on two production facilities (Eti Soda and Kazan Soda), one bulk export facility (at Derince Port) in Türkiye, and a product storage and logistics hub at Terneuzen, Netherlands. Any disruption to these facilities, including unplanned production curtailments or shutdowns, sabotage or natural disaster (including earthquakes) could have a significant impact on the financial and operating performance of our Group and our ability to supply our customers.

Response to risk

- The Group's operating facilities are relatively new (Eti Soda was commissioned in 2009; Kazan Soda was commissioned in 2017) and are well maintained and well operated with significant in-built redundancy. This provides high levels of operational availability, limited unplanned shutdowns and reduced risk of failure.
- Both Eti Soda and Kazan Soda are located in an area of low seismic (earthquake) risk.
- Each year, thorough preventative maintenance is completed at all of our facilities.
- We maintain a large inventory of spare parts and equipment, with common components across Eti Soda and Kazan Soda, and an experienced maintenance and engineering team who are able to quickly repair or replace most critical equipment in the event of a failure.
- We are developing alternative export routes, in different parts of Türkiye and utilising different transportation infrastructure to mitigate the potential impact of a natural disaster or operational disruption at Derince Port.

Our principal risks and uncertainties continued

Key

Low impact | Medium impact | High impact
Low likelihood | Medium likelihood | High likelihood

Environmental Impact (particularly water)

High impact, Low likelihood

Description of risk

We have low water intensity compared to synthetic soda ash producers. However, the water catchment area surrounding our operations is already experiencing water stress, which is likely to increase as a result of climate change. Because our operations are water intensive, there is a risk we are unable to sustain our operations or could potentially face growing competition for water with local communities.

Response to risk

- We operate with a well-defined water stewardship strategy to protect and preserve the water resources of our communities and our operations, and we maintain the ISO 14001 Environmental Management System.
- Climate Resilience and Water Stewardship Working Groups have been established to develop response strategies.
- We actively monitor our water intensity and have ongoing operational reviews to apply technologies and efficiency measures to reduce water consumption.
- We have set the target to further reduce our water intensity by 20% by the end of 2027 (relative to a 2022 baseline).

Emergency Response and Disaster Recovery

High impact, Low likelihood

Description of risk

By its nature, large scale mineral processing (and cavern-based solution-extraction) brings with it a number of potential hazards, including but not limited to, surface subsidence, industrial accidents, environmental incidents and the risk of fire or explosions. If these potential hazards materialise they could have a material adverse impact on our operations, either through damage to key facilities, reputational damage, or potential liabilities or regulatory impacts if harm is caused to individuals or the environment.

Response to risk

- The Sustainability Committee has oversight of operational risks, including health & safety.
- Safety equipment is in place to enhance early detection of any incident and reduce the impact.
- There is an Emergency Action Plan in place covering the impact of each potential hazard, which is reviewed periodically.

Our principal risks and uncertainties continued

Key

Low impact — Medium impact — High impact

Low likelihood — Medium likelihood — High likelihood

Transportation and Logistics

Medium impact, Medium likelihood

Description of risk

Due to the significant distance and time it takes to transport our product to many of our customers, combined with the essential nature of our product in the production processes in which it is used and the relatively small quantities of product inventory which our customers typically hold at their facilities, the reliability of our customer supply chain is critical. In addition, a substantial portion of our costs are attributable to the transportation expenses to deliver product to our customers. Any increase in transportation costs or interruptions to our customer supply chain could have a negative impact on the financial performance of the Group and our relationships with our customers, if we are unable to deliver products in a timely or cost-effective manner.

Response to risk

- Security and reliability of supply is one of the most important factors defining our relationships with our customers and we have an established track record of delivering product to our customers in a timely and cost-effective manner.
- We have time chartered a fleet of vessels to increase control over delivery schedules and transportation costs for a significant proportion of our export volumes.
- In 2023, we opened a product storage and logistics hub at Terneuzen, Netherlands, to reduce supply chain risk, provide further logistics flexibility and better serve our customers in north-west Europe and the UK.
- We plan to develop further regional storage and distribution hubs in key locations globally in the medium term.

Strategy Execution

High impact, Medium likelihood

Description of risk

Our Group may fail to execute on its strategy and may not meet its strategic objectives. Amongst others, this could be due to insufficient financial resources being available when needed or the lack of infrastructure needed to facilitate growth. A failure to achieve strategic objectives or to grow at the expected rate could have a negative impact on our operating and financial performance, our relationships with financial and other stakeholders and our overall reputation.

Response to risk

- Our Board provides regular and thorough oversight, evaluation and review of the Group's strategy and monitors progress against our strategic objectives.
- Management is incentivised to deliver on the long-term strategy and growth of the Group.
- We have committed to a capital allocation policy which includes our Total Net Leverage Ratio remaining in a range of 1.5x to 2.5x Net Debt to last 12 months EBITDA.
- Our Group maintains a broad range of relationships with international lending banks and generates significant cash flow to be able to fund its growth plans.

Our principal risks and uncertainties continued

Key

- ● Low impact
- ▲ Low likelihood
- ● Medium impact
- ▲ Medium likelihood
- ● High impact
- ▲ High likelihood

Information Technology and Cybersecurity

● ▲

Description of risk

If the Information Technology ("IT") platforms and systems used within our Group does not satisfy our operational requirements or experiences faults or failure, this could have a negative impact on our operations and/or our ability to execute business, in turn impacting our financial performance. In addition, as we separate our IT systems from the Ciner Group, this could expose us to potential IT-related operational issues.

Response to risk

- We have invested in, maintain and develop robust IT systems across our business and operations, and within our global customer supply chain.
- Our IT systems are centrally managed, but physically segregated. They are regularly tested and are fully ISO 27001 certified. Our information security management system is externally audited once a year and internally audited twice a year within the scope of ISO 27001.
- During 2023, we appointed a Chief Information Officer who, amongst other things, is responsible for our global IT strategy and implementation, to ensure standalone management of IT as our Group separates its IT function from the Ciner Group and expands globally.

Key Person Dependency

● ▲

Description of risk

Our Group is reliant on the knowledge, skills and experience held within key members of the executive management team and other key employees. Any attrition could have a negative impact on our ability to achieve our strategic goals and objectives. Because our operations are highly specialised, we could face difficulties in replacing key management and staff, which could have a material impact on our ability to execute our strategy and impact our long-term operating and financial performance.

Response to risk

- During 2024, we are developing a thorough succession plan to ensure sufficient quality and depth of succession resources in key managerial areas, which will be reviewed and approved by the Board.
- We continue to develop the strength and depth of the talent pool within our operations and management. We aim to attract, develop and retain the best talent. We engage with potential employees through multiple channels including participating in university career days and providing internship opportunities.
- During 2023, we appointed a Global Head of Human Resources who, amongst other things, is focused on broadening and deepening the pool of next generation leaders within our Group.

Our principal risks and uncertainties continued

Key

- Low impact
- Medium impact
- High impact
- Low likelihood
- Medium likelihood
- High likelihood

Communities

Description of risk

We consider ourselves a part of the communities in which we operate and by supporting our local communities, we believe we create long-term value for our communities and for our business. However, there are already some concerns among local stakeholders regarding the eventual closure of our facilities and the impact this may have on local communities, especially as social support and employment opportunities are generally limited. There is a risk that the Group may encounter rising community expectations that are increasingly difficult to meet, with "social licence to operate" implications.

Response to risk

- Eti Soda and Kazan Soda management and employees regularly meet with local community leaders on a formal and informal basis.
- In Türkiye, we operate in mainly agricultural areas but we have very limited impact on pre-existing land use, enabling our facilities to co-exist easily alongside the farming communities that surround us.
- We seek to align our social responsibility initiatives with the United Nations Social Development Goals ("UN SDGs") most relevant to our operations.
- We support a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions, which in 2023 amounted to $4.9 million.
- Our aim is to maintain and increase our community engagement and social impact over time, with the objective of having a long-term positive impact on more people within the communities that matter to us.

Macroeconomic

Description of risk

The demand and price for our products could be impacted by a range of macroeconomic factors, particularly as the Group supplies to large industrial customers in every major economic region of the world, including significant quantities to emerging economies. An economic recession or material slowdown in demand could result in loosening supply-demand conditions in one or more regions and may negatively affect the demand and/or price for our products.

Response to risk

- We are one of the lowest cost producers of soda ash with a proven global customer supply chain, allowing us to deliver on a cost competitive basis to every major soda ash consuming region globally.
- In the medium to long term, the market for soda ash is forecast to remain tight in terms of supply-demand balances. Many of the products in which soda ash is used are important to facilitating the energy transition, including container and flat glass, PV solar glass, lithium carbonate for use in EV batteries and a variety of other environmental applications.
- The annual demand for soda ash globally is forecast to grow by a further 15 million mtpa by 2030, with 70–75% of this growth being driven by sustainable end uses, most of which exhibit long-term, non-cyclical structural growth[1].
- Soda ash is an essential ingredient in a variety of industrial processes and has no economically feasible and environmentally viable substitute in almost all such processes.

Our principal risks and uncertainties continued

Key

- Low impact (circle)
- Medium impact (circle)
- High impact (circle)
- Low likelihood (triangle)
- Medium likelihood (triangle)
- High likelihood (triangle)

Geopolitical

Description of risk

The demand and price for our products could be impacted by a range of geopolitical factors, including conflicts, trade deals, sanctions, import tariffs and other factors. The consequences of these geopolitical factors could have a material impact on how our Group, our competitors and our customers conduct operations and business.

Response to risk

- Soda ash is an essential ingredient in a variety of industrial processes and has no economically feasible and environmentally viable substitute in almost all such processes.
- We are one of the lowest cost producers of soda ash with a proven global customer supply chain, allowing us to deliver on a cost competitive basis to every major soda ash consuming region globally. As a result, if a market or region becomes closed for geopolitical reasons, we are able to re-direct our supply volumes to markets or regions which offer the most attractive netback prices.

Customer and External Stakeholder Expectations (especially around sustainability)

Description of risk

The expectations of customers and other external stakeholders are evolving rapidly, especially regarding sustainability, and our Group is likely to face new demands as a result. While there is a degree of uncertainty over the nature and scale of these demands, they may result in increased capital expenditure[3] and operating costs for the Group, with possible implications for customer and other external stakeholder relations if expectations cannot be met.

Response to risk

- Our Board provides thorough and regular oversight, evaluation and review of our strategy and our execution against our strategic objectives.
- Executive management closely monitors customer and other external stakeholder expectations.
- Sustainability is integrated into everything we do and it is embedded throughout our governance and management framework.
- Within our industry, we believe we are a sustainability leader because we produce soda ash with the lowest Scope 1 & 2 CO_2e emissions intensity, water intensity and waste (particularly when compared to synthetic soda ash producers) and we believe that we have the lowest impact on nature and the environment[2].
- Through our various sustainability initiatives, we plan to maintain, and potentially extend, our leadership position over time.

Our principal risks and uncertainties continued

Key

- Low impact
- Low likelihood
- Medium impact
- Medium likelihood
- High impact
- High likelihood

Netback Revenue[3] and Netback Margin[3]

Description of risk

The financial performance of our Group is dependent on the price at which we sell our products and the cost of distributing our products to our customers. A decline in the price of our products or an increase in transportation costs could have a significant impact on our revenues and profitability. Price fluctuations are principally driven by supply-demand balances, amongst other factors, which may be outside our control.

Response to risk

- We undertake an annual sales contracting process, typically in the fourth quarter of each year, which defines the volume and pricing structure of sales to each customer for the following year's deliveries and provides some visibility over future year revenues.
- We are one of the lowest cost producers, with lower fixed and variable costs relative to synthetic soda ash producers that represent over 70% of global soda ash supply. As a result, we expect to be able to maintain higher operating margins.
- We aim to improve netback prices and operating margins by generating a price premium for our low carbon, sustainably produced soda ash relative to synthetic producers or by reducing our cost of delivery through increased efficiency and reduced cost in our global customer supply chain.

Production Costs (particularly energy)

Description of risk

Approximately 60% of our cash production costs is related to energy, mainly natural gas purchases. As a result, we are exposed to increases in the cost of energy, and particularly natural gas. If we are unable to pass such cost increases on to our customers, this would impact our profitability.

Response to risk

- Each year, we aim to contract a proportion of our global sales volumes on a variable price basis linked to energy input costs which for this portion allow us to adjust our sales prices based on changes in natural gas costs.
- Each year starting from 2023, we aim to hedge a significant proportion of our anticipated natural gas purchases, thereby reducing natural gas price volatility by locking in future prices.

Our principal risks and uncertainties continued

Key

Low impact | Medium impact | High impact
Low likelihood | Medium likelihood | High likelihood

Financial Liquidity

Description of risk

Our Group is exposed to financial liquidity risk as a result of customer credit arrangements, variable interest rates, foreign exchange exposures, capital expenditure[3] commitments, tax and debt service payments and changes in working capital as our business grows. There is a risk that changes in the pricing of our products, macroeconomic changes impacting the financial condition of our customers or other changes in the operating and financial landscape could have a negative effect on the cash flow and financial liquidity available to the Group.

Response to risk

- Our Group manages liquidity risk by maintaining adequate reserves, suitable banking facilities, and committed borrowing facilities.
- In 2023, we restructured existing debt and improved financial flexibility by increasing the size of the revolving credit facility and issuing $980 million Senior Secured Notes due 2028.
- Post period end, we issued a further $500 million Senior Secured Notes due 2031 improving further our financial flexibility and duration of our debt.
- We continuously monitor cash flow and seek to match the maturity profile of our financial assets and liabilities.
- We aim to maintain a minimum of $100 million cash liquidity on our balance sheet at all times. In addition, we also have a committed revolving credit facility ("RCF") with an initial size of $435 million, of which $331 million is currently undrawn.
- Our borrowings have both fixed and variable interest rates and we actively manage interest rate exposure using fixed/floating interest rate swap contracts, where necessary.
- Our Group functional currency is the US dollar, thereby minimising the impact of volatility in exchange rates, particularly the Turkish Lira versus hard currencies. We actively manage our Euro exposures.

Legal and Compliance

Description of risk

Any failure to comply with the legal and regulatory obligations in the countries or regions in which we do business, including IP litigation, competition laws and environmental regulation, could expose our Group to potential fines, temporary or permanent operating restrictions and/or reputational damage.

Response to risk

- The Board, Audit & Risk Committee and executive management regularly monitor and review key legal and compliance risks, supported by a range of policies, including those regarding adherence to anti-money laundering, sanctions compliance, and anti-bribery and corruption requirements.
- During 2023, we established a Global Compliance function responsible for the development, implementation and monitoring of policies, as well as the training of all staff.
- Our Chief Legal Officer and Company Secretary closely monitor any changes to relevant legislation, and legal and regulatory frameworks and our ongoing compliance with each.
- Our Group uses its own registered trademarks and patents.
- All contracts are carefully reviewed by internal and specialist external counsels as required, including all distribution and sales contracts which are reviewed by anti-trust counsel.
- In 2023, no significant instances of non-compliance were noted, and our Group did not incur significant fines or non-monetary sanctions.

1. Source: Advancy research, February 2024. **2.** We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 1.37, Scope 1 & 2 CO2e emissions intensity of 0.334, water intensity of 2.15, and total waste directed to disposal of 85,850 mt (in each case for 2023) as these metrics provide a relative and comparable measure of performance across our industry. **3.** See Alternative Performance Measures on page 134.

Section 172 Companies Act 2006

Our formal Section 172 Statement is set out on this page. References to Board, Audit & Risk Committee and Sustainability Committee refer to the Kew Soda Board and its committees. Further information regarding how the principles underpinning Section 172 is reflected across our wider business are incorporated by cross-reference in the table at the end of the statement.

In their discussions and decisions during 2023, the Directors have acted in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (and in doing so have regard to the matters set out under Section 172(1) (a)-(f) of the Companies Act 2006).

Likely consequences of any decision in the long term

The Board recognises the need to take into account the likely consequences of its decisions over the long-term as part of its consideration of the strategy and business model as set out on pages 8 to 17 and 4 and 5. As part of its strategic discussions, the Board considered market and industry trends, as well as the potential impact on a range of stakeholders.

During the first half of 2023, the Board and Audit & Risk Committee undertook extensive work in preparation for an initial public offering (IPO). This included changes to the governance framework, the appointment of several independent non-executive directors and the development of supporting governance and other arrangements. Following the decision to cancel the IPO in June 2023 due to continued weak and volatile equity market conditions, the Board decided to retain many of the enhanced governance arrangements to support its stewardship of the business.

In March 2024, the Independent Non-Executive Directors stepped down from the Kew Soda Board and joined the WE Soda Board. The Kew Soda Board Committees were also disbanded and replaced with equivalent Committees, both in terms of membership and duties, at WE Soda level. This is explained in more detail in the Governance section starting on page 106.

Stakeholders

The Board and its committees recognise the value and importance of our business to all stakeholders. The Board actively engages, directly and indirectly, with our employees and our wider stakeholders to ensure that their opinions and concerns are taken into account when making decisions. The results of the employee engagement survey showed high levels of satisfaction and loyalty, overall. The Sustainability Committee oversees engagement with stakeholders, with particular focus on our employees and the communities in which we operate. Our Chief Operating Officer has responsibility for our operations at Eti Soda and Kazan Soda, with responsibility for health & safety and direct engagement with employees at those sites. He reports outcomes of employee engagement to the CEO and to the Sustainability Committee, ensuring that the employee voice is heard at Board level. Our Global Sustainability Director provides additional oversight of health & safety as well as local community engagement, and she also reports regularly to the Sustainability Committee. This structure ensures that the Board is kept fully appraised of the material issues associated with these stakeholder groups.

During 2023, various outreach activities were undertaken with Federal, State and local agencies in relation to our greenfield projects in Wyoming, US. These were supported by a number of community engagements that included open house discussions, as well as county commission and other meetings.

We seek to provide an environment which carefully considers the interests of our employees, ensuring that their workplace is safe and fair. During the year, our focus on the personal safety and process safety management practices at both Eti Soda and Kazan Soda, with the objective of achieving international best practice standards, has been supported by an expert safety consultancy.

In November 2023, the Board visited our Turkish operations. Site visits allow for direct communication with employees, providing an opportunity for employees to give direct feedback and for the Board to develop a more in-depth understanding of the operations of the business. In addition, individual non-executive directors visited the greenfield site in Wyoming, US.

Section 172 Companies Act 2006 continued

Responsible business strategy

During the year, the Board discussed different elements of our strategy to ensure long-term success of the Group. Our strategy aims to grow the business organically through investment in and the development of our existing assets, as well as the development of the greenfield sites in Wyoming, US, using innovation and operational excellence to ensure our processes are low cost, efficient and sustainable.

As part of its consideration of the long-term consequences of its decisions and their impact on communities and the environment, the Board continued to oversee the development and embedding of the Group's sustainability initiatives via the Sustainability Committee.

The Sustainability Committee has oversight for the development and implementation of the Group's sustainability initiatives including the review of sustainability strategy, policies, compliance systems and monitoring processes, and to ensure that the Group is performing in a manner consistent with international best practice. Additional resources have been added to the sustainability team to strengthen reporting and the implementation of initiatives.

The Board acknowledges its responsibility for maintaining the reputation of the Group as a leader within its industry. Consistent with our goal of upholding high quality governance standards, this year, the Board continued to develop the governance framework, strengthening risk management and compliance throughout the Group to ensure we conduct our business to international best practice.

Section 172 factor	Relevant disclosures
The likely consequences of any decision in the long term	• Our business model (page 4) • Our strategy (page 8) • Key performance indicators (page 66) • Risk management and Principal risks (page 78) • Corporate Governance (page 117)
Interests of employees	• Our stakeholders (page 74) • Operating sustainably report – Our people (page 28)
Fostering the Company's business relationships with suppliers, customers and others	• Our business model (page 4) • Our strategy (page 8) • Our stakeholders (page 74)
Impact of operations on the community and the environment	• Our strategy (page 8) • Our stakeholders (page 74) • Operating sustainably report – Our people (page 28) • TCFD (page 89)
Maintaining a reputation for high standards of business conduct	• Risk management and Principal risks (page 78) • Corporate governance (page 117)
Acting fairly between members of the Company	• Our stakeholders (page 74)

TCFD

We believe that our company has the lowest impact on the environment and nature within our industry. In our second year of Task Force on Climate-Related Financial Disclosures ("TCFD") reporting we have worked to further strengthen our alignment to the recommendations of the TCFD.

Introduction

Building on our progress in 2022, we have focused on embedding sustainability across the business by enhancing our governance structures, expanding our management processes regarding climate-related risks and opportunities ("CRROs"), and ensuring our climate-related strategies are operational. During 2022, we committed to reaching Net Zero Scope 1 & 2 CO2e by 2050. This commitment is a core component of our sustainability strategy and to being a global leader in the soda ash industry.

While our climate-related reporting has advanced significantly over the past year, further work will be required to strengthen our alignment with the TCFD recommendations as summarised on page 97. In 2024, we will focus on the development of our decarbonisation roadmap which will set out our key climate-related strategies and further improve our alignment with the International Financial Reporting Standards ("IFRS") – International Sustainability Standards Board ("ISSB") S2 recommendations.

Our work on climate change is described below for each of the four pillars of TCFD: Governance, Strategy, Risk Management, and Metrics & Targets, and includes the areas where we have also aligned to the IFRS – ISSB S2 recommendations.

References to Board, Audit & Risk Committee and Sustainability Committee refer to the Kew Soda Board and its committees unless otherwise stated.

Our Climate Governance

Progress in 2023 on our 2022 Commitments

Established Sustainability Committee reporting structures, including climate-related governance and related performance measures, to ensure the Board are kept regularly informed on the management of climate-related issues.

Strengthened sustainability management framework, setting out team composition, roles and responsibilities, policies, and procedures.

Finalised and convened topic-specific working groups across operations to progress initiatives including efforts to mitigate climate-related impacts.

Set regular management working sessions to build capacity, allocate responsibilities, ensure implementation, and to monitor and report on climate progress.

Board Oversight

Managing climate change is one of our strategic priorities. The responsibility and oversight for sustainability and climate change strategy sits with our Board and its committees. At Board, level our CEO has overall responsibility for sustainability as well as our strategic responses to the associated risks and opportunities. Climate change issues are integrated into our decision-making when reviewing annual budgets, major capital expenditure commitments, business plans, and risk management initiatives. Our Board members take an active role in improving their understanding of climate-related issues by attending and participating in thought leadership events, engaging with experts and through their other board positions. In 2023, the Board strengthened our sustainability processes, oversaw and approved our Net Zero transition plan, expanded our climate-based scenario analysis and monitored our progress. In 2024, the WE Soda Board will review and approve our Net Zero roadmap.

Our Board is advised and supported by the Sustainability and Audit & Risk Committees, which meet quarterly, to enhance climate oversight. Climate matters are communicated by the Chair of the Sustainability Committee, who also serves on the Board as well as on the Audit & Risk Committee. The Sustainability Committee monitors the implementation and performance of our sustainability strategy, including our response to Climate-Related Risks and Opportunities ("CRROs"). In 2023, the Sustainability Committee approved our short-term and mid-term carbon emission and water intensity targets and our Net Zero target. In 2024, the WE Soda Sustainability Committee will continue to oversee our progress, and guide us in these areas.

In 2023, the Kew Soda Audit & Risk Committee supervised the approval of an updated risk management framework and a refined Enterprise Risk Register, and these will continue to be monitored in 2024 and beyond, including our CRROs.

Executive Management's Role

Within our executive management, our Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Chief Strategy & Risk Officer ("CSRO") and our Global Sustainability Director ("GSD") are responsible for implementing our climate strategies.

CEO

Has overall responsibility for sustainability within our Group, including our sustainability strategy, our responses to CRROs and the actions taken to ensure progress against our Net Zero targets and other sustainability commitments. Our CEO reports directly to our Board and its Committees which review our performance against our sustainability targets quarterly and our sustainable development strategy annually.

COO

Supports our CEO in delivering our sustainability strategy and in monitoring of our performance. Working alongside our GSD and the sustainability management team, our COO is responsible for operational implementation of sustainability projects and performance.

CFO

Supervises annual budgets including those for climate related mitigation activities, major capital or operational expenditures, and climate-related scenario analysis. Accountable for our internal and external financial reporting obligations, our CFO contributes towards the planning of climate-related capital and operational expenditure, and assessment of the financial impact of identified risks and opportunities.

TCFD continued

CSRO

Is accountable for the management of risks across all areas of the business, including CRROs. Our CSRO has responsibility for the Enterprise Risk Register which includes assessing and managing climate related risks, reporting these to the Audit & Risk Committee, and incorporating climate-related issues into our overall strategy.

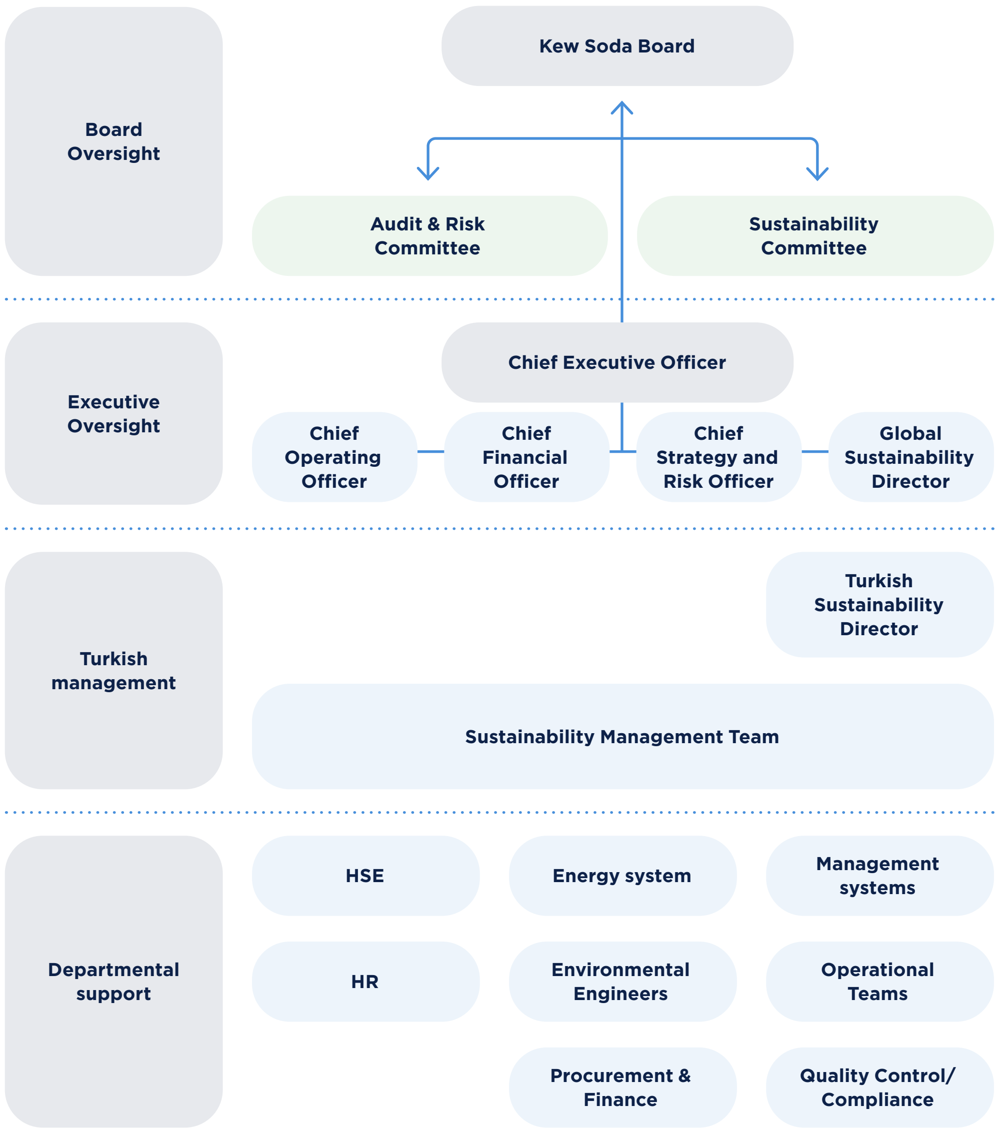
GSD

Coordinates and supervises our sustainability activities, works with our sustainability management team to embed our climate transition plan across business functions, monitors progress against climate-related targets, and ensures ongoing review of the CRROs. This includes working with our Turkish sustainability management team to ensure performance metrics guide decisions and operational actions and with our Global Head of Compliance (“GHC”) to ensure Group policies and processes are followed.

Our sustainability management team is responsible for coordinating action plans to deliver our sustainability strategy, supporting our responses related to reporting and disclosure, sustainability assessment submissions and monitoring the implementation of strategic sustainability projects within our business. Our climate strategy is executed and delivered at site level by our operational teams working in partnership with our sustainability management team. The strategy has key performance indicators (“KPIs”) and formal targets, which are regularly monitored by our executive management team, to ensure delivery against our sustainability goals.

The management of climate-related issues will be incentivised by our Group using remuneration policies that incorporate climate-related KPIs. These are detailed in “Our climate Metrics & Targets” section.

2023 Sustainability Governance Structure



Our Climate Strategy

Progress in 2023 on our 2022 Commitments

- Developed a medium and long-term plan for reducing (and potentially eliminating) Group CO2e emissions
- Developed a water consumption reduction strategy with an operational focus at Kazan Soda

Our Climate Strategy is fundamental to our business and financial planning. Built around seven pillars, including climate resilience, carbon emissions and water stewardship, one of the central objectives of our strategy is our goal of reaching Net Zero CO2e by 2050. We have also set shorter term Scope 1 & 2 intensity reduction targets to reduce our CO2e emissions intensity by 20% by 2027 and by 40% by 2032 (both relative to a 2022 baseline). To achieve our goals, we are developing a decarbonisation roadmap and have established a research and development (“R&D”) team to explore and pilot innovative carbon emissions reduction technologies to be deployed in our production facilities.

We have increased our renewable energy generating capacity by installing 7 MW solar PV during 2023 and by utilising 7.8% biomass in our cogeneration boiler fuel mix at Eti Soda. We have also improved our overall energy efficiency through the production debottlenecking project at Kazan Soda as well as installing new lighting systems, variable drive pumps, and using alternative cooling fan technology. In the medium to long-term, we have identified opportunities

TCFD continued

to increase our total solar PV and wind power generating capacity to approximately 250 MW by 2032, and identified initiatives to further optimise our production efficiency and logistics through the use of rail transportation within Türkiye and by using larger, and therefore fewer, vessels to reduce emissions on our exported volumes.

The integration of climate issues into our risk management processes, our strategy and our financial planning is an important consideration for our business. It allows us to develop an in-depth understanding of the impact which CRROs could have on our operations, helping to ensure that our strategy remains resilient, agile and able to maximise opportunity and minimise risk for all stakeholders.

To enhance our understanding and visibility of these risks and opportunities, we undertook a detailed scenario analysis in 2023 in partnership with our sustainability consultant, ERM (Environmental Resources Management Limited), strengthening our climate risk assessment by considering a wider range of scenarios and integrating longer-term considerations. This enabled us to model a more in-depth picture of our risk and opportunity profile using a three-step approach:

CRRO Identification

Climate Scenario Analysis

Financial Quantification

To align with TCFD guidance, we assessed a wide range of physical and transition CRROs including policy and legal, technology, market, reputation, acute and chronic physical risks (including extreme weather events, flooding and wildfires), reduced access to capital, and increased cost of shipping. Each risk was ranked based on its likelihood of occurance and the severity of the potential impact, and then reviewed with internal stakeholders to assess the materiality of each risk to our business.

Physical and Transition Climate Scenarios

We conducted climate-related scenario analysis on the shortlisted risks and opportunities, assessing their potential impact on Eti Soda, Kazan Soda and Derince Port. The scenarios and time horizons used in this exercise are aligned with best practice guidance in the TCFD and other frameworks, as set out in the table on the right.

We recognise that there is uncertainty in the results of the climate risk assessment due to the scope of the assessment, the inherent uncertainties associated with climate scenarios and the limitations of the physical and transition datasets. However, we are confident that these results provide a fair assessment of our risk profile.

Scenario	High Carbon	Low Carbon
Physical *Time horizons: 2030 and 2050*	**IPCC SSP 5–8.5** ● A "business-as-usual", high emission scenario with no additional climate policy. Demand for energy triples by 2100, dominated by fossil fuels. Current CO2 emissions levels double by 2050, and there are many challenges to mitigation.	**IPCC SSP 1–2.6** A scenario aligned with the ambition set under the Paris Agreement. It is implied that the world achieves Net Zero emissions by the second half of the century. Renewables account for more than half of the energy supply by 2050, and there are few challenges to climate mitigation and adaptation.
Transition *Time horizons: 2025, 2030, 2040 and 2050*	**Stated Policies Scenario (STEPS)** This scenario reflects current policy settings based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place as at the end of August 2023, as well as those that are under development. The scenario also considers currently planned manufacturing capacities for clean energy.	**Announced Pledges Scenario** ● This scenario assumes that all climate commitments made by governments and industries around the world as at the end of August 2023, including Nationally Determined Contributions ("NDCs") and longer-term Net Zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time.

● Denotes highest impact scenarios for physical and transition analysis.

TCFD continued

Climate Related Risks and Opportunities (CRROs)

Our principal CRROs are summarised in the tables below. We plan to further expand our CRRO analysis over the coming years by considering our end-to-end value chain in more detail. Our strategic responses to the key CRROs facing us can be found on page 94.

Summary of Our Climate-related Risks

Risk	Type	Description of Impact
Water stress and drought	Chronic Physical	Water is an essential input to our production process, as well as being important to the local communities in which we operate. Increases in water scarcity could lead to reduced water availability impacting our ability to sustain operations at normal capacity. This could reduce revenues, increase operating costs and increase capital expenditures due to additional water filtration and treatment of potentially lower quality water.
Increased pressures on water supply resulting in regional conflicts	Chronic Physical	Increased pressures on water supply in Türkiye may cause increased competition for resources and potential social conflict due to water shortages. This may negatively impact our relations with local communities and damage our social “license to operate”. If water supply is reduced, water usage and prioritisation of water access may be regulated which could disrupt our operations, leading to revenue losses.
Extreme heat	Chronic Physical	Extreme heat events such as heatwaves may impact the ability of our teams to work, increase the possibility of accidents, injuries and over exposure to heat. With increased heat cooling requirements will rise, and therefore the demand for water, which in tandem with increased water scarcity will increase capital and operating expenditure.

Summary of Our Climate-related Opportunities

Opportunity	Type	Description of Impact
Carbon pricing	Policy & Legal	Reducing the CO2e emission intensity of our product further increases our competitive advantage as we potentially fall further below emissions intensity baselines in Türkiye and the EU. Reduced exposure to carbon pricing and subsequently avoiding significant increases to operational cost will result in a lower cost burden from carbon pricing as compared to our competitors, enabling improved product pricing and market share.
Increased market share in sustainable applications	Market	If we match increases in demand for soda ash within sustainable applications with higher “value in use”, for example for lithium carbonate or PV solar glass, with increases in production and sales to these end use applications, resulting in potentially significant growth in market share can be achieved and material revenue growth.
Renewable energy generation	Technology	Despite the capital expenditure required, increasing our owned renewable energy generating capacity could reduce our operating expenses compared with the cost of fossil fuels, reduce our exposure to fossil fuel price volatility and reduce our exposure to the “green-brown” energy price spread as the economy decarbonises. The use of renewable energy will also allow us to reduce emissions and remain well below carbon pricing thresholds, as well as providing long term revenue generating assets beyond the life of our soda ash operations.

TCFD continued

Financial Quantification

We have quantified the impact of what we believe to be the three most significant CRROs from a financial perspective.

Carbon Pricing

We compared the cost burden at Eti Soda and Kazan Soda from the Türkiye ETS against two theoretical EU synthetic soda ash producers subject to the EU ETS, one with average CO2e intensity and one in the worst performing quartile in terms of CO2e intensity. Increased operating costs from the proposed Turkish ETS were calculated at five-year time horizons from 2025 to 2050, using carbon price projections from the IEA WEO 2023 Stated Policies ("STEPS"), Announced Pledges ("APS") and Net Zero by 2050 ("NZE") scenarios.

At each time horizon, additional operating costs were calculated using our individual site emission projections, a carbon price exposure percentage based on the free allocation of emissions permits within the ETS, carbon price projections by scenario, and pass-through to customers of carbon costs. The same method was applied to calculate increased operating costs for the two theoretical competitors to enable comparison of the potential operating cost burden.

Carbon Pricing: Potential Financial Impact

- **Up to $45 per mt** of carbon pricing cost saved per mt of product by 2030 as compared to worst performing quartile CO2e emissions intensity EU synthetic competitor.
- **Up to $70 per mt** of carbon pricing cost saved per mt of product by 2050 as compared to worst performing quartile CO2e emissions intensity EU synthetic competitor.

Increased Market Share in Sustainable Applications

We financially quantified the opportunity in terms of revenues from increasing our share of sales to higher value-in-use sustainable end products; we focused on two key products: PV solar glass and lithium carbonate used to produce EV batteries. Increased revenue as a result of growth in these end markets was calculated at five-year time horizons from 2025 to 2050, using usage data for each end product from the NGFS Nationally Determined Contributions, Below 2 Degree and Net Zero 2050 scenarios.

Increased Market Share in Sustainable Applications: Potential Financial Impact

- **Up to $250 million** additional annual revenue from soda ash associated with PV solar panels and lithium carbonate used for EV battery production by 2030.
- **Up to $900 million** additional annual revenue from soda ash associated with PV solar panels and lithium carbonate used for EV battery production by 2050.

"Up to $900 million additional annual revenue from soda ash associated with PV solar panels and lithium carbonate used for EV battery production by 2050."

TCFD continued

Water Stress and Drought

To financially quantify the risk of water stress on our operations at Eti Soda and Kazan Soda, we calculated two metrics: the revenue loss incurred from business disruption due to limited water supply; and the additional operating costs for extra water treatment needed due to reduced water quality. The financial impacts were quantified for 2030 and 2050 using IPCC climate scenario data for a low emissions scenario (SSP1-2.6) and a high emissions scenario (SSP5-8.5).

For each scenario and timeframe, the revenue loss and impact on operating costs were calculated using climate scenario and water usage data. We calculated the potential number of days of business interruption and additional water treatment requirements. These were then used to project potential revenue loss and additional operating costs resulting from water stress conditions in the future.

Water Stress and Drought: Potential Financial Impact

- **Up to $250 million** possible annual revenue loss and between $0–2 million of additional annual operating cost by 2030.
- **Up to $550 million** possible annual revenue loss and up to $3 million additional annual operating cost by 2050.

Impact of CRROs on Strategy and Financial Planning

CRRO	Impact on Our Strategy	Impact on Our Financial Planning
Water stress and drought	Due to the materiality of the risks associated with water stress, we have already put several targets and measures in place, including reducing our water intensity by 20% by 2027 (relative to a 2022 baseline). We are planning several new initiatives, including: • the installation of dry air-cooling systems; • an enhanced water recovery project using reverse osmosis technology to increase the volume of process water we re-use; • improving the efficiency of our water treatment processes and reducing the amount of water we need to withdraw; and • re-use of 2-bar condensate from the cogeneration units, increasing the volume of process water we re-use.	Water stress risk is projected to significantly increase across our operations and this suggests that our water-related costs are likely to rise. Due to the significance of water to our operations, we have accounted for this change by allocating investment to reduce our water intensity.
Increased market share in sustainable applications	With the objective of generating a premium price for our sustainable products and increasing our share with higher "value-in-use" customers, we have an increased focus on marketing our low carbon products. We have LCA (Life Cycle Assessment) and EPD (Environmental Product Declaration) certification for our products at Eti Soda and Kazan Soda. This certifies our products' low carbon intensity and has the potential to open new markets and premium pricing opportunities in the future.	We expect the combination of increased customer (and consumer) demand for sustainable products and our low-carbon, sustainable product will result in increased revenue. However, in the long-term we could be exposed to market risks if we fail to maintain our sustainability advantage relative to other suppliers. To mitigate this risk, we are increasing our capital expenditure on renewable energy capacity, integrating biomass into our steam and electricity generation and developing innovative new process and carbon capture technologies, to further reduce our CO2e intensity.

TCFD continued

Impact of CRROs on Strategy and Financial Planning continued

CRRO	Impact on Our Strategy	Impact on Our Financial Planning
Carbon pricing: Implementation of ETS or CBAM	Emerging regulations have directed our R&D strategies. We have conducted studies to increase renewable energy generation capacity: • We have added 7 MW of PV solar capacity in 2023. • We plan to add a further 8 MW of PV solar capacity in 2024. • We plan to install 180 MW of PV solar and wind power capacity by 2027 and 250 MW by 2032. • We plan to increase our biomass usage from 7.8% of cogeneration fuel consumption at Eti Soda in 2023 to 12% by 2027. • In the medium to long-term, we are aiming to phase out coal as a fuel source. We are developing innovative new process and carbon capture technologies, to further reduce our CO2e intensity.	Kazan Soda and Eti Soda's products are not currently subject to the EU ETS, nor would soda ash initially be subject to CBAM, with our products having emission values of approximately half of the current benchmark value. To the extent the CBAM was extended to the import of soda ash into the EU from Türkiye, we believe we will still be in an advantageous position compared to synthetic soda ash producers, as our products have significantly lower emission values, and thus would be subject to lower price adjustments on import into the EU. However, the adoption of additional climate change legislation, particularly in Türkiye, may result in additional compliance expenditures, thereby increasing operating costs, or could impose new trade barriers resulting in challenges to export soda ash and sodium bicarbonate into certain markets, which could have a material adverse impact on our business. We have factored these potential impacts into our financial planning and have responded by focusing on investment in various different CO2e reduction initiatives.
Reputational risk	The potential reputational risks caused by poor sustainability practices have led us to set high expectations for our suppliers. In 2021, we introduced SEDEX into our supplier assessment processes to enhance sustainability standards within our suppliers. We also raise awareness of the impact of climate change amongst our suppliers through regular engagement and dialogue.	We have allocated additional resources and capital to support our suppliers and to ensure compliance with our sustainability standards. We have segmented our suppliers to more specifically target those with increased risk of non-compliance over the next five years.

Our Resilience to CRROs

We have already taken action to build resilience to climate-related issues including investing in water reduction technologies, increasing renewable energy generating capacity and initiatives to enhance our production efficiency and reduce our already low CO2e intensity. We have developed our understanding of CRROs which will enable us to implement additional measures and increase our resilience. We have made significant progress in 2023 but recognise that this is an evolving process and we therefore aim to adopt a process of continuous improvement. We will monitor our KPIs relating to CRROs in the coming years and we plan to expand the scope of our CRRO assessments to include our supply chain and to develop responses to any newly identified climate-related issues.

TCFD continued

Our Climate Risk Management

Progress in 2023 on our 2022 commitments

Developed our enterprise risk management with the inclusion and analysis of CRROs.

Conducted detailed physical and transition climate scenario analysis.

Financial quantification of our principle CRROs.

Identifying and Assessing CRROs

Our Chief Strategy & Risk Officer ("CSRO") governs our approach to CRROs, with responsibility assigned to risk owners across our business covering operational, financial, strategic, legal/regulatory, and external risks. Risk owners qualitatively assess the potential scale and scope of risks and opportunities on a regular basis, using the impact and likelihood ratings within our Enterprise Risk Register. Any identified CRROs are consolidated into our Enterprise Risk Register and reviewed by the Executive Risk Committee on a quarterly basis. Potentially significant or substantive risks and opportunities are prioritised for further assessment, including financial quantification, which strengthens our approach to mitigating risks and maximising opportunities.

Managing CRROs

Under the direction of our CSRO, a cross divisional Risk Working Group is responsible for formulating initial risk management and internal control principles with risk owners. This is then reviewed by the Executive Risk Committee and the Audit & Risk Committee of the Kew Soda Board, both of which are responsible for implementing formal arrangements for the management of CRROs.

Our CRRO management strategy has focused primarily on those CRROs that are likely to have a material impact on our business. The potential impact of water stress and drought are key areas of focus, and in 2024 we plan to further scrutinise and review our approach to water stress and the potential for this to cause competition for water within our catchment.

The CRROs that have been assessed to have a potentially material impact on our business are included, managed and maintained within our Enterprise Risk Register. We consider a risk or opportunity to be "material" if it has the potential to have a >50% likelihood of occurring within the next one to three years and is likely to have significant financial, compliance, strategic or reputational impact (eg, > 10% impact on EBITDA or net asset value). Risks or opportunities, including CRROs, classified as "material" are considered as principal risks and are prioritised for review by the Executive Risk Committee and the Audit & Risk Committee of the Kew Soda Board.

Our Climate Metrics & Targets

Progress in 2023 on our 2022 commitments

We are in the development phase of our decarbonisation roadmap.

Metrics

To evaluate our progress, we monitor key sustainability and climate-related metrics, which include:

- Energy use and intensity.
- CO2e emissions and intensity.
- Water use and intensity, focusing on withdrawal, recycling, and discharge.
- Waste circularity.

A detailed breakdown of these metrics is provided in the Our performance indicators section, on page 101 of this report.

Targets

We have recently set climate and sustainability targets for our Group which include:

Achieving Net Zero CO2e by 2050

20% and 40% CO2e intensity reduction targets by 2027 and 2032, respectively
(relative to a 2022 baseline)

20% water intensity reduction target by 2027
(relative to a 2022 baseline)

We have detailed annual internal targets to help achieve our emission intensity reduction commitments. During 2023, we have been developing a Group decarbonisation roadmap, which outlines actions we are taking to achieve our targets for our Scope 1 & 2 CO2e emissions. We are also developing a Group five and ten-year Scope 3 CO2e emissions reduction target and we intend to set an SBTi aligned Net Zero target by 2026. Our Board monitors and oversees progress against goals and targets which address climate-related issues.

TCFD continued

Scope 1, 2, and 3 GHG Emissions

We calculate our greenhouse gas ("GHG") emissions in alignment with Defra and IPCC Guidelines, The Greenhouse Gas Protocol and ISO 14064-3[1]. Scope 2 emissions are calculated using both a location-based and a market-based approach. Market-based emissions are sourced from electricity purchased from the grid and we derive emission factors from supplier-specific emission rates and contractual instruments such as energy attribute certificates ("EACs"), renewable energy certificates ("RECs") and green tariffs.

We have calculated and monitored our Scope 1 & 2 emissions from 2020 according to the GHG Protocol. In 2022, we began calculating and reporting our Scope 3 emissions and we are planning to set a Scope 3 reduction target. A detailed breakdown of our GHG emissions data is provided in the performance indicators section, on page 101 of this report.

During 2023, we commissioned a multi-criteria assessment to review the most feasible Scope 1 & 2 decarbonisation opportunities and technologies to be assessed alongside innovative work which is being undertaken by our R&D group.

Impact of Climate Performance Metrics on Remuneration

During 2024, we intend to design and start implementing a reward and recognition policy which will include an annual bonus programme (expressed as a percentage of base salary) for all of our executive management team. The KPIs against which the annual bonus will be assessed will include metrics related to climate change, progress against our climate transition plan, progress towards climate-related targets, energy efficiency and GHG reduction initiatives. Together, these are expected to have a 20% weighting in the calculation of the total annual bonus award payout for each individual.

Conclusion and 2024 Action Plan

We recognise that whilst we already produce soda ash with low CO2e emissions and water intensity compared with other producers, we are also aware of the potential impact that CRROs may have on our business and our stakeholders.

During 2023 we have made significant progress against our 2022 climate-related commitments and in understanding our CRROs. This has included developing our climate-related governance structure, undertaking expanded scenario analysis and financially quantifying key physical and transition CRROs. As such, our disclosure and alignment with the TCFD recommendations has strengthened.

We are committed to continuing our progress and we have developed an enhanced action plan for 2024 designed to keep us in alignment with the TCFD, emerging ISSB recommendations and other disclosures such as CDP, while continuously improving our understanding of our CRROs, improving our businesses' resilience to climate change and capitalising on the opportunities presented by the energy transition.

TCFD Pillar	Action Plan for 2024
Governance	• Continue to develop and integrate formal processes which will inform our executive management team about climate-related issues.
Strategy	• Undertake additional scenario analyses to include the upstream and downstream supply chain (especially considering extreme weather conditions) to align with IFRS S2 requirements. We anticipate that this will progress annually, although our near-term focus will be on our transport and logistics network. • Develop and integrate a formal transition plan into our strategy and financial planning to align with IFRS S2. • Develop a water stress focused climate resilience assessment for our Group. • Prepare for a Science Based Targets initiative ("SBTi") recommitment for our Group by 2026.
Risk Management	• Continue to monitor and review our identified CRROs within our Enterprise Risk Register.
Metrics & Targets	• Expand remuneration-related metrics to include additional metrics related to water usage, waste, and energy consumption. • Develop a Group five and ten-year Scope 3 emissions reduction target. • Disclose additional cross-industry metric categories of the amount and percentage of assets or business activities vulnerable to CRROs to align with IFRS S2 requirements. • Disclose whether carbon credits will be used to meet Net Zero targets to align with IFRS S2 requirements.

1. Full methodologies and guidelines: Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019; IPCC Guidelines for National Greenhouse Gas Inventories, 2006; The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition); The Greenhouse Gas Protocol: Scope 2 Guidance; The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard; and ISO 14064-3.

Our performance indicators

Social performance indicators

Employee demography[2]	2021	2022	2023
Total number of employees	**1,408**	**1,373**	**1,570**
Male	1,274	1,224	1,377
Female	134	149	193
Number of permanent employees	**1,296**	**1,372**	**1,537**
Male	1,162	1,223	1,352
Female	134	149	185
Türkiye	*1,273*	*1,346*	*1,509*
UK	*23*	*26*	*28*
US	–	–	*0*
Temporary employees (fixed term contracts)	**112**	**1**	**33**
Male	112	1	25
Female	0	0	8
Türkiye	*112*	*1*	*13*
UK	–	–	–
US	–	–	*20*
Non-guaranteed hours employees	**0**	**0**	**0**
Male	0	0	0
Female	0	0	0
Türkiye	*0*	*0*	*0*
UK	–	–	*0*
US	–	–	*0*
Full-time employees	**1,408**	**1,373**	**1,570**
Male	1,274	1,224	1,377
Female	134	149	193
Türkiye	*1,385*	*1,347*	*1,522*
UK	*23*	*26*	*28*
US	–	–	*20*
Part-time employees	**0**	**0**	**0**
Male	0	0	0
Female	0	0	0
Türkiye	*0*	*0*	*0*
UK	*0*	*0*	*0*
US	*0*	*0*	*0*
Contractors (temporary agency staff)	**3**	**0**	**1**
Percentage of employees covered by collective bargaining agreements	**0**	**0**	**0**

Employee demography[2]	2021	2022	2023
Total number of employees by age group			
18–30	429	428	568
30–50	836	853	924
50+	143	92	78
Other indicators of diversity			
Minority groups	16	18	1[2]
Disabled employees	31	34	40

Ratio of basic salary	2021	2022	2023
Ratio of basic salary and remuneration of women to men[3,4]			
Eti Soda	-17%	-19%	-38%
Kazan Soda	-21%	-29%	-29%

Annual total compensation ratio[4,5]	2021	2022	2023
Ratio of annual total compensation for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)[4]	**212:1**	**159:1**	**203:1**
Ratio of the percentage increase in annual total compensation or the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	n/a	n/a	n/a

Gender balance of Board	2021	2022	2023
Gender			
Male	9	7	8
Female	1	3	3
Age group			
Under 30	0	0	0
30–50	3	2	3
Over 50	7	8	8
Other			
Minority	1	1	1

1. Calculations based on headcount as at year end (31 December) for each of the reported years. **2.** 2023 data readjusted to remove Turkish nationals from London office statistics. **3.** Significant areas of operations defined as locations that have over 100 FTE. The ratio of basic salary has been calculated in line with UK Gender Pay Gap reporting requirements, using the snapshot date of 5 April. **4.** 2023 data readjusted to remove double counting of employees paid across multiple locations. **5.** Calculations based on the total remuneration (including salary and bonuses) of individuals employed during each of the reported years, against the CEO's total remuneration for those years.

Our performance indicators continued
Social performance indicators continued

Employee retention/turnover	2021	2022	2023
Number of employees hired	**168**	**185**	**308**
Under 30	106	121	230
30–50	55	52	67
Over 50	7	12	11
Gender			
Male	149	156	246
Female	19	29	61
Location			
Türkiye			286
UK	n/a	n/a	12
US			10
Number of employee leavers	**101**	**106**	**184**
Under 30	46	52	106
30–50	48	38	63
Over 50	7	16	15
Gender			
Male	87	91	161
Female	14	15	23
Location			
Türkiye			180
UK	n/a	n/a	2
US			2
Employee retention rate (remaining headcount during set period/starting headcount during set period) x 100	**93%**	**93%**	**88%**

Employee Development	2021	2022	2023
Employee training – Total Hours			73,312

Occupational health & safety

SGK reporting	2021	2022	2023
Eti Soda			
Total workforce headcount	554	582	728
Total working hours (thousands)	1,087.60	1,153.90	1,346.72
Number of fatalities	0	0	0
Number of workplace accidents	17	8	16
Total number of LTI[1] injuries	14	5	13
Number of LTI lost workdays	112	26	229
Accident Frequency Rate[2]	16	7	12
LTI Severity Rate[3]	103	23	170

SGK reporting	2021	2022	2023
Kazan Soda			
Total workforce headcount	743	800	907
Total working hours (thousands)	1,465.90	1,583.40	1,699.91
Number of fatalities	0	0	0
Number of workplace accidents	35	21	27
Total number of LTI injuries	30	21	26
Number of LTI lost workdays	600	402	560
Accident Frequency Rate	24	13	16
LTI Severity Rate	409	254	329
Group			
Total workforce headcount[4]	1,297	1,382	1,722
Total working hours (thousands)	2,553.40	2,737.40	3,063.70
Number of fatalities	0	0	0
Number of workplace accidents	52	29	44
Total number of LTI injuries	44	26	39
Number of LTI lost workdays	712	428	789
Accident Frequency Rate	20	11	14
LTI Severity Rate	279	156	258

Safety Performance of Eti Soda and Kazan Soda – Contractors

SGK Contractors	2021	2022	2023
Total working hours (thousands)	–	–	849
Number of fatalities	–	–	–
Number of workplace accidents	–	–	36
Number of LTI injuries	–	–	24
Number of LTI lost workdays	–	–	259
Accident Frequency Rate	–	–	42
LTI Severity Rate	–	–	305

1. LTI = Lost time injury. **2.** Accident Frequency Rate = Number of work accidents divided by total working hours x one million. **3.** LTI Severity Rate = Number of LTI workdays divided by total working hours x one million. **4.** OHS data for Turkish sites only – headcount includes employees, trainees and leavers.

Our performance indicators continued

Social performance indicators continued

Occupational health & safety continued

RIDDOR reporting	2021	2022	2023
Eti Soda			
Total workforce headcount	554	582	728
Total working hours (thousands)	1,087.60	1,153.90	1,346.72
Total non-fatal reportable injuries[1]	4	1	9
Total recordable injuries[2]	1	0	1
Total number of reportable and recordable injuries[3]	**5**	**1**	**10**
Deaths	0	0	0
Dangerous occurrences[4]	1	2	2
Total incapacitation days	81	9	209
Reportable non-fatal injury rate[5]	722	172	1,236
Kazan Soda			
Total workforce headcount	743	800	907
Total working hours (thousands)	1,465.90	1,583.40	1,699.91
Total non-fatal reportable injuries	17	13	17
Total recordable injuries	5	2	5
Total number of reportable and recordable injuries	**22**	**15**	**22**
Deaths	0	0	0
Dangerous occurrences	0	7	16
Total incapacitation days	558	372	535
Reportable non-fatal injury rate	2,288	1,625	1,874
Group			
Total workforce headcount[6]	1,297	1,382	1,722
Total working hours (thousands)	2,553.40	2,737.40	3,063.70
Total non-fatal reportable injuries	21	14	26
Total recordable injuries	6	2	6
Total number of reportable and recordable injuries	**27**	**16**	**32**
Deaths	0	0	0
Dangerous occurrences	1	9	18
Total incapacitation days	639	381	750
Reportable non-fatal injury rate	1,619	1,013	1,510

Community engagement	2021	2022	2023
Number of projects	**16**	**19**	**20**
OpCos[7]: spent on projects to support local communities	$0.40	$0.58	$4.28
WE Soda Ltd: spent on projects to support local communities	$0.00	$0.55	$0.63
Total: spent on projects to support local communities ($m)	**$0.40**	**$1.13**	**$4.91**

1. Total number of all reportable non-fatal injuries = Injuries resulting in incapacitation of 7+ days and certain serious injury incidents. In relation to RIDDOR, an accident is a separate, identifiable, unintended incident, which causes physical injury. This specifically includes acts of non-consensual violence to people at work. **2.** Total number of recordable injuries = Injuries resulting in incapacitation of 3+ days up to 7 days inclusive. **3.** All accidents with LTI of 3+ days incapacitation. **4.** Dangerous occurrences are categorised under reportable incidents; however, they are not classified under total number of accidents. **5.** Reportable non-fatal injury rate = Number of all reported non-fatal injuries divided by workforce headcount x 100,000. **6.** OHS data for Turkish sites only – headcount includes employees, trainees and leavers. **7.** Operating companies (Eti Soda and Kazan Soda).

Our performance indicators continued

Environmental performance indicators

GHG Emissions[1] (sodium products)[2] (mt CO2e)	2021	2022	2023
Scope 1	1,444,645†	1,502,425†	1,501,422Δ
Scope 2 market based	246,077†	213,187†	162,327Δ
Scope 2 location based	287,297†	274,360†	277,341Δ
Scope 3[3,4]	–	1,040,197†	1,080,547Δ
Total Scope 1 & 2 market based	1,690,722†	1,715,612†	1,663,749Δ
Scope 1 & 2 emission intensity market based[5]	0.348†	0.343†	0.334Δ
Total Scope 1 & 2 location based	1,731,942†	1,776,785†	1,778,763Δ
Scope 1 & 2 emission intensity location based[5]	0.357†	0.355†	0.358Δ
Direct CO2 emissions from biomass combustion	–	–	46,479

Scope 3 emission categories (sodium products)	2021	2022	2023
3.1 Purchased Goods and Services	–	300,785	257,900Δ
3.3 Fuel and Energy Related Activities	–	244,441	204,813Δ
3.4 Upstream Transportation and Distribution	–	296,183	392,669Δ
3.5 Waste Generated in Operations	–	2,246	2,505Δ
3.6 Business Travel	–	166	311Δ
3.7 Employee Commuting	–	437	448Δ
3.9 Downstream Transportation and Distribution	–	195,939	221,902Δ

Energy (MWh)	2021	2022	2023
Total energy purchased	**652,947**	**623,546**	**630,321**
Electricity	652,947	623,546	630,321
Heating	–	–	–
Cooling	–	–	–
Steam	–	–	–
Total sold	**987,733**	**948,324**	**1,025,195**
Electricity	987,733	948,324	1,025,195
Heating	–	–	–
Cooling	–	–	–
Steam	–	–	–
Energy consumption from renewable sources	**–**	**–**	**124,815**
Solar power	–	–	9,333
Wind	–	–	115,482
Energy consumption from non-renewable sources	**6,671,542**	**6,824,311**	**7,064,180**
Diesel fuel	13,915	20,495	48,474
Fuel oil	–	–	–
Coal	943,543	922,095	872,638
Natural gas	5,714,085	5,881,722	6,143,068
Total energy consumption[6]	**6,336,756**	**6,499,533**	**6,794,121**
Total energy intensity[7]	**1.31**	**1.30**	**1.37**

Δ This data disclosed in the 2023 Annual Report was subject to independent limited assurance by ERM CVS. ERM CVS's assurance report is available on page 138. For our 2023 basis of preparation for assured data please visit our website www.wesoda.com.

† This data disclosed in the 2023 annual report was subject to independent limited assurance by ERM CVS in 2022. For our 2022 basis of preparation for assured data please visit our website www.wesoda.com

1. We have calculated our carbon footprint where we have operational control with respect to the internationally recognised standards provided by the Greenhouse Gas Protocol, published by the World Business Council for Sustainable Development and the World Resources Institute ("WBCSD/WRI Protocol"). Gases included in the calculation; CO2, CH4 and N2O. Source of GWP Values: IPCC 6th Assessment Report. **2.** The CO2e emissions presented relate to the production of sodium carbonate and sodium bicarbonate at Eti Soda and Kazan Soda operations for the respective annual reporting periods. **3.** Scope 3 emissions calculations for 2022 and 2023 include categories 1, 3, 4, 5, 6, 7 and 9. **4.** Scope 3 emissions were not calculated according to the GHG protocol prior to 2022. **5.** Carbon emission intensity is calculated as the total Scope 1 & 2 emissions associated with the production of soidum products at Eti and Kazan divided by the total mt of soda ash and sodium bicarbonate production across both sites. **6.** Total energy consumption is the sum of all renewable, non-renewable and purchased energy consumed less energy sold. **7.** Energy intensity is calculated as the total MWh across Eti and Kazan divided by the total mt of soda ash and sodium bicarbonate production across both sites.

Our performance indicators continued

Environmental performance indicators continued

GHG Emissions (all other sources)[1,2] (mt CO_2e)	2021	2022	2023
Scope 1	273,135	267,445	277,345
Scope 2 location based	6	8	133
Scope 2 market based	6	8	133
Scope 3[3]	–	42,948	43,760

Total GHG emissions[4] (mt CO_2e)	2021	2022	2023
Scope 1	1,717,779	1,769,870	1,778,767
Scope 2 market based	246,077	213,187	162,327
Scope 2 location based	287,302	274,368	277,474
Total Scope 1 & 2 market based[5]	**1,963,856**	**1,983,057**	**1,941,094**
Scope 3[6]	–[7]	1,083,145	1,124,307

Water consumption (m^3)[8]	2021	2022	2023
Total water withdrawal from all areas	**9,632,199**	**10,208,333.**	**10,698,650Δ**
Surface water	–	–	–
Ground water	–	–	–
Sea water	–	–	–
Produced water	–	–	–
Third-party water (fresh)[9]	9,632,199	10,208,333†	10,698,650Δ
Total water withdrawal from water-stressed areas[9]	**9,632,199**	**10,208,333**	**10,698,650Δ**
Surface water	–	–	-
Ground water	–	–	-
Sea water	–	–	-
Produced water	–	–	-
Third-party water (fresh)[9]	9,632,199	10,208,333†	10,698,650Δ
Total water discharge to all areas[10]	**4,743,125**	**5,000,435**	**5,132,164**
Surface water (Industrial)[11]	673,971	680,653†	666,780Δ
Surface water (Domestic)[11]	133,353	134,183†	142,516Δ
of which fresh	*57,918*	*58,353*	*66,830*
Ground water (other)[12]	3,935,801	4,185,599	4,322,868
Sea water	–	–	–
Third-party water	–	–	–
Total water discharge all areas with water stress	**4,743,125**	**5,000,435**	**5,132,164**
Surface water (Industrial)[11]	673,971	680,653†	666,780Δ
Surface water (Domestic)[11]	133,353	134,183†	142,516Δ
of which fresh	*57,918*	*58,353*	*66,830*
Ground water (other)[12]	3,935,801	4,185,599	4,322,868
Sea water	–	–	–
Third-party water	–	–	–
Amount of water recycled and re-used	**4,345,627**	**3,947,169†**	**4,454,930Δ**
Recycled and re-used water rate	**45%**	**39%**	**42%**
Water intensity[13]	**1.99**	**2.04†**	**2.15Δ**

Δ This data disclosed in the 2023 Annual Report was subject to independent limited assurance by ERM CVS. ERM CVS's assurance report is available on page 138. For our 2023 basis of preparation for assured data please visit our website www.wesoda.com.

† This data disclosed in the 2023 annual report was subject to independent limited assurance by ERM CVS in 2022. For our 2022 basis of preparation for assured data please visit our website www.wesoda.com

1. Sources include the production of sold electricity at Kazan Soda and emissions associated with the London and Istanbul offices. **2.** Data has been compiled following the GHG Protocol Corporate Standard. Gases included in the calculation; CO_2, CH_4 and N_2O. Source of GWP Values: IPCC 6th Assessment Report. **3.** Categories include category 3 from the production of electricty at Kazan Soda and 6 from business travel from the London office. **4.** Total GHG emissions include emissions from the production of sodium products, generation of sold electricity and emissions generated in our London and Istanbul offices. **5.** Data has been compiled following the GHG Protocol Corporate Standard. Gases included in the calculation; CO_2, CH_4 and N_2O. Source of GWP Values: IPCC 6th Assessment Report. **6.** Scope 3 emissions calculations in 2022 and 2023 include 1,3,4,5,6, 7 and 9. **7.** Scope 3 emissions were not calculated according to the GHG protocol prior to 2022. **8.** Freshwater defined as (≤1,000 mg/L Total Dissolved Solids); Other water defined as (>1,000 mg/L Total Dissolved Solids). **9.** Classified as fresh water due to the importance of the water in the catchment. **10.** Discharges exclude water which is consumed by the operation. These consumptive losses are dominated by evaporative losses from the cooling towers and hence the withdrawals do not match the discharge. **11.** Surface water discharge has been revised for 2021 and 2022 to enable a separation of Domestic and Industrial discharges. The total amount of water discharged remained constant. **12.** Groundwater Discharge is dominated by water returned to the exhausted trona caverns for entrainment. **13.** Water intensity is calculated as the total water withdrawal m^3 divided by total mt of soda ash and sodium bicarbonate production across both sites.

Our performance indicators continued
Environmental performance indicators continued

Total Waste Generated (metric tonne)		2021	2022	**2023**
Total Waste[1]		**4,430,505**	**4,562,424**	**4,933,556**[Δ]
Total waste directed to disposal		70,384	73,384	85,850[Δ]
Total waste diverted from disposal		4,360,121	4,489,040	4,847,706[Δ]
Hazardous Waste		–	–	–
	Recycled	–	–	–
	Preparation for re-use	–	–	–
	Other recovery operation	–	–	–
Onsite	Incineration with energy recovery	–	–	–
	Incineration without energy recovery	–	–	–
	Landfilling	–	–	–
	Other Disposal Operations	–	–	–
	Recycled	50	54	90
	Preparation for re-use	1,653	96	212
	Other recovery operation	–	–	–
Offsite	Incineration with energy recovery	0	0	0
	Incineration without energy recovery	–	–	–
	Landfilling	–	–	–
	Other Disposal Operations	–	–	–
Total Hazardous Waste		**1,703**	**151**	**302**[Δ]
Total Hazardous Waste Disposed		**0**	**0**	**0**
Total Hazardous Waste Diverted		**1,703**	**150**	**302**
Non-hazardous Waste				
	Recycled	–	–	–
	Preparation for re-use	3,963,804	4,098,958	4,378,908
	Other recovery operation	79,582	71,118	100,392
Onsite	Incineration with energy recovery	–	–	–
	Incineration without energy recovery	–	–	–
	Landfilling	70,272	73,226	85,685
	Other Disposal Operations	–	–	–
	Recycled	1,151	1,266	1,584
	Preparation for re-use	10	15	3
	Other recovery operation	313,871	317,534	366,518
Offsite	Incineration with energy recovery	0	0	0
	Incineration without energy recovery	–	–	–
	Landfilling	112	157	165
	Other Disposal Operations	–	–	–
Total Non-Hazardous Waste		**4,428,801**	**4,562,273**	**4,933,254**[Δ]
Total Non-Hazardous Waste Disposed		**70,384**	**73,383**	**85,849**
Total Non-Hazardous Waste Diverted		**4,358,418**	**4,488,890**	**4,847,404**

1. A unit error occurred in the reporting of purge generated and diverted from disposal at Kazan Soda in 2021 and 2022, resulting in a revision of total waste generated and diverted from disposal of 3.38m mt and 3.45m mt respectively.

Our performance indicators continued

Environmental performance indicators continued

Waste stream (metric tonne)	2021 Disposed	2021 Diverted from disposal	2021 Total waste	2022 Disposed	2022 Diverted from disposal	2022 Total waste	2023 Disposed	2023 Diverted from disposal	2023 Total waste
Waste from petroleum refining, natural gas purification and pyrolytic processing of coal	0	10	10	0	0	0	0	0	0
Waste from organic chemical processes	0	3	3	0	9	9	0	26	26
Primer, paints, varnishes	0	2	2	0	1	1	0	4	4
Fly ash	33,797	68,785	102,582	29,986	75,535	105,521	22,791	75,222	98,013
Bottom ash	36,475	205	36,680	43,240	0	43,240	62,894	0	62,894
Waste from physical and mechanical surface treatments and forming of metals and plastics	0	0	0	0	0	0	0	0	0
Oil waste and liquid fuel waste	0	40	40	0	39	39	0	75	75
Waste packaging and absorbents, wiping cloths, filter materials and protective clothes	0	292	292	0	239	239	0	344	344
Waste not otherwise specified	0	44	44	0	39	39	0	53	53
Construction waste	0	1,646	1,646	0	286	286	0	284	284
Human and animal health and/or waste from research on these subjects	0	0	0	0	0	0	0	0	0
Waste from waste management facilities	0	1	1	0	19	19	0	0	0
Municipality waste	112	825	937	157	801	958	165	1,251	1,416
Calcium carbonate	0	433,828	433,828	0	475,951	475,951	0	552,772	552,772
Sodium chloride	0	106,811	106,811	0	109,500	109,500	0	175,892	175,892
Purge[1]	0	3,747,628	3,747,628	0	3,826,621	3,826,621	0	4,041,782	4,041,782
Total	**70,384**	**4,360,121**	**4,430,505**	**73,384**	**4,489,040**	**4,562,424**	**85,850**	**4,847,706**	**4,933,556**

1. A unit error occurred in the reporting of purge generated and diverted from disposal at Kazan Soda in 2021 and 2022, resulting in a revision of 3.38m mt and 3.45m mt respectively.

Our performance indicators continued

Environmental performance indicators continued

Responsible value chain	2021	2022	2023
Number of Group's suppliers that were screened/vetted in Sedex using sustainability criteria[1]	**0**	**45**	**63**
Number of Group's suppliers onboarded in Sedex platform	**2**	**98**	**178**
The total number of Group suppliers[1]	**210**	**210**	**210**

Compliance with laws and regulations	2021	2022	2023
Total number of significant instances of non-compliance with laws and regulations[2]	**1**	**1**	**1**
Instances for which fines were incurred	1	1	1
Instances for which non-monetary sanctions were incurred	0	0	0
Monetary value of fines incurred ($)	25,659	10,688	23,390

Membership associations	
Industry associations, other membership associations, and national or international advocacy organisations	CEO Water Mandate, ESaPa, OAID – Middle East Exporters Association, Native Mining Development Foundation, CDP, EcoVadis, Beypazarı Chamber of Commerce, Ankara Chamber of Commerce, İstanbul Chamber of Commerce, Turkish Statistical Institute ("TUIK"), Central Bank of the Republic of Türkiye ("TCMB"), İMMİB, Istanbul Chemicals and Chemical Products Exporters Association ("İKMİB"), EPD Türkiye, UNGC, WEPs, Cefic ("European Chemical Industry Council"), Sedex

Total production (tonnes)	2021	2022	2023
Total production (tonnes)	4,852,000	5,001,000	**4,975,000**

This Strategic Report was approved by the Board of Directors, and signed on its behalf by:

Alasdair Warren
Director
25 April 2024

1. Supplier selection criteria based on those suppliers providing goods and materials directly relating to production of our product and with whom we conduct repeat business, making up 93% of total spend. 2. Significant instances of non-compliance are defined as any instance of non-compliance where WE Soda is notified by ministries and governmental institutes, by official letter and incurred a fine of more than $10,000.

Governance

Chair's introduction

Dear Stakeholders

I would like to welcome you once again to our annual report.

Last year, we reported the performance of Kew Soda Ltd in anticipation of our IPO on the London Stock Exchange. Following the decision to cancel the IPO in June 2023, we retained the strong governance put in place and have decided to report WE Soda Ltd's results for 2023, as this better reflects how we manage and oversee the business. The governance arrangements in place during 2023 and changes made earlier in 2024 are explained in more detail below.

In 2023, the Board of Kew Soda Ltd, supported by its Audit & Risk Committee and its Sustainability Committee, was responsible for overseeing the business, which was managed by the executive team. Kew Soda Ltd is the immediate parent company of WE Soda Ltd and, in practice, the Boards of both companies exercised oversight jointly over the business and its activities.

In March 2024, we transferred our governance arrangements from Kew Soda to WE Soda to provide oversight, support and advice that is more closely aligned with the business. The Independent Non-Executive Directors stepped down from the Kew Soda Board and joined the WE Soda Board. We also disbanded the Kew Soda Board Committees, which were replaced with equivalent Committees, both in terms of membership and duties, at WE Soda level.

I would like to welcome Harry Kenyon-Slaney as Senior Independent Director, along with Samantha Hoe-Richardson and Rosalind Kainyah as Independent Non- Executive Directors, as well as returning Non-Executive Directors, Gursel Usta, Ergun Ozen and Sir Peter Westmacott. Also, Nicholas Hall, our Chief Strategy & Risk Officer at WE Soda, is welcomed.

You can read more about our Board and governance arrangements below; I would like to take this opportunity to thank the Boards of both Kew Soda and WE Soda for their ongoing service and guidance, and for their unwavering efforts as we continue to grow.

Didem Ciner
Chair
25 April 2024

Case study

Successful inaugural bond offering

In Q4 2023, we successfully completed an inaugural $980 million bond offering.

The proceeds were used to refinance bank debt and further increase our balance sheet efficiency. As well as having publicly tradeable securities for the first time and we also welcomed a new set of stakeholders to the WE Soda story.

The transaction marked a number of significant achievements, being the largest debut transaction from the EMEA Chemicals sector in more than a decade and the largest ever single tranche corporate issuance volume for an issuer with operations in Türkiye. With an initial offering of $800 million in October 2023, due to the strong aftermarket performance we were able to subsequently 'tap' the bond for a further $180 million in December 2023, taking the total to $980 million by year end.

The bonds are listed on The International Stock Exchange ("TISE"), and we are the first issuer to be listed on the sustainable finance segment of the exchange, TISE Sustainable, due to our strong ESG ratings and credentials.

TISE SUSTAINABLE

Board of Directors

Meet our Board

Committees

- Audit & Risk Committee (A)
- Sustainability Committee (S)
- Committee Chair

Didem Ciner
Chair

Appointed and became Chair March 2024

Committees: N/A

Didem Ciner has served as the Chair of the Board, and as a Non-executive Director since March 2024. She was previously a Director of the Company between 6 November 2018 and 1 February 2022, and from 23 March 2022 until 1 April 2023, and has been a Director of Kew Soda Ltd since 6 November 2018 and Chair since June 2022. In addition to her role as Chair, Mrs Ciner was appointed as Chair and board member of Ciner Glass, the container glass operations of the Ciner Group, in 2019 to lead the expansion of the company's operations in the UK, Belgium and Türkiye. Mrs Ciner has significant experience following a number of senior roles across the wider Ciner Group, one of Türkiye's leading industrial groups with interests in the mining, energy, glass, chemicals, media, and maritime sectors. Mrs Ciner is also the President of Ciner Media Group, where she is responsible for managing its three national TV channels and its most frequently visited news websites. In addition to overseeing the development of Ciner Media into one of Türkiye's leading independent media and publishing groups, Mrs Ciner was responsible for launching Bloomberg HT, a joint venture with Bloomberg Television and Türkiye's only business-focused television channel, and the acquisition of Show TV, one of Türkiye's most popular entertainment channels. Mrs Ciner is married to Mr Turgay Ciner, the Principal Shareholder. Mrs Ciner holds a BA in International Relations from Koç University, Istanbul and an MSc in Comparative Politics from the London School of Economics.

Alasdair Warren
Chief Executive Officer

Appointed January 2019

Committees: N/A

Alasdair Warren has served as a Director of the Company since 8 January 2019, as a Director of Kew Soda Ltd since 18 May 2022 and as Group Chief Executive Officer since 1 November 2019. Prior to joining WE Soda, Mr Warren served as the Head of Corporate and Investment Banking for the European, Middle East and Africa region at Deutsche Bank, based in London. Prior to that, Mr Warren was an investment banking Partner at Goldman Sachs in London for 11 years, serving in a number of roles, including the Global Head of Financial Sponsor Coverage, the Head of European Equity Capital Markets and Derivatives, and the Co Head of UK Investment Banking. Mr Warren holds a BSc (Hons) in Geology from the University of Nottingham.

Ahmet Tohma
Chief Financial Officer

Appointed February 2022

Committees: N/A

Ahmet Tohma has served as a Director of the Company since 25 January 2022, as a Director of Kew Soda Ltd since 18 May 2022 and as Group CFO since 1 March 2022. He joined WE Soda from Şişecam Chemicals Resources, where he previously served as the CFO of our former US soda ash business through the NYSE listed company Şişecam Resources LP and its US affiliates, prior to the sale of a controlling interest to Şişecam in December 2021. Mr Tohma also served as the Chief Financial Officer of our US subsidiary company, Ciner Enterprises Inc., and as Finance Director at the Ciner Group. From 2003 until August 2019, Mr Tohma worked in various management roles at Türkiye Garanti Bankasi in Türkiye across corporate finance, internal audit and project financing. Mr Tohma holds a BSc in Industrial Engineering from the Middle East Technical University.

Board of Directors continued

Mehmet Ali Erdogan
Chief Legal Officer

Appointed July 2016, became Chief Legal Officer January 2019

Committees: N/A

Mehmet Ali Erdogan has served as a Director of the Company since 6 July 2016 and Kew Soda Ltd since 1 July 2016 and as Chief Legal Officer within the Group since 1 January 2019. Mr Erdogan has considerable experience in both the commercial and corporate law sectors, specialising in energy and infrastructure law, property law, financial restructuring and cross-border transactions. Mr Erdogan holds a BA in Law from the University of Istanbul and a Postgraduate Diploma in Law from Goldsmiths College, London. He has completed the Legal Practice Course at the College of Law, London and he also holds a Graduate Diploma in Law from the University of Westminster.

Nicholas Hall
Chief Strategy & Risk Officer

Appointed March 2024

Committees: N/A

Nicholas Hall has served as Chief Strategy & Risk Officer since 6 March 2023 and as a Director of the Company since 28 March 2024 and Kew Soda Ltd since 19 April 2023. Prior to joining the Group, Mr Hall served as a Managing Director at JP Morgan Cazenove based in London. Mr Hall was employed at JP Morgan Cazenove for 27 years, serving in a number of roles including as senior client executive within the UK Investment Bank and the head of UK Equity Capital Markets. Mr Hall holds a BSc (Hons) in Economics from the University of Exeter.

Rosalind Kainyah, MBE
Independent Non-executive Director

Appointed March 2024

Committees: S A

Rosalind Kainyah has served as a Director of the Company since 28 March 2024 and was a Director of Kew Soda Ltd from 8 February 2023 until 28 March 2024. Ms. Kainyah has 30 years of combined legal, operational, executive and Board experience, having started her career as an independent environmental law and policy consultant and then subsequently as a lawyer in the corporate and environment team at Linklaters LLP. She is a non-executive director currently serving on a number of boards across a range of industries and chairing sustainability committees. In previous board roles, she has also chaired remuneration, governance and nominations committees.

As an executive, Ms. Kainyah served as director of external relations at De Beers UK Limited from 2004 to 2006, before being appointed as president of the De Beers Group Inc., USA from 2006 to 2009. From 2009 to 2013 she served as vice president of external affairs and corporate social responsibility at Tullow Oil Plc. Ms. Kainyah holds a BA in English from the University of Ghana, an LLB (Hons) from the University of London and an LLM from University College London and is a member of the Bar of England and Wales.

Harry Kenyon-Slaney
Senior Independent Director

Appointed March 2024

Committees: S

Harry Kenyon-Slaney has served as a Director of the Company since 28 March 2024 and was a Director of Kew Soda Ltd from 8 February 2023 until 28 March 2024. He also serves as a Senior Advisor to McKinsey & Company supporting its transformation services. Mr Kenyon-Slaney served in a number of senior executive roles for Rio Tinto Plc from 1990 to 2015, having previously held an executive position at Anglo American Plc between 1984 and 1990. Notably Mr Kenyon-Slaney served on the Executive Committee of Rio Tinto Plc from 2009 to 2015 in his capacity as the Divisional CEO of the Diamonds and Minerals Products Group from 2009 to 2012 and as the Divisional CEO of the Energy Products Group from 2012 to 2015. Having completed the successful divestment of the Energy Products Group in 2015, he assumed chair and non-executive director positions at a number of natural resources and industrial manufacturing companies. He has had a broad career which has stretched across natural resources, energy, industrial minerals, manufacturing and logistics as well as extensive experience of complex stakeholder management in Africa, Japan, India, North America and Australia. Mr Kenyon-Slaney holds a BSc in Geology from Southampton University and completed the International Executive Programme at INSEAD, France.

Board of Directors continued

Sir Peter Westmacott
Independent Non-executive Director

Appointed March 2024

Committees: S

Sir Peter Westmacott has served as a Director of the Company since 28 March 2024, having previously served as a Director from 1 January 2019 until 8 February 2023. He was also a Director of Kew Soda Ltd from 8 February 2023 until 28 March 2024. He has had an extensive diplomatic career spanning 43 years across several continents, including four years in Iran before the 1979 revolution and a secondment to the European Commission in Brussels. Sir Peter has undertaken numerous roles including Deputy Private Secretary to HRH The Prince of Wales between 1990 and 1993, Foreign and Commonwealth Office's Director for the Americas between 1997 and 2000, and Deputy Under Secretary of State for the Wider World from 2000 to 2001. Sir Peter has also served as Ambassador to Türkiye, France and US from 2002 to 2006, 2007 to 2012 and 2012 to 2016, respectively. After a semester spent as a Resident Fellow at Harvard's Kennedy School of Government, Sir Peter took up a number of corporate roles in the UK including, amongst others, independent non-executive at Ernst & Young and non-executive director at Ciner Glass Ltd and Glasswall Holdings. He is also Chairman of Tikehau Capital UK, a Distinguished Ambassadorial Fellow at the Atlantic Council, and a Senior Adviser to Chatham House. Sir Peter holds an MA in European History and French from the University of Oxford.

Ergun Ozen
Independent Non-executive Director

Appointed March 2024

Committees: A

Ergun Ozen has served as a Director of the Company since 28 March 2024, having previously served as a Director from 1 January 2019 until 8 February 2023. He was also a Director of Kew Soda Ltd from 8 February 2023 until 28 March 2024. He has over 30 years of experience in banking and business administration, having previously served for 16 years as the CEO and President of Türkiye Garanti Bankasi, from 2000 until 2016, before retiring from this role and becoming a non-executive member of the board at Garanti Bank. He started his career at Türkiye Is Bankası in 1987, before joining Garanti Bank in 1993, serving in various treasury and investment banking roles. Mr Ozen holds a BA in Economics from Stony Brook University.

Samantha Hoe-Richardson
Independent Non-executive Director

Appointed March 2024

Committees: A S

Samantha Hoe Richardson has served as a Director of the Company since 28 March 2024 and a Director of Kew Soda Ltd from 8 February 2023 until 28 March 2024. She is also a non executive director of 3i Infrastructure plc, Assured Guaranty UK Ltd, Ascot Underwriting Ltd, Cornish Metals Inc, and an adviser on Climate Change and Sustainability to the board of Laing O'Rourke, having previously served on the board of Lancashire Holdings Limited for nine years, becoming the chair of its audit committee. As an executive, Ms. Hoe Richardson was Head of Environment & Sustainability for Network Rail and prior to this spent 16 years with Anglo American plc in a variety of strategic roles including Head of Environment and as a director and founder of Anglo American Zimele Green Fund (Pty) Ltd, which supports entrepreneurs in South Africa. Prior to her roles with Anglo American, Ms. Hoe Richardson worked in investment banking and within audit. She holds an MA in Nuclear and Electrical Engineering from the University of Cambridge and has a Chartered Accountancy qualification.

Gürsel Usta
Non-executive Director

Appointed March 2024

Committees: N/A

Gürsel Usta has served as a Director of the Company since 28 March 2024, having previously served as a Director of WE Soda Ltd from 1 January 2019 until 1 April 2023. He has also served as a Director of Kew Soda since 18 May 2022. Since January 2023, Mr Usta has served as the chairman of Park Holding, one of the main holding companies of the Ciner Group, where he previously served as vice-chairman from January 2016 to January 2023. At the same time Mr. Usta acted also as the chairman of Akkan Enerji ve Madencilik A.S. In addition, since March 2015, Mr Usta has served as chief executive officer of Ciner Glass & Chemicals. Mr Usta has previously held various leadership roles within the Ciner Group, including his position as chief executive officer of Ciner Energy & Mining, chairman of the board of directors of Ciner Media and chief executive officer of Ciner Aviation and Tourism. Mr Usta holds a BA in Economics and Finance from the Faculty of Political Science of Ankara University.

Management team

Tanzer Ergul
Chief Operating Officer

Tanzer Ergul has served as COO since February 2023, having been with the Group for over 15 years. Previously, Mr Ergul had served as Vice President of Operations since 2018 and as General Manager of both Eti Soda and Kazan Soda since 2015 and 2018, respectively. In 2007, Mr Ergul joined the Ciner Group as a Project Manager for the construction of the Eti Soda project after ten years of experience working for Eti Maden. Mr Ergul holds a BSc and MSc in Chemical Engineering from Middle East Technical University.

Ali Cetinbulut
Chief Information Officer

Ali Cetinbulut was appointed as CIO of the Group in July 2023. Mr. Cetinbulut has almost 20 years of IT leadership experience in the US, Denmark and Türkiye. He has previously held CIO roles and led digital transformation projects at Orhan Holding, Lactalis and Anadolu Birlik Holding after eight years at Microsoft in engineering management and software development roles. Mr. Cetinbulut holds a BSc in Computer Engineering from Middle East Technical University.

Arzu Oneyman
Chief Human Resources Officer

Arzu Oneyman was appointed as CHRO of the Group in June 2023. Ms. Oneyman has over 20 years of human resources experience in the manufacturing and FMCG industries in Türkiye and internationally. She specialises in transformation projects and has previously held senior roles at Coskunoz Holding, Nestle and Bosch Braking Systems. Ms. Oneyman holds a BA in Labour Economy and Industrial Relations from Dokuz Eylul University and Masters degrees in Business from the University of East London.

Dr. Nilay Akgerman
Global Head of Compliance

Dr. Nilay Akgerman was appointed as the Global Head of Compliance for the Group in June 2023. Dr. Akgerman has more than 20 years of compliance experience across a variety of different industries and geographies including North and South America, the Middle East, Asia, China, Australia & New Zealand. She has previously held senior compliance professional roles at Livanova Plc, Teva Pharmaceutical Ltd. and Mercedes-Benz. Ms Akgerman holds a PhD in Industrial Engineering from Istanbul Technical University and an MSc from Galatasaray University.

Management team continued

Oğuz Erkan
CEO of US Operations

Oğuz Erkan serves as the CEO of the Group's operations in the United States and as a board representative of Şişecam Wyoming, a position he has held since June 2019. Mr Erkan previously served as President and CEO of Şişecam Chemicals Resources from 2019 until April 2022 and previously as Director of International Operations & Coordination at Ciner Enterprises, Inc. from 2015 to 2019. During 2015, Mr Erkan served as a director for the Ciner Group in London, UK and from 2012 until 2015 as General Manager for Kasimpasa AS, a subsidiary of the Ciner Group, having previously served as Project Director for Middle East and North Africa within the Ciner Group from 2009 to 2012. Mr Erkan holds two BA degrees in Marketing and in International Business from Northwest Missouri State University.

Dr Mahmut Kursun
Vice President Logistics

Dr. Mahmut Kursun has served as Vice President of Logistics since 2019. Dr. Kursun is also Chairman of Denmar and board member of Eti Soda and Kazan Soda. Dr. Kursun has been working within the Ciner Group for more than 26 years in senior leadership positions across finance, information technology and logistics. Dr. Kursun holds a BSc in Mechanical Engineering and an MSc and PhD in Industrial Engineering from Bosphorus University.

Sinan Solaklar
Vice President Sales & Marketing

Sinan Solaklar serves as Vice President of Sales & Marketing, a position he has held within the Group since 2009. Mr Solaklar has almost 40 years of experience in the soda ash industry, having previously served as Sales & Marketing Director for soda ash at Şişecam from 1983 to 2008. Mr Solaklar holds a BA in Marketing from the Faculty of Economics of Istanbul University.

Mehmet Unver
General Manager Kazan Soda

Mehmet Unver has served as the General Manager of Kazan Soda since February 2023, having previously served as Vice General Manager of Kazan Soda since 2018. Mr Unver joined the Group in 2005 and has previously held various technical and operational positions at Eti Soda. Mr Unver holds a BSc in Chemical Engineering from the Middle East Technical University.

Management team continued

Nazif Akay
General Manager Eti Soda

Nazif Akay has served as the General Manager of Eti Soda since February 2023, having previously served as Vice General Manager of Eti Soda since 2018. Mr Akay joined the Group in 2008 and has previously held various technical and operational positions at Eti Soda. Mr Akay holds a BSc in Chemical Engineering from Gazi University.

Jeremy Small
Company Secretary

Jeremy Small has served as Company Secretary since May 2023, having joined the Group in March 2023. He previously held senior company secretarial roles at AXA, the BOC Group and Forte. He has a wide-ranging technical, commercial and international background with extensive experience in governance, regulation and company law across the financial services, manufacturing and services industries. Mr. Small holds a BSc in Geography from the University of Liverpool and completed the Global Leadership Programme at INSEAD, France. He is a Fellow of the Chartered Governance Institute.

Anita Siddle
Global Sustainability Director

Anita Siddle has served as the Global Sustainability Director since February 2023, having joined the Group in 2020. Ms. Siddle has a broad range of experience across finance, pharmacy, marketing and technical product management within the banking, cosmetics, FMCG and healthcare industries, including new product development, quality assurance, legal and regulatory, packaging and formulation responsibilities. Ms. Siddle holds a BPharm in Pharmacy from the University of Nottingham.

Edward Westropp
Head of Investor Relations & Communications

Edward Westropp has served as the Head of Investor Relations & Communications for the Group since September 2022, having previously served as the Vice President of Investor Relations & Communications for Lundin Energy AB until its sale to Aker BP ASA in June 2022. Previously Mr. Westropp worked for more than 17 years as a financial communications and investor relations consultant with FTI Consulting, Inc. Mr Westropp holds a BA in Theological Studies from Heythrop College, University of London.

Governance at a glance

In June 2023, we cancelled the proposed Initial Public Offering ("IPO") due to the continued weak and volatile equity market conditions. We continued to enhance our governance arrangements, building on work undertaken to prepare for the IPO.

Our Board

Our Board provides guidance and supervision to the executive management team, especially regarding the business strategy and governance. It monitors performance against strategic objectives and also reviews implementation of the strategy as it seeks to fulfil its primary responsibilities of promoting the long-term success of the business and create sustainable value.

Our Board delegates to the executive management team who work with and support the CEO with the day-to-day management of the business, the implementation of strategy, financial planning and risk management. In addition, the Board has delegated certain governance responsibilities to Board committees that support the Board in carrying out its duties and which are comprised and chaired by only Independent Non-Executive Directors.

Board committees

With effect from 28 March 2024, the Audit & Risk Committee and Sustainability Committee were constituted by the Board, as formal committees and their key responsibilities are below.

Audit & Risk Committee

The role of this Committee is to assist the Board with reviewing the Group's annual and half-year financial statements and results, accounting policies, narrative reporting, internal controls and risk management, whistleblowing, fraud, and compliance.

Sustainability Committee

Sustainability is core to our business strategy. The Sustainability Committee oversees and advises the Board and executive management in relation to the development and implementation of the sustainability initiatives and strategy of the Group.

Governance at a glance continued

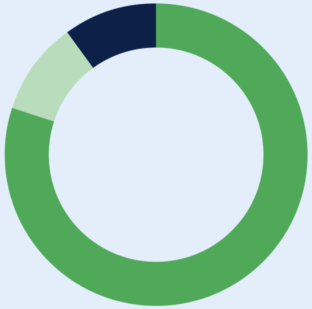
Snapshot of the WE Soda Board

as at 25 April 2024

Independence of the Board

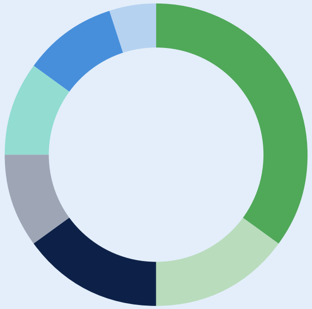
- 45% Independent
- 55% Non-Independent

Tenure of the Board



- 80% 0–3 years
- 10% 3–6 years
- 10% 6+ years

Professional background

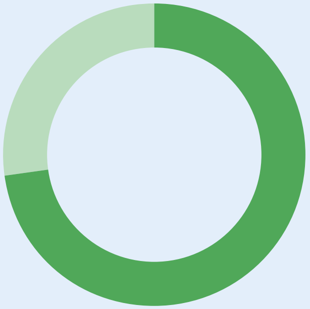


- 35% Finance
- 15% Legal
- 15% Mining
- 10% Chemicals
- 10% Environment
- 10% Media
- 5% Diplomacy

Age of the Board

- 27% 40–50 years
- 27% 51–60 years
- 46% 61–70 years

Gender of the Board



- 73% Male
- 27% Female

Corporate governance

For the year ended 31 December 2023, under The Companies (Miscellaneous Reporting) Regulations 2018, the Group has applied the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles"), published by the Financial Reporting Council ("FRC") in December 2018 and available on the FRC website.

References to Board, Audit & Risk Committee and Sustainability Committee refer to the Kew Soda Board and its committees unless otherwise stated.

Wates Principle	More information
Principle One: Purpose and Leadership	• Purpose Statement (inside front cover) • Our business model (page 4) • Governance at a glance – Framework (page 115)
Principle Two: Board Composition	• Governance at a glance – Snapshot of the Board (page 116) • Meet our Board (page 109)
Principle Three: Director Responsibilities	• Meet our Board (page 109)
Principle Four: Opportunity and Risk	• Risk management (page 78) • Principal risks and uncertainties (page 79) • TCFD (page 89)
Principle Five: Remuneration	• Remuneration (page 119)
Principle Six: Stakeholder Relationships and Engagement	• Stakeholders (page 74) • S172 (page 87)

For further information on our compliance with the Wates Principles, please see our Governance Statement on our website: https://www.wesoda.com/our-business

Principle 1 – Purpose and leadership

Our purpose is to "responsibly produce essential ingredients for a sustainable future".

We are focused on delivering high quality products to our customers in an environmentally friendly, sustainable and socially responsible way. Our cavern-based solution-extraction method to produce natural soda ash, combined with an efficient global supply chain, means that we have the lowest CO2e emissions of any soda ash producer worldwide. Our Group also aims to continuously improve its sustainability performance throughout product life cycles with the objective of having the lowest impact on the environment whilst also supporting and investing in the communities in which we operate and creating a positive impact with all stakeholders.

Our corporate culture and values of accountability and transparency set the standard for our operations and guide our strategic direction. Our employees are critical to success. Safe operating practices, integrity, responsible business practices and performance are all core parts of our corporate culture, together with a focus on developing long-term mutually beneficial partnerships with our customers, distributors and suppliers.

Safety is our number one priority. Our Board and executive management have focused on personal safety and process safety management practices throughout the Group but particularly at our operating facilities supported by international safety consultant dss+. We are aiming to significantly improve our existing safety practices, policies and procedures, as part of a long-term commitment to achieving international best practice standards and eliminating lost time injuries from the workplace.

Corporate governance continued

Principle 1 – Purpose and leadership continued

Details of individual directors' attendance at meetings of the Board of Kew Soda and its committees during 2023 are in the table below.

The number of attendances is shown next to the maximum number of meetings the Director was entitled to attend. Ad hoc meetings of the Board of Kew Soda and its Committees were also held as required during the year.

Name of Director	Board	Audit & Risk Committee	Sustainability Committee
Chair			
Didem Ciner	6/6	–	–
Executives			
Alasdair Warren, Chief Executive	6/6	–	–
Ahmet Tohma, Chief Financial Officer	6/6	–	–
Mehmet Ali Erdogan, Chief Legal Officer	6/6	–	–
Nicholas Hall, Chief Strategy & Risk Officer[1]	5/5	–	–
Non-Executive – Main Shareholder Representative			
Gürsel Usta	6/6	–	–
Non-Executives – Independent			
Samantha Hoe-Richardson[2]	6/6	7/7	5/5
Rosalind Kainyah[2,3]	6/6	6/7	5/5
Harry Kenyon-Slaney[2,4]	6/6	–	4/5
Ergun Ozen[2,5]	4/6	7/7	–
Sir Peter Westmacott[2]	6/6	–	5/5

Principle 2 – Board Composition

The roles and responsibilities of the Chair and Chief Executive Officer are separate and are clearly defined and documented to ensure that there is a balance of responsibilities, accountabilities and decision-making across the Company.

The Board comprised a Chair, responsible for leading and managing the Board, ensuring its effectiveness and the quality of its governance, and ensuring that the shareholder core values are reflected in its purpose, goals and expected behaviours and practices across the Group. Together with our CEO, our Chair ensured that the balance of responsibilities, accountabilities and decision-making throughout the business was maintained effectively. They were supported by three executive directors (our CFO, CSRO and CLO), a shareholder representative and five Independent Non-Executive Directors. The Non-Executive Directors have a range of skills, expertise and experience, including in the fields of industrial operations, banking, insurance, energy, diplomacy and environment. The size and composition of the Board is appropriate for the scale and complexity of the business.

The Non-Executive Directors are responsible for bringing independent and objective judgement to the Board. They participate fully in all Board commercial and strategic debates, and provide significant advice and challenge in critical areas of the business.

In March 2024, the WE Soda Board was strengthened by the appointment of additional Directors to replicate the composition of the Kew Soda Board. At the same time, the WE Soda Board also constituted its own Audit & Risk Committee and Sustainability Committee, each with the same members and roles as those of Kew Soda, to which it has delegated responsibility for certain matters.

Principle 3 – Director responsibilities

The Board agreed to meet formally at least six times a year. The Board received regular and timely information on various aspects of the business; including financial and operational performance, strategy, market environment, legal and compliance, governance and operating responsibly (which included health and safety and sustainability).

Consistent with the goal of upholding high quality governance standards, following the decision to cancel the IPO, the Board decided to retain certain key elements of the governance arrangements that were put in place for the IPO and also approved a range of Group policies which are key to the business and its operations.

During 2023, the Board also considered a number of financing initiatives, including an increase in the existing revolving credit facility and the issue of $980 million Senior Secured Notes due 2028, to support the restructuring of existing debt and increased financial flexibility for the Group.

In 2023, the Board delegated responsibility for certain matters to two committees, the Audit & Risk Committee and the Sustainability Committee, more details of which are set out on page 120.

1. Nicholas Hall appointed 19 April 2023. **2.** Independent Non-executive Directors were advisers until they were appointed on 8 February 2023. **3.** Rosalind Kainyah missed the March Audit & Risk Committee meeting due to a conflicting appointment. **4.** Harry Kenyon-Slaney missed the June Sustainability Committee meeting due to a conflicting appointment. **5.** Ergun Ozen missed the early June and November Board meetings due to conflicting appointments.

Corporate governance continued

Principle 4 – Opportunity and risk

The Board discussed and reviewed the Group's strategic objectives at Board meetings, including discussion and consideration of long-term strategic opportunities. The Board reviewed and approved the annual budget and Five-Year Plan. The Five-Year Plan outlines the production forecast, cost ambitions, sales plans, capital investment requirements and priorities and the resulting profit and cash flow forecasts for the next five years. The debt facilities, repayment profile and covenants are assessed and stress-tested against the Five-Year Plan. Risks and mitigations are discussed, alongside the KPIs to be tracked through the year (from annual volumes to operating company-specific input costs).

The annual budget is set with reference to the Five-Year Plan, with any deviations from the long-term strategy assessed and critically evaluated by the Board.

The Board has continued to develop the Group's approach to risk management with the appointment of a Chief Strategy & Risk Officer (CSRO) in the first quarter of 2023. This included work to establish risk appetite and enhance the governance structure to include a risk working group and Executive Risk Committee that reports to the Audit & Risk Committee.

These changes have facilitated more effective understanding and assessment of risks and opportunities. In October 2023, the opportunity was taken to partially de-risk production costs at Kazan Soda using a financial hedge to protect against natural gas price volatility. In addition, the Audit & Risk Committee approved the appointment of an internal audit provider to further enhance internal controls and assurance.

Principle 5 – Remuneration

The Board has approved a comprehensive remuneration policy. Current remuneration structures are agreed between the Executive Directors and the Chair, taking into account the role, responsibilities, experience, career potential, and skill level of individuals, together with external benchmarking and the need to appropriately incentivise critical members of the executive management team.

Principle 6 – Stakeholder Relationships and Engagement

Our stakeholders include our bond holders, customers, distributors, suppliers, employees and the communities in which we operate, as well as our shareholder. Engagement with our stakeholders allows us to fulfill our purpose and protect our reputation and relationships. We seek to build positive relationships with all our stakeholders and we use various methods of engagement to ensure that our stakeholders are kept well informed on our activities.

Our focus on sustainability underpins our business, and the health and safety of our employees and contractors is a key priority. On behalf of the Board, the Sustainability Committee regularly reviewed our progress in these areas, and in particular the progress of our "Safety Excellence Journey" as well as our sustainability strategy and the progress of various sustainability initiatives.

Our operations are subject to strict regulations by relevant authorities with respect to protection of the environment and we have a rigorous compliance programme to ensure that the facilities comply with all applicable laws and regulations. During 2023, various outreach activities were undertaken with Federal, State and local agencies in relation to our greenfield development projects in Wyoming, US. These were supported by a number of community engagements that included open house discussions and other meetings.

In response to the earthquakes in south-east Türkiye, we donated 100 prefabricated buildings together with clean water and sanitation. In addition, in March 2023, we made a charitable donation of $1.0 million to Darussafaka, the oldest non-government school for orphaned children in Türkiye, which will be used to increase the annual capacity of the school to be able to accommodate extra children who sadly lost their families as a result of the earthquakes.

Audit & Risk Committee

Samantha Hoe-Richardson
Audit & Risk Committee Chair

Committee members

Rosalind Kainyah

Ergun Ozen

Role of the Audit & Risk Committee

The key roles of the committee include, amongst others:

- Monitoring the integrity of the financial statements.
- Advising the Board as to the appropriate risk appetite, risk tolerance and risk strategy for the business.
- Reviewing the content in the annual report and accounts, to determine whether it is a fair and balanced representation.
- Reviewing the Group's internal controls and risk management systems.
- Reviewing the adequacy of arrangements for stakeholders, including employees, to raise concerns in confidence.
- Internal and external audit arrangements.

Please see the full list of duties in the terms of reference for the Audit & Risk Committee, available on our website.
https://www.wesoda.com/our-business

Sustainability Committee

Rosalind Kainyah
Sustainability Committee Chair

Committee members

Samantha Hoe-Richardson

Sir Peter Westmacott

Harry Kenyon-Slaney

Role of the Sustainability Committee

The key roles of the committee include, amongst others:

- Assisting and advising our CEO and Board on the development and implementation of Group policy and strategy in relation to sustainability matters, as well as establishing appropriate sustainability targets.
- Monitoring and reporting progress against the Group's sustainability objectives and roadmap.
- Reviewing incident reports including, amongst others, safety and environmental.
- Reviewing the Group's stakeholder engagement, including community relations and engagement with the Group's workforce, with the aim of strengthening the "employee voice" in the boardroom and developing a better understanding of employee views.
- Overseeing the Group's reporting in relation to sustainability matters.
- Overseeing the Group's external sustainability-related audits and assessing the management response to any findings.

Please see the full list of duties in the terms of reference for the Sustainability Committee available on our website.
https://www.wesoda.com/our-business

Directors' report

The Directors present their report together with the audited Consolidated and Parent Company financial statements of WE Soda Ltd (the Company or Parent Company together with its subsidiaries referred to as the Group) for the year ended 31 December 2023.

Principal activities

The principal activities of the Group, which are intended to continue into the future, are mining for and processing of trona to produce sodium carbonate (soda ash) and sodium bicarbonate, which are essential raw materials used in the manufacture of glass, powdered detergents, silicates and various sodium-based intermediate chemicals, lithium carbonate used in EV batteries, and various other applications. The Company is principally focused on building a global portfolio of assets and operations in the soda ash industry and operates through a number of subsidiaries which are set out in Note 32 *Group companies to the consolidated financial statements*.

Information available in Strategic Report

In accordance with the Companies Act 2006 (Companies Act), the following items have been reported in other sections of the Annual Report and are included in this Directors' Report by reference:

- Details of the Directors of WE Soda can be found on pages 109 to 111.
- The Strategic Report commencing on page 1 contains details of likely future developments within the Group and the Company believes that the report fulfils the requirements set out in Section 414C of the Companies Act.
- Details of the Group's governance arrangements and its compliance with the Wates Principles published by the FRC in December 2018 are available in the Corporate Governance pages 117 to 119.
- Information on the management of financial risk, including an indication of the objectives and policies of the Company as well as exposure to the relevant risks, is disclosed in Note 4 *Financial risk management to the consolidated financial statements* page 173.
- Information on the use of financial instruments by the Group is disclosed in Note 27 *Derivative financial instruments to the consolidated financial statements* page 197.
- Details of our stakeholder engagement activities for both our UK and global employees, suppliers, customers and other stakeholders can be found in the Stakeholders section (pages 74 to 77), S172 Statement (page 87) and Operating sustainably section starting on page 22.
- Our GHG emissions and energy consumption for the previous three years is disclosed with the Performance Indicator Table on page 101. Our environmental performance including discussion of our energy efficiency action is detailed within the Operating sustainably section starting on page 22.
- The Group's disclosures related to the recommendations of the TCFD can be found on pages 89 to 97. The Group's disclosures related to employee engagement, diversity and inclusion can be found on page 32.

Directors

The Directors who served in office during the year and up to the date of signing the financial statements were:

- Didem Ciner (until 1 April 2023 and from 28 March 2024)
- Gürsel Usta (until 1 April 2023 and from 28 March 2024)
- Alasdair Warren
- Ahmet Tohma
- Mehmet Ali Erdogan
- Nicholas Hall (appointed 28 March 2024)
- Samantha Hoe-Richardson (appointed 28 March 2024)
- Rosalind Kainyah (appointed 28 March 2024)
- Harry Kenyon-Slaney (appointed 28 March 2024)
- Ergun Ozen (appointed 28 March 2024)
- Peter Westmacott (appointed 28 March 2024)

Directors' and Officers' Indemnities and Insurance

The Company's Articles of Association permit the indemnification of its Directors and Officers out of the assets of the Company in the event that they incur certain expenses in connection with the execution of their duties to the extent allowed by the Companies Act 2006 and other relevant legislation. The Company also has Directors' and Officers' Insurance in respect of losses or liabilities to which the Officers of the Company may be exposed in the discharge of their duties.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the consolidated financial statements. In addition, Note 2 *Material accounting policies*, to the consolidated financial statements includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to foreign exchange, interest rate, credit and liquidity risks.

The Group is funded by its own cash generation and bank borrowings as set out in Note 4 *Financial risk management* and Note 25 *Borrowings*.

Directors' report continued

The financial statements have been prepared on the going concern basis, as the Directors have determined that the Group has sufficient resources and liquidity to continue in operational existence and to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements. In assessing the Group's ability to adopt the going concern basis, the Directors have tested the Group's ability to meet its liabilities as they fall due in a variety of cash flow scenarios, including a severe but plausible downside scenario, which still results in positive operational cash flows. This scenario applies severe but plausible economic downside assumptions to the Group's base case forecast resulting from the continued economic and social uncertainties surrounding the general outlook in the global economy.

The key adjustments made included a sales volume sensitivity, a netback price sensitivity, and a natural gas supply and price cost sensitivity. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Results and dividends

The consolidated financial statements for the year ended 31 December 2023 are set out in the financial statements section of this report. The Group's profit after tax for the year was $529.3 million, of which $478.5 million was attributable to owners of the Company (2022: profit of $830.4 million, of which $746.1 million was attributable to owners of the Company).

During 2023, an interim dividend of $110 million was declared and paid (2022: nil). The Directors do not recommend the payment of a final dividend for the year (2022: nil).

Share capital

At the date of this report, 153,620,151 Ordinary Shares of $1.00 each have been issued and are fully paid up. The rights and obligations attached to the Company's Ordinary Shares are set out in the Articles.

Significant shareholdings

As at 31 December 2023, the holders of significant interests in the Company's share capital are shown in the table below.

	Number of shares	% of issued capital
Kew Soda Ltd	153,620,151	100

Donations

During the year the Group contributed $4.9 million (2022: $1.1 million) to charitable causes and did not make any political donations.

Branch outside the UK

In 2018, the Group established a branch in Beijing, China to develop relationships with the market and finance institutions in China.

Disclosure of Information to Auditors

Each person who is a Director at the date of approval of this Annual Report confirms that as far as each Director is aware, there is no relevant audit information of which the Group's and Company's Auditors are unaware. In addition, each Director has taken all the steps they ought to have taken as a Director to make themselves aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The auditors, PricewaterhouseCoopers, have indicated their willingness to accept reappointment. The Directors shall propose a resolution to reappoint them subsequent to approval of the financial statements.

Post balance sheet events

Details of the post balance sheet events for WE Soda Ltd can be found in Note 39 *Post balance sheet events of the notes to the consolidated financial statements* on page 211.

This Directors' Report was approved by the Board of Directors, and signed on its behalf by:

Mehmet Ali Erdogan
Director
25 April 2024

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report 2023 and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the parent company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Other Information

GRI content index

Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions, it does not include US associates and subsidiaries. WE Soda Ltd has reported in accordance with the GRI Standards for the period 1 January to 31 December 2023.

			Omission		
GRI Standard/Disclosure	**Page**	**Location of disclosure**	**Requirement(s) omitted**	**Reason**	**Explanation**
General Disclosures					
GRI 2: General Disclosures 2021					
2-1 Organisational details	1	About this report			
2-2 Entities included in the organisation's sustainability reporting	1	About this report			
2-3 Reporting period, frequency and contact point	1	About this report			
2-4 Restatements of information	1	About this report			
2-5 External assurance	1 138	About this report Independent Limited Assurance Statement to WE Soda			
2-6 Activities, value chain and other business relationships	62 - 65	Supplying our customers			
2-7 Employees	32 - 33 98	Operating sustainably Our performance indicators			
2-8 Workers who are not employees	32	Operating sustainably			
2-9 Governance structure and composition	106 - 120 115 - 116	Governance Governance at a glance			
2-10 Nomination and selection of the highest governance body	N/A	N/A	2-10 Nomination and selection of the highest governance body	Confidentiality constraints	*Nomination and selection processes relating to Board membership follow a rigorous governance procedure and remain confidential following the decision to cancel the planned UK IPO in June 2023.*

GRI content index continued

			Omission		
GRI Standard/Disclosure	**Page**	**Location of disclosure**	**Requirement(s) omitted**	**Reason**	**Explanation**
2-11 Chair of the highest governance body	109	Board of Directors			
2-12 Role of the highest governance body in overseeing the management of impacts	114 - 119	Governance at a glance Introduction to our new committees – Sustainability Committee			
2-13 Delegation of responsibility for managing impacts	23 115 - 120	Operating sustainably Governance			
2-14 Role of the highest governance body in sustainability reporting	115 - 120 87	Corporate governance Section 172 statement			
Disclosure 2-15 Conflicts of interest	60	Ethics and compliance - Policies and procedures			
2-16 Communication of critical concerns	60	Ethics and compliance - Reporting concerns			
2-17 Collective knowledge of the highest governance body	109 - 120	Governance at a glance			
2-18 Evaluation of the performance of the highest governance body	115 - 119 87 - 88	Governance at a glance Section 172 statement			
2-19 Remuneration policies	119	Corporate Governance - Principle 5 - Remuneration			
2-20 Process to determine remuneration	119	Corporate Governance - Principle 5 - Remuneration			
2-21 Annual total compensation ratio	98	Our performance indicators	2-21b	Confidentiality constraints	*Salary increases are treated confidentially within the Group.*
2-22 Statement on sustainable development strategy	2 - 3 8 - 17 18 - 21	Chair's introduction Our strategic framework CEO's statement			

GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
2-23 Policy commitments	60	Ethics and compliance			
2-24 Embedding policy commitments	60	Ethics and compliance			
2-25 Processes to remediate negative impacts	22 - 62 78 79 - 86	Operating sustainably Risk management Principal risks and uncertainties			
2-26 Mechanisms for seeking advice and raising concerns	60	Ethics and compliance			
2-27 Compliance with laws and regulations	60 105	Ethics and compliance Performance indicators			
2-28 Membership associations	105	Performance indicators			
2-29 Approach to stakeholder engagement	74 - 77	Our stakeholders			
2-30 Collective bargaining agreements	32 98	Operating Sustainably Performance indicators			
Material Topics					
GRI 3: Material Topics 2021					
3-1 Process to determine material topics	74	Our Stakeholders			
3-2 List of material topics	23	Operating sustainably – Energy use and efficiency – Waste Management – Water Stewardship – GHG Emissions – Workforce Relations – Community Relations and engagement – Sustainable supply chain – Occupational health, safety, and wellbeing			

GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Energy					
GRI 3: Material Topics 2021					
3-3 Management of material topics	24 44 - 46	Operating Sustainably			
GRI 302: Energy 2016					
302-1 Energy consumption within the organisation	44 - 46 100	Operating sustainably Our performance indicators - Energy			
302-3 Energy intensity	44 - 46 100				
Water and effluents					
GRI 3: Material Topics 2021					
3-3 Management of material topics	25 47	Operating sustainably - Low water intensity Operating sustainably - Water stewardship			
GRI 303: Water and Effluents 2018					
303-3 Water withdrawal	102	Performance indicators – Water			
303-4 Water discharge	102		d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; and iii. number of incidents of non-compliance with discharge limits.	Information unavailable/ incomplete	*The Company continues to refine it's established monitoring processes to support the collation of data required for this disclosure requirement. We anticipate addressing this over the course of the next financial reporting period.*
303-5 Water consumption	102				

GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Emissions					
GRI 3: Material Topics 2021					
3-3 Management of material topics	24 47 - 49	Operating sustainably - Lowest scope 1 & 2 CO2e emissions intensity Operating sustainably - Carbon Emissions			
GRI 305: Emissions 2016					
305-1 Direct (Scope 1) GHG emissions	101 - 102	Performance indicators - GHG Emissions			
305-2 Energy indirect (Scope 2) GHG emissions					
305-3 Other indirect (Scope 3) GHG emissions					
305-4 GHG emissions intensity	101 - 102	Performance indicators - GHG Emissions			
Waste					
GRI 3: Material Topics 2021					
3-3 Management of material topics	25 50	Operating sustainably -Waste management and circular economy			
306-1 Waste generation and significant waste-related impacts	50	Operating sustainably - Waste management and circular economy			
306-2 Management of significant waste-related impacts	50	Operating sustainably - Waste management and circular economy			
306-3 Waste generated	103 - 104	Performance indicators			
306-4 Waste diverted from disposal	103 - 104	Performance indicators			
306-5 Waste directed to disposal	103 - 104	Performance indicators			

GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Employment					
GRI 3: Material Topics 2021					
3-3 Management of material topics	23 28 - 29	Operating sustainably - We care for our people			
GRI 401: Employment 2016					
401-1 New employee hires and employee turnover	99	Performance indicators - Employee retention			
Occupational health & safety					
GRI 3: Material Topics 2021					
3-3 Management of material topics	23 28 - 33	Operating sustainably - Safe & Inclusive Workforce			
GRI 403: Occupational Health & Safety 2018					
403-9 Work-related injuries	28 - 33 99 - 100	Operating sustainably - Our people Performance indicators			
Diversity and equal opportunity					
GRI 3: Material Topics 2021					
3-3 Management of material topics	32	Operating sustainably - Diversity and inclusion			
GRI 405: Diversity and Equal Opportunity 2016					
405-1 Diversity of governance bodies and employees	116 98	Governance Performance indicators			

GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
405-2 Ratio of basic salary and remuneration of women to men	98	Performance indicators			
Community relations and engagement					
GRI 3: Material Topics 2021					
3-3 Management of material topics	57 - 59	Operating sustainably - Our communities			
GRI 413: Local Communities 2016					
413-1 Operations with local community engagement, impact assessments, and development programs	57 - 59 100	Operating sustainably - Our communities Performance indicators			
Supplier social assessment					
GRI 3: Material Topics 2021					
3-3 Management of material topics	51 105	Operating sustainably - Our upstream supply chain Performance indicators			
GRI 414: Supplier Social Assessment 2016					
414-1 New suppliers that were screened using social criteria	51 105	Operating sustainably - Our upstream supply chain Performance indicators			

Streamlined Energy and Carbon Reporting Statement

1. Summary

Under the Streamlined Energy and Carbon Reporting ("SECR") requirements implemented for large unquoted companies per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report Regulations) 2018[1], as stipulated by the Companies Act 2006, WE Soda Ltd (hereafter referred to as WE Soda), has an obligation to report its total UK energy consumption, associated underlying greenhouse gas ("GHG") emissions, intensity ratios and information relating to energy efficiency action, for the period 1 January to 31 December 2023.

GHG emissions have been calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard.[2]

The organisational reporting boundary used is based on operational control. WE Soda has included its one and only UK site (based in London). WE Soda has excluded energy usage and associated emissions consumed by other companies which operate on its premises. Scope 2 emissions are calculated using a location-based approach.

1.1 Qualification

WE Soda is the sole UK entity and was assessed against the SECR qualification criteria, set out below for large unquoted companies:

- 250 or more full-time equivalent employees;
- annual turnover of £36 million or more; and
- balance sheet of £18 million or more.

It was determined that WE Soda meets at least two of the above criteria and therefore qualifies for reporting under the UK Government's SECR guidelines.

1.2 Fuel and energy sources

WE Soda assessed all fuel and electricity consumption activities occurring across all UK sites that contribute to overall energy use. It was determined that the following sources of emissions need to be recorded, in line with SECR guidelines:

- Natural gas consumption (Scope 1)
- Electricity consumption (Scope 2)

1.3 GHG emissions

WE Soda's Scope 1 & 2 GHG emissions associated with its UK operation for 2022 and 2023 are outlined below in Table 1.1. Total number of employees based within the operations was used as the denominator to calculate the associated GHG emissions intensity.

All GHG emission calculations have been undertaken in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Activity data measurement/estimation techniques can be summarised below:

- Electricity consumption figures in kWh were obtained from monthly electricity meter readings.
- In 2022 Natural gas consumption was not attainable through measured sources like invoices due to lack of metering infrastructure and oversight of the data by WE Soda. This was estimated based on floor area and the average natural gas consumption intensity for offices in the UK[3].
- In 2023, natural gas consumption figures in kWh were obtained from monthly gas meter readings. WE Soda's gas usage was apportioned based on the percentage of the total floor area WE Soda occupies within the building.

These consumption figures were converted into tonnes of carbon dioxide[2] equivalent (tCO2e) using the 2022 and 2023 UK Government (DEFRA/BEIS) GHG Conversion Factors for Company Reporting emission factors.[4] Scope 2 electricity emissions have been reported using location-based only due to a lack of supplier data for electricity.

Table 1.1 WE Soda's 2022 and 2023 UK GHG emissions and intensity

	2022			2023		
Emission source	**GHG emissions from UK operations (tCO2e)**	**% contribution to total emissions**	**GHG emissions intensity associated with UK operations (tCO2e/employee)**	**GHG emissions from UK operations (tCO2e)**	**% contribution to total emissions**	**GHG emissions intensity associated with UK operations (tCO2e/employee)**
Scope 1, direct	21.65	73.1%	0.98	105.36	88.5%	3.76
Scope 2, Location-based, indirect	7.97	26.9%	0.36	13.68	11.5%	0.49
Total Scope 1 & 2 emissions, Location-based	**29.62**		**1.35**	**119.04**		**4.25**

1. A copy of these UK Regulations are available online at: www.legislation.gov.uk/uksi/2018/1155/made. **2.** 2004 World Resources Institute ("WRI") The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard; Revised Edition. Available online at: www.ghgprotocol.org/corporate-standard. **3.** The Non-Domestic National Energy Efficiency Data-Framework 2021 (England and Wales). Available online at: ND-NEED 2021 (publishing.service.gov.uk). **4.** 2022 UK Government GHG Conversion Factors for Company Reporting. Available online at: Greenhouse gas reporting: conversion factors 2022 – GOV.UK (www.gov.uk). 2023 UK Government GHG Conversion Factors for Company Reporting. Available online at: Greenhouse gas reporting: conversion factors 2023 – GOV.UK (www.gov.uk).

Streamlined Energy and Carbon Reporting Statement continued

1.4 Energy consumption

WE Soda's total energy consumption associated with its UK operation's Scope 1 & 2 emissions for 2022 and 2023 are outlined below in Table 1.2. Total number of employees based within the operations was used as the denominator to calculate the associated energy intensity.

Section 1.3 describes how energy consumption figures (activity data) in kWh were obtained.

Table 1.2 WE Soda's 2022 and 2023 UK energy consumption and intensity

	2022			2023		
Source of energy consumption	**Energy consumption (kWh)**	**% contribution to total energy consumption**	**Energy intensity associated with UK operations (kWh/ employee)**	**Energy consumption (kWh)**	**% contribution to total energy consumption**	**Energy intensity associated with UK operations (kWh/ employee)**
Natural gas	107,023	72.2%	4,865	520,912	88.7%	18,604
Electricity	41,206	27.8%	1,873	66,081	11.3%	2,360
Total	**148,229**		**6,738**	**586,993**		**20,964**

1.5 Energy efficiency

WE Soda has decided in principle to commence single-stage improvement works to aim for EPC rating of B, working from the current EPC rating of E.

WE Soda is aiming for variable refrigerant flow conversion for the whole building. This initiative is currently in the design phase and is anticipated to result in significant gains in energy efficiency.

Alternative Performance Measures ("APMs")

In our published financial reports, trading updates, on our website and in other publications made by WE Soda Group (the "Group"), we make reference to Alternative Performance Measures ("APMs") of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards ("IFRS"), as set out below.

APMs are unaudited and may not be comparable to similarly titled measures presented by other companies as there are no generally accepted principles governing the calculation of these measures. The criteria upon which these measures are based can vary from company to company. Even though APMs are used by management to assess the Group's financial performance, financial position or cash flows and these types of measures are commonly used, they have important limitations as analytical tools and should be considered in addition to, and not in isolation as substitutes or superior to measures of financial performance, financial position or cash flows, as reported in accordance with IFRS. We believe that each of these measures provides useful information with respect to understanding the underlying business performance of the Group's operations or the Group's ability to meet its financial obligations.

APMs used by the Group are usually derived from the Group's consolidated financial statements, prepared in accordance with IFRS. Certain financial information used to calculate APMs is derived from: (i) management accounts for the relevant accounting periods presented; (ii) internal financial reporting systems; and (iii) the Group's other business operating systems and records. Management accounts are prepared using information derived from accounting records used in the preparation of the Group's consolidated financial statements in accordance with IFRS but may also include certain other assumptions and analyses.

APMs of financial performance

We consider our core operating performance in any period to be that which management can affect. We believe that our APMs of financial performance allow us to evaluate our underlying operating performance by including or excluding certain items that we do not consider indicative of, or that may impair period to period comparability of, our core operating performance. In addition, we use these APMs in developing internal budgets, forecasts and our strategic plan, in analysing the effectiveness of the Group's business strategies, in evaluating potential acquisitions, in making compensation decisions and in communications with its stakeholders concerning the Group's financial performance.

The Group's APMs of financial performance, together with their definitions, are:

- *EBITDA*, which represents profit/(loss) for the period before interest in equity-accounted associates, depreciation and amortisation expenses, finance expenses, net of finance income and taxation;
- *Adjusted EBITDA,* which represents 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, as further discussed below;
- *Adjusted EBITDA ($ per mt)*, which represents Adjusted EBITDA divided by total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period;
- *Netback Revenue*, which represents 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;
- *Netback Margin*, which represents Adjusted EBITDA divided by Netback Revenue;

EBITDA, Adjusted EBITDA and Adjusted EBITDA ($ per mt)

We present EBITDA, Adjusted EBITDA and Adjusted EBITDA ($ per mt) because we believe that they provide useful information about the Group's results of operations since they are among the measures used by management to evaluate the Group's underlying operating performance, review business trends, identify strategies to improve results and make day-to-day operating decisions, and they allow a comparison of the Group's results across periods and across other companies in the industry in which the Group operates on a consistent basis, by removing the effects on the Group's operating performance of:

(1) the Group's capital structure (such as the varying levels of interest expense);

(2) the asset base and capital investment cycle (such as depreciation and amortisation); and

(3) items largely outside our control (such as income taxes).

Alternative Performance Measures ("APMs") continued

With respect to Adjusted EBITDA, unusual items that we view as not reflective of the Group's underlying financial performance and which we are permitted to adjust for in calculating covenant compliance under the terms of the Group's principal financing arrangements, including, but not limited to:

- significant extraordinary, one-off, non-recurring, exceptional or unusual items, which may include, but are not limited to, charges or other costs in connection with restructuring or transformative programmes, costs or gains in connection with legal disputes, financing or refinancing costs, exceptional legal costs or other professional fees and also any costs or charges related to any acquisition, capital expenditure or other similar transactions, or significant purchases of raw materials or costs which are not expected to recur in future periods; we exclude such significant items because they are not reflective of the Group's underlying performance and are not expected to recur in future periods;
- non-cash compensation charges, primarily, but not exclusively, in connection to equity-based compensation charges, service cost provisioning for post-employment benefits, provisioning for unused leave pay and service cost provisioning for retirement pay obligations; we exclude such adjustments because of their non-cash nature and/or because they do not reflect on the Group's operating performance;
- foreign exchange losses/gains from operating activities, on a net basis. We believe that such adjustments do not represent the Group's underlying operating performance on a constant basis because foreign exchange movements can be subject to substantial swings from period to period and are outside our control;
- losses and gains realised on the disposals of obsolete or replaced equipment and machinery. We believe excluding such losses or gains gives a more accurate picture of the Group's underlying performance; and
- non-cash charges relating to receivables/payables, net; we believe that excluding such non-cash charges provides a more accurate picture of the Group's results because of their non-cash nature and/or because they may not reflect on the Group's operating performance.

Netback Revenue and Netback Margin

We present Netback Revenue and Netback Margin as measures that are helpful to financial stakeholders in that they provide more directly comparable information across periods and geographical markets, as they exclude the impact of varying levels of transportation expenses and export expenses in connection with the delivery of product from our production facilities to the point of delivery to the customer based on the varying delivery terms.

Netback Margin is a derivate measure of Adjusted EBITDA and Netback Revenue. We present Netback Margin because it measures the Group's operating performance in relation to the Group's Netback Revenue, gauging the Group's profitability per dollar of revenue generated and further facilitating comparison of the Group's results across periods, across geographies and with other companies in the Group's industry. We exclude revenue from electricity and other revenue from the calculation of Netback Margin to provide a more accurate picture of the Group's operating performance with respect to its soda ash and sodium bicarbonate business.

APMs of Cash Flows

The Group's APMs of cash flows and financial liquidity, together with their definitions, are:

- Free Cash Flow is calculated as Adjusted EBITDA minus Maintenance Capital Expenditure minus tax payments;
- Free Cash Flow ("FCF") Conversion is calculated as Free Cash Flow divided by Adjusted EBITDA; and
- Capital Expenditure is cash outflows associated with expenditure on property, plant and equipment.

Free Cash Flow

We present Free Cash Flow because we utilise this measure to gauge the amount of cash flow available for several uses, including debt service, discretionary prepayments of borrowings, dividends and share buybacks. Furthermore, we believe that Free Cash Flow provides useful information about the Group's liquidity in that it allows a comparison of the Group's liquidity across periods on a consistent basis.

Alternative Performance Measures ("APMs") continued

FCF Conversion

FCF Conversion is a derivative measure of Free Cash Flow. We present FCF Conversion because it measures the Group's generation of Free Cash Flow in relation to the Group's Adjusted EBITDA, gauging the Group's ability to generate cash per dollar of Adjusted EBITDA and further facilitating comparison of the Group's liquidity across periods and with other companies in the Group's industry.

Capital Expenditure

We distinguish our Capital Expenditure, which consist mainly of the maintenance and refurbishment of existing facilities, capitalised costs related to purchase and maintenance of mining assets, equipment, intangible assets and other assets in two categories:

- *Maintenance Capital Expenditure*, which are incurred to maintain, over the long term, our operating income or operating capacity; and
- *Expansionary Capital Expenditure*, which are incurred for acquisitions or capital improvements with the objective to increase, over the long term, our operating income or operating capacity.

Capital Expenditure also includes certain other items including advances, spare parts purchases and others, which are not classified as Maintenance Capital Expenditure or Expansion Capital Expenditure

We present Maintenance Capital Expenditure and Expansion Capital Expenditure because we utilise these measures to discriminate between ongoing cash outlays that must be made periodically to maintain the Group's productive capacity unaltered and investment cash outlays that the Group can make at its discretion for growth purposes.

APMs of Financial Position

The Group's APMs of financial position and financial leverage together with their definitions, are:

- *Net Debt,* which consists of the sum of the 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,* which 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 1 year; and
- *WE Soda Restricted Group Net Leverage Ratio*, which consists of WE Soda Restricted Group Net Debt divided by WE Soda Restricted Group Adjusted EBITDA, which consists of Adjusted EBITDA excluding Adjusted EBITDA of Unrestricted Subsidiaries, being Ciner Enterprises Inc. and its subsidiaries.

We present Net Debt, WE Soda Restricted Group Net Debt and WE Soda Restricted Group Net Leverage Ratio because we and our financial stakeholders use this measure to monitor the Group's covenant compliance under the terms of the Group's principal financing arrangements. WE Soda Restricted Group Net Leverage Ratio is useful as a measure as it shows how many years it would take for the Group to pay back its debt if WE Soda Restricted Group Net Debt and WE Soda Restricted Group Adjusted EBITDA are held constant.

Reconciliation of APMs to IFRS equivalents

The tables below provide reconciliation of our APMs to IFRS equivalents from the consolidated IFRS financial statements (Consolidated Statement of Profit or Loss ("SPL"), Consolidated Statement of Financial Position ("SFP"), Consolidated Statement of Cash Flows ("SCF") and the Notes to the consolidated IFRS financial statements).

	Ref	2023 $000s	2022 $000s
Total profit for the year	**SPL**	**529,281**	**830,431**
add/(less):			
Finance income	SPL	(231,263)	(47,858)
Finance expenses	SPL	399,622	183,852
Taxation	SPL	(55,459)	(188,552)
Depreciation	Notes 9, 10, 11	67,272	60,200
Gain on disposal of fixed assets	SCF	33	(494)
Share of net (profit)/loss of associates accounted for using the equity method	SPL	1,097	(2,924)
EBITDA		**710,583**	**834,655**
add/(less):			
Foreign exchange (gains)/losses and discount interest (income)/expense included in Other operating income and expenses	Note 12	(26,125)	(29,382)
Employee benefits	Note 28	3,035	3,244
Mineral exploration and evaluation expenditures[1]		33,956	2,072
Excess caustic soda and lime costs[2]		14,107	36,343
Other one-off items		14,993	(7,532)
Adjusted EBITDA		**750,549**	**839,400**
Sales volume	thousand mt	4,905	5,061
Adjusted EBITDA per mt	**$ per mt**	**153.0**	**165.9**

1. Costs that are incurred on exploration and evaluation until technical feasibility and commercial viability of extracting the mineral resource is proven and therefore are expensed (please refer to Note 2.16 of the Consolidated Financial Statements). **2.** As a result of the design defects in the construction of Kazan Soda's decahydrate and caustic soda processing units, Kazan Soda was required to purchase caustic soda and lime from third parties. These expenses will cease going forward as the extension project units for decahydrate and caustic soda became operational in the first half of 2023 and Kazan Soda will no longer be required to purchase any significant caustic soda and lime from third parties.

Alternative Performance Measures ("APMs") continued

	Ref	2023 $000s	2022 $000s
Soda ash/sodium bicarbonate sales	Note 8	1,475,589	1,628,598
less:			
Transportation expenses	Note 9	(176,483)	(152,420)
Export expenses[1]	Note 9	(41,257)	(43,126)
Netback Revenue		**1,257,849**	**1,433,052**
Sales volume	thousand mt	4,905	5,061
Netback Margin	**%**	**60%**	**59%**

	Ref	2023 $000s	2022 $000s
Maintenance Capital Expenditure		69,419	39,865
Expansion Capital Expenditure		24,817	29,485
Other Capital Expenditure		12,084	10,793
Total Capital Expenditure	**SCF**	**106,320**	**80,143**

	Ref	2023 $000s	2022 $000s
Adjusted EBITDA	as above	750,549	839,400
less:			
Maintenance Capital Expenditure	as above	(69,419)	(39,865)
Taxation	SCF	(94,554)	(56,658)
Free Cash Flow		**586,576**	**742,877**
FCF Conversion		**78%**	**89%**
Net Debt	**Note 4**	**1,500,815**	**1,356,687**
less:			
Net Debt of Unrestricted Subsidiaries[2,3]		(7,268)	(9,093)
Working Capital Loans with a maturity of less than 1 year[3]	Note 25	(33,196)	–
WE Soda Restricted Group Net Debt	**Note 4**	**1,460,351**	**1,347,594**
Adjusted EBITDA	as above	750,549	839,400
Add/(less):			
Adjusted EBITDA of Unrestricted Subsidiaries[2]		6,200	5,348
WE Soda Restricted Group Adjusted EBITDA		**756,749**	**844,748**
WE Soda Restricted Group Net Leverage Ratio		**1.9**	**1.6**

1. Including services by Denmar Türkiye of $1.8 million that became in-house following acquisition in 2023. **2.** Ciner Enterprises Inc. and its subsidiaries. **3.** In accordance with the terms of the bonds and RCF.

Independent Limited Assurance Statement to WE Soda

ERM Certification and Verification Services Limited ("ERM CVS") was engaged by WE Soda Ltd. ("WE Soda") to provide limited assurance in relation to the selected information set out below and presented in WE Soda's Annual Report 2023 (the "Report").

Engagement summary

Scope of our assurance engagement	Whether the following selected performance data for 2023 are fairly presented in the Report, in all material respects, in accordance with the reporting criteria. 2023 reporting period: • Total Scope 1 GHG emissions mt CO_2e • Total Scope 2 GHG emissions (market based) mt CO_2e • Total Scope 2 GHG emissions (location-based) mt CO_2e • Total Scope 1 & 2 emissions (market based) mt CO_2e • Total Scope 1 & 2 emissions (location based) mt CO_2e • Carbon Emissions intensity Scope 1 & 2 market based mt CO_2e/tonne production • Carbon Emissions intensity Scope 1 & 2 location based mt CO_2e/tonne production • Total Scope 3 GHG emissions mt CO_2e, for the following categories: – Category 1: Purchased goods and services – Category 3: Fuel and energy related activities – Category 4: Upstream transportation and distribution – Category 5: Waste generated in operations – Category 6: Business travel – Category 7: Employee commuting – Category 9: Downstream transportation and distribution • Total water consumption m^3 • Recycled water m^3 • Water intensity m^3/tonne sodium carbonate and sodium bicarbonate • Wastewater discharge industrial m^3 • Wastewater discharge domestic m^3 • Total waste mt • Total waste directed to disposal mt • Total waste diverted from disposal mt • Total hazardous waste mt • Total non-hazardous waste mt Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.

Engagement summary

Reporting period	• 1 January 2023 – 31 December 2023
Reporting criteria	• WBCSD/WRI GHG Protocol (2004, as updated January 2015) as relevant for Scope 1 & 2 emissions • WBCSD/WRI GHG Protocol Corporate Value Chain Accounting and Reporting Standard (2011) for Scope 3 emissions • GRI 303: Water and Effluents 2018 • GRI 305: Emissions 2016 • WE Soda's Basis of Reporting
Assurance standard and level of assurance	We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Respective responsibilities	WE Soda is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report. ERM CVS' responsibility is to provide a conclusion to WE Soda on the agreed scope based on our engagement terms with WE Soda, the assurance activities performed and exercising our professional judgement.

Independent Limited Assurance Statement to WE Soda continued

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2023 data and information for the disclosures listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the performance data, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected performance data;
- Interviews with management representatives responsible for managing the selected issues;
- Interviews with relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures;
- Conducting an in-person visit at the Kazan site (Türkiye) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator;
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information;
- An analytical review of the year-end data submitted by all locations included in the consolidated 2023 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Evaluating the conversion and emission factors and assumptions used; and
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to WE Soda in any respect.

Gareth Manning
Partner, Corporate Assurance
UK, London
25 April 2024

Financial Statements

Independent auditors' report to the members of WE Soda Ltd

Report on the audit of the financial statements

Opinion

In our opinion, WE Soda Ltd's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's and parent company's profit and the group's and parent company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2023 (the "Annual Report"), which comprise: the Consolidated and Parent Company Statements of Financial Position as at 31 December 2023; the Consolidated and Parent Company Statements of Profit or Loss and Other Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated and Parent Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- Our audit included full scope audits and audit of specific account balances at each of the group's 10 in-scope subsidiaries and associates (collectively referred to as "components").
- Taken together, the components at which audit work was performed accounted for 100% of consolidated revenue and 98% of consolidated profit before tax and 98% of consolidated total assets.

Key audit matters

- Accounting for bonds and embedded derivatives (group)
- Mine closure provisions (group)
- Assessment of expected credit loss for receivables from related parties (group and parent)

Materiality

- Overall group materiality: $23.5 million based on approximately 4.5% of the three year-average of the group's consolidated adjusted profit before tax.
- Overall parent company materiality: $17 million based on approximately 1% of the parent company's total assets.
- Performance materiality: $17.6 million (group) and $12.8 million (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As a result of the issuance of bonds in October 2023 by a wholly owned subsidiary which are listed on The International Stock Exchange, the group and the parent company are considered to be public interest entities from that date, therefore key audit matters have been included for the first time this year.

Independent auditors' report to the members of WE Soda Ltd continued

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Accounting for bonds and embedded derivatives (group) During the year, the group issued bonds amounting to $980 million. Management identified an embedded derivative related to the bonds early repayment option (embedded derivative) in the bond contract and concluded that, in accordance with IFRS 9 Financial Instruments, the embedded derivative had to be recognised separately which involved using significant judgement. At initial recognition, the bonds and the embedded derivative were recognised at fair value. Management estimated the fair value of the embedded derivative and the difference between the amounts raised from the issuance of the bonds and the fair value of the derivative was assigned to the bonds as fair value at initial recognition. The bonds are subsequently measured at amortised cost whereas the derivatives are recognised at fair value through profit or loss. Refer to note 2 for the accounting policy and note 4 *Financial Risk Management*, note 25 *Borrowings* and note 27 *Derivative Financial Instruments*.	We validated the terms of the bonds with the purchase agreements to evaluate management's assessment of the identification and the judgement on the separate identification of the embedded derivative. We read the reports issued by management's external experts who evaluated the terms of the agreement and provided accounting advice. We also evaluated the report issued by management's external experts who valued the embedded derivatives at initial recognition and at year end. We evaluated the competence and objectivity of management's experts. We considered the accounting treatment and potential alternative approaches. We engaged our own internal experts to assess the work performed by management's experts on the valuation of the embedded derivative. This involved performing an independent valuation of the embedded derivative at initial recognition and at the year end to determine the reasonableness of management expert's valuation. Based on the procedures performed, we noted no material issues arising from our work.

Key audit matter	How our audit addressed the key audit matter
Mine closure provisions (group) The group has provisions for mine closure costs of $91.5 million as at 31 December 2023 (2022: $68.9 million). The calculation of these provisions requires management to estimate the quantum and timing of future costs, taking into account the nature of the sites, the long timescales involved and the potential associated obligations. These calculations also require management to determine an appropriate rate to discount future costs to their present value. Management reviews the mine closure provisions at each year end, using experts to provide support in its assessment where appropriate. This review incorporates the effects of any changes in local regulations, mining disturbance and rehabilitation activities that have taken place during the year, and management's anticipated approach to restoration and rehabilitation. Refer to note 2 for the accounting policy and note 29 *Mine Closure Provisions*.	We assessed the procedures undertaken by management to review mine closure provisions. For estimates we deemed significant, we conducted detailed testing specifically regarding the cost estimates. We validated the presence of legal and/ or constructive obligations related to the provision and assessed the suitability of the intended restoration and rehabilitation method. We reviewed the expertise and objectivity of management's internal experts and external experts responsible for the cost estimates. Correspondence between management and external experts was reviewed. We held meetings with relevant experts to understand their methodology and inputs. When evaluating the adequacy of cost estimates, we focussed on verifying that the costs underpinning the accounting provision reflect the best estimate of expenses. This estimation is based on the current level of mine disturbance, alongside any risk adjustments accounted for in the estimate. We also examined whether any climate change-related risks affected the timing or scope of remediation efforts. We assessed the timing of the cash flows and discount rates applied to calculate the present value of estimated costs. We checked that the majority of the cash flows were anticipated to be incurred following the closure of the mines as set out in the life of mine plans. We verified the risk free rates applied to the yields on government bonds with maturities approximating the timing of cash flows. We validated the integrity of formulae and mathematical accuracy of management's calculations. Based on the procedures performed, we noted no material issues arising from our work.

Independent auditors' report to the members of WE Soda Ltd continued

Key audit matter	How our audit addressed the key audit matter
Assessment of expected credit loss for receivables from related parties (group and parent) As at 31 December 2023, the group and parent company has receivables from related parties of $1,101.1 million and $591.2 million, respectively. Management performed an assessment of the expected credit losses on the receivables from the related parties. Management concluded that no credit loss allowance is required. Refer to note 2 for the accounting policy, and note 34 *Related Party Transactions* of the group financial statements; and to note B for the accounting policy, and note S *Related Party Transactions* of the parent company financial statements.	We evaluated management's assessment of the recoverability of the receivables from related parties and the expected credit loss allowance. We validated the feasibility of management's plans to recover the amounts receivable from the related parties. We examined the source and ability of the related parties to generate cash and the timing of repayment including past precedence of recovery from the related parties. We validated the integrity of formulae and mathematical accuracy of management's calculations. Based on the procedures performed, we noted no material issues arising from our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The group's assets and operations are primarily located in Türkiye, the United Kingdom and the United States of America. In establishing the overall approach to the group audit, we determined the type of work required to be performed for the consolidated financial statements by the group audit team, or through involvement of our component auditors in Türkiye and the United States of America. We identified eight components which, in our view, required an audit of their complete financial information, either due to their size or risk characteristics. This included the two main operating subsidiaries, namely Eti Soda A.S. and Kazan Soda A.S.; Denmar Depoculuk Nakliyat Ve Ticaret Anonim Şirket performing port handling services at Derince Port; and an associate in the United States of America, namely Sisecam Chemicals Resources LLP. We also identified intermediate holding and finance companies in the structure, due to their specific nature and characteristics. Furthermore, we performed the audit of one or more account balances, classes of transactions or disclosures for two holding companies based in the United States of America.

During our field work phase we visited the associate's mine in Wyoming, where we also met with the Project Pacific and Project West teams to gain a further understanding of the progress of these projects. As part of our year end audit, we spent time with our component audit teams in Ankara, Türkiye and Charlotte, United States of America, during the year-end and /or interim phases of the audit. In addition to these site visits, we conducted oversight of our component audit teams through regular dialogue via conference calls, video conferencing and email communication as considered necessary. We performed remote and in-person working paper reviews to satisfy ourselves as to the appropriateness of audit work performed by our component audit teams. We also attended key meetings virtually and in person with the group and local management. Further specific audit procedures over the group consolidation and review procedures over the Annual Report and audit of the financial information disclosures were directly performed by the group audit team. These procedures gave us the evidence we needed for our opinion on the group financial statements as a whole.

The financial statements of the parent company are prepared using the same accounting processes as the group's central functions and were audited by the group audit team.

The impact of climate risk on our audit

The impact of environmental changes on the operations of the group is identified as a principal risk. As part of our audit, we made enquiries of management to understand its process to assess the extent of the potential impact of environmental and climate change risks on the group and its financial statements. This includes its consideration of risks and opportunities that could impact the financial statements. As set out in the Annual Report, the group has a lower energy footprint than most of its competitors and is further investing in renewable energy generation and emissions abatement solutions.

We considered management's financial statement reporting risk assessment in respect of environment and climate change, focusing on those areas considered to be most heavily impacted such as management's determination of the mine closure provisions. Whilst the impact is uncertain, we particularly considered the impact of both physical and transition risks arising due to climate change, as well as related opportunities and climate targets made by the group.

The useful lives of the group's mines are reassessed annually and changes could impact depreciation charges and timing of mine closure activities. Based on the current life of asset plans there were no indications that useful lives had been materially impacted by environmental or climate change. Our work on mine closure provisions is further described in the relevant Key Audit Matter. We have also read the disclosures made in relation to environmental and climate change, in the strategic report and the other information within the Annual Report, and considered their consistency with the financial statements and our knowledge from our audit.

Independent auditors' report to the members of WE Soda Ltd continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - parent company
Overall materiality	$23.5 million.	$17 million.
How we determined it	approximately 4.5% of the three year-average of the group's consolidated adjusted profit before tax	approximately 1% of the parent company's total assets
Rationale for benchmark applied	Profit before tax adjusted for foreign exchange gain or loss is used as the materiality benchmark. We consider that it is most appropriate to calculate materiality based on a three-year average of profit before tax adjusted foreign exchange gain or loss to respond to longer-term trends in soda ash markets and to dampen the impact of short-term price and foreign exchange volatility. We used judgement to cap our materiality at $23.5 million.	We considered total assets to be an appropriate benchmark for the parent company, given that it is the holding company in the Group and holds material investments in subsidiary undertakings. We used judgement to cap our materiality at $17 million.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $4 million and $17 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to $17.6 million for the group financial statements and $12.8 million for the parent company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above $1.2 million (group audit) and $850 thousand (parent company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecast and downside scenario, and checking that the forecasts have been subject to board review and approval;
- Considering the historical reliability of management forecasting for cash flow and net debt by comparing budgeted results to actual performance;
- Checking the key inputs into the models, such as netback prices; sales volume forecasts and natural gas prices to ensure that these were consistent with our understanding and the inputs used in other key accounting judgements in the financial statements;
- Performing our own independent sensitivity analysis to understand the impact of changes in cash flow and net debt on the resources available to the group;
- Checking the covenants applicable to the group's borrowings and examining whether management's assessment supports ongoing compliance with those covenants; and
- Reading management's paper to the Audit Committee in respect of going concern, and agreeing the forecasts set out in this paper to the underlying base case cash flow model.

Independent auditors' report to the members of WE Soda Ltd continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to environmental laws and regulations in Türkiye and the United States, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias included within significant accounting judgements and estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

Independent auditors' report to the members of WE Soda Ltd continued

- Review of Board meeting minutes and discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Assessing significant judgements and estimates, to ensure that there are no indications of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other matter

The group financial statements for the year ended 31 December 2022, forming the corresponding figures of the group financial statements for the year ended 31 December 2023, are unaudited.

Jason Burkitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 April 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Note	**2023 $000s**	Unaudited 2022 $000s
Revenue	8	1,561,385	1,773,748
Cost of sales	9	(837,683)	(995,412)
Gross profit		**723,702**	**778,336**
Administrative expenses	10	(100,579)	(43,829)
Marketing expenses	11	(5,871)	(5,200)
Other operating income	12	43,142	91,883
Other operating expenses	12	(17,116)	(46,341)
Profit from operations		**643,278**	**774,849**
Finance income	13	231,263	47,858
Finance expenses	13	(399,622)	(183,752)
Share of net (loss)/profit of associates accounted for using the equity method	33	(1,097)	2,924
Profit before tax		**473,822**	**641,879**
Taxation	14	55,459	188,552
Total profit for the year		**529,281**	**830,431**
Profit for the year attributable to:			
Owners of the Company		478,460	746,069
Non-controlling interest		50,821	84,362
Total profit for the year		**529,281**	**830,431**
Basic and diluted earnings per share ($ per share)	31	**3.445**	**5.406**

Consolidated Statement of Profit or Loss and Other Comprehensive Income continued

For the year ended 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Note	2023 $000s	Unaudited 2022 $000s
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
– Accumulated gain/(loss) on remeasurement of defined benefit plans		117	(592)
– Accumulated gain/(loss) gain on remeasurement of defined benefit plans of investments accounted for using the equity method		604	4,548
Items that will be reclassified subsequently to profit or loss:			
– Foreign currency translation reserve	31	271	(143,968)
– Hedge accounting of investments accounted for using the equity method		(5,867)	6,185
Total other comprehensive loss for the year, net of income tax		**(4,875)**	**(133,827)**
Total comprehensive income for the year		**524,406**	**696,604**
Total comprehensive income for the year attributable to:			
Owners of the Company		473,543	628,593
Non-controlling interest		50,863	68,011
Total comprehensive income for the year		**524,406**	**696,604**

The Notes on pages 155 to 211 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Note	2023 $000s	Unaudited 2022 $000s
Assets			
Non-current assets			
Property, plant and equipment	15	527,312	443,818
Mining reserves	16	564,675	590,617
Intangible assets	17	67,981	23,629
Mining assets	18	112,759	90,031
Inventories	24	29,150	18,626
Prepaid expenses	19	3,286	18,817
Other receivables	20	837,925	553,986
Deferred tax assets	14	717,373	558,644
Goodwill	21	14,565	12,686
Right-of-use assets	38	27,903	11,653
Derivative financial instruments	27	54,857	–
Investments accounted for using the equity method	33	324,519	336,231
		3,282,305	**2,658,738**
Current assets			
Trade receivables	20	154,397	360,115
Other receivables	20	254,745	268,415
Cash and cash equivalents	23	169,621	308,733
Prepaid expenses	19	15,934	9,004
Inventories	24	27,721	28,375
Other current assets	22	43,616	75,987
		666,034	**1,050,629**
Total assets		**3,948,339**	**3,709,367**

Consolidated Statement of Financial Position continued

As at 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Note	2023 $000s	Unaudited 2022 $000s
Non-current liabilities			
Borrowings	25	1,608,262	1,367,315
Lease liabilities	38	23,445	9,504
Trade payables	26	–	2,879
Other payables	26	13,917	14,928
Employee benefits	28	3,354	4,097
Tax liability	14	–	530
Mine closure provision	29	91,471	68,854
Deferred tax liability	14	163,301	153,933
Deferred income (contact liabilities)	30	22,130	16,436
Other non-current liabilities	22	–	322
		1,925,880	**1,638,798**
Current liabilities			
Borrowings	25	56,164	337,570
Derivative financial instruments	27	4,570	–
Lease liabilities	38	3,307	4,309
Trade payables	26	110,209	300,574
Other payables	26	49,809	40,676
Tax liability	14	18,196	20,672
Provisions		8	50
Employee benefits	28	4,598	4,098
Deferred income (contract liabilities)	30	140,688	134,519
Other current liabilities	22	39,176	6,593
		426,725	**849,061**
Total liabilities		**2,352,605**	**2,487,859**
Net assets		**1,595,734**	**1,221,508**

Consolidated Statement of Financial Position continued

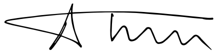
As at 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Note	**2023 $000s**	Unaudited 2022 $000s
Equity			
Share capital	31	153,636	153,636
Share premium	31	1,382,131	1,382,131
Capital contribution in kind		131,038	131,038
Restricted profit reserves	31	83,016	53,302
Acquisition of public shares of equity accounted investment's subsidiary		(15,594)	–
Accumulated other comprehensive income that will not be reclassified subsequently to profit or loss		4,620	3,941
– Actuarial gain on remeasurement of defined benefit plans		*4,620*	*3,941*
Accumulated other comprehensive loss that will be reclassified subsequently to profit or loss:		(1,898,564)	(1,892,968)
– Foreign currency translation reserve	31	*(1,898,882)*	*(1,899,153)*
– Hedge accounting		*318*	*6,185*
Retained profits		1,544,862	1,206,116
Equity attributable to owners of the Company		**1,385,145**	**1,037,196**
Non-controlling interest		210,589	184,312
Total equity		**1,595,734**	**1,221,508**

The Notes on pages 155 to 211 form part of these consolidated financial statements.

The consolidated financial statements on pages 147 to 211 were approved by the Board on 25 April 2024 and were signed on its behalf.



Ahmet Tohma
Director
25 April 2024

Mehmet Ali Erdoğan
Director
25 April 2024

Company Number 10264457

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Share capital	Share premium	Capital contribution in kind[4]	Restricted profit reserves	Acquisition of public shares of equity accounted investment's subsidiary	Accumulated gain on remeasurement of defined benefit plans[1]	Other[2]	Foreign Currency Translation Reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest[3]	Total equity
At 1 January 2022 – Unaudited	**153,636**	**1,382,131**	**131,038**	**47,421**	**–**	**(119)**	**–**	**(1,771,432)**	**465,928**	**408,603**	**134,998**	**543,601**
Dividend distribution	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(18,697)	(18,697)
Transfer	**–**	**–**	**–**	5,881	–	**–**	**–**	**–**	(5,881)	**–**	**–**	**–**
– Profit for the year	–	–	–	–	–	–	–	–	746,069	746,069	84,362	830,431
– Other comprehensive income/(loss) for the year	–	–	–	–	–	4,060	6,185	(127,721)	–	(117,476)	(16,351)	(133,827)
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**4,060**	**6,185**	**(127,721)**	**746,069**	**628,593**	**68,011**	**696,604**
At 31 December 2022 – Unaudited	**153,636**	**1,382,131**	**131,038**	**53,302**	**–**	**3,941**	**6,185**	**(1,899,153)**	**1,206,116**	**1,037,196**	**184,312**	**1,221,508**
Dividend distribution	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	(110,000)	(110,000)	(49,334)	**(159,334)**
Transfer		**–**		29,714	**–**	**–**	**–**	**–**	(29,714)	**–**	**–**	**–**
Acquisition of public shares of equity accounted investment's subsidiary	**–**	**–**	**–**	**–**	(15,594)					*(15,594)*		**(15,594)**
– Profit for the year	–	–	–	–	–	–	–	–	478,460	*478,460*	50,821	**529,281**
– Other comprehensive income/(loss) for the year	–	–	–	–	–	*679*	(5,867)	*271*	–	*(4,917)*	42	**(4,875)**
– Other	–	–	–	–	–	–	–		–	–		**–**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**679**	**(5,867)**	**271**	**478,460**	**473,543**	**50,863**	**524,406**
Effect of purchase/disposal of subsidiary											24,748	**24,748**
Transactions with shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Shares issued	–	–	–	–	–	–	–	–	–	–	–	–
Total transactions with shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2023	**153,636**	**1,382,131**	**131,038**	**83,016**	**(15,594)**	**4,620**	**318**	**(1,898,882)**	**1,544,862**	**1,385,145**	**210,589**	**1,595,734**

The Notes on pages 155 to 211 form part of these consolidated financial statements.

1. Accumulated other comprehensive income that will not be reclassified subsequently to profit or loss. 2. Accumulated other comprehensive income that will be reclassified subsequently to profit or loss. 3. Includes $nil (2022: $16,247,329) of foreign currency translation loss allocated to non-controlling interest. 4. Since Kew Soda Ltd. acquired more than 90% of the shares in a company (TC Soda) by issuing its own shares in return, as required by the Companies Act, 2006, the difference between the $131.0 million fair value of TC Soda and the nominal value of the shares issued by Kew Soda Ltd. and WE Soda Ltd. has been credited to equity under "Capital contribution in kind".

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Notes	2023 $000s	Unaudited 2022 $000s
Cash flow from operating activities			
Total profit for the year		529,281	830,431
Adjustments for:			
Depreciation and amortisation expenses		67,272	60,200
Retirement benefit		2,601	3,329
Finance income		(183,420)	(53,774)
Finance expense		144,656	102,736
Discount expense/(income) (net)		(2,312)	(966)
IFRS 9 EIR adjustment reversal for Kazan Soda project finance loan due to loan closure		(9,782)	–
Reimbursement of transaction costs for Kazan Soda project finance loan due to loan closure		(13,246)	–
Bank charges		8,247	30,927
Net foreign exchange loss		200,363	14,194
Income tax credit	14	(55,459)	(188,552)
Increase in inventories		955	(7,077)
Decrease/(increase) in trade and other receivables		77,224	(222,397)
Increase in trade and other payables		9,462	352,313
(Gain)/loss on disposals of fixed assets		33	(494)
Fair value losses		(30,855)	–
Share of net profit/loss of associates accounted for using the equity method	33	1,097	2,438
Dividend income	33	–	(5,362)
Other cash inflows/(outflows)		125	(1,981)
Cash generated from operations		**746,242**	**915,965**
Tax return payments		(94,554)	(56,658)
Paid retirement benefit obligation		(1,174)	(85)
Net cash generated from operating activities		**650,514**	**859,222**
Cash flow from investing activities:			
Purchase of property, plant and equipment		(106,320)	(80,143)
Disposals of property, plant and equipment		502	1,250
Interest received		4,792	710
Dividend received from equity-accounted investments		–	16,542
Payments made in conjunction with equity investment, net		(11,960)	(12,450)
Cash (outflow)/inflow due to acquisition of subsidiary, net		(38,978)	131
Cash inflows due to non-trading related party balances		26,335	–
Cash outflows due to non-trading related party balances		(477,235)	(302,292)
Net cash used in investing activities		**(602,864)**	**(376,252)**

Consolidated Statement of Cash Flows continued

For the year ended 31 December 2023

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

	Note	2023 $000s	Unaudited 2022 $000s
Cash flow from financing activities:			
Proceeds from borrowings		162,430	168,109
Repayments of borrowings		(1,154,566)	(259,857)
Repayments of lease liabilities		(4,485)	(4,556)
Interest paid		(114,349)	(81,404)
Borrowing costs incurred		(8,511)	(10,722)
Distributions to non-controlling interest shareholder of subsidiary		(30,399)	(58)
Proceeds from issuance of bonds		961,021	–
Other cash inflows		472	–
Net cash used in financing activities		**(188,387)**	**(188,488)**
Effects of exchange rate changes on cash and cash equivalents		1,625	(240)
Net cash and cash equivalents (used)/generated during the year		**(139,112)**	**294,242**
Cash and cash equivalents at beginning of the year	23	308,733	14,491
Cash and cash equivalents at end of the year	23	**169,621**	**308,733**

The Notes on pages 155 to 211 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

1. General information

WE Soda Ltd (the "Company", "WE Soda" or the "Parent Company") is a private company limited by shares incorporated and domiciled in the United Kingdom on 6 July 2016 and registered in England and Wales under the Companies Act 2006. The address of the registered office is 23 College Hill, London, EC4R 2RP, United Kingdom. The copies of the consolidated financial statements and annual report for WE Soda Ltd. and its immediate parent Kew Soda Ltd. ("Kew Soda"), which are the smallest and largest groups to consolidate, can be obtained from the Companies House. The nature of the Company's subsidiaries and associates' operations and their principal activities are mining for trona and producing soda ash and sodium bicarbonate, which are essential raw materials in glass manufacturing, powder soaps and detergents, chemicals (including the production of lithium carbonate) and other consumer and industrial products.

The Company and its subsidiaries (both direct and indirect) are referred to as the "Group". The immediate parent and ultimate holding company of WE Soda are Kew Soda and Akkan Enerji ve Madencilik A.Ş. ("Akkan Enerji"), respectively, which are incorporated in the UK and Türkiye, respectively, are part of the wider "Ciner Group". Akkan Enerji and Kew Soda's ultimate controlling party is Mr. Turgay Ciner. The Company and Kew Soda Ltd. are parent companies in the Akkan Group, both preparing publicly available financial statements.

The global soda ash business of the Company comprises two controlled businesses, Eti Soda and Kazan Soda in Türkiye, and one controlled investment, West Soda in the USA, and two investments, namely an indirect investment in Şişecam Wyoming, and indirect investment Pacific Soda.

The Ciner Group transferred Soda World Ltd ("Soda World") to the Group on 21 January 2022, and from such date, Soda World is consolidated as a subsidiary into the Group's financial statements. Soda World is the direct contracting party with the Group's end-users and distributors and the direct holder of certain export receivables from Eti Soda and Kazan Soda.

Additionally, the Ciner Group had incorporated WE İç ve Dış Ticaret A.Ş. ("WIDT") in Türkiye, which was acquired by Soda World as a wholly-owned subsidiary on 18 March 2022, acted as the Group's sole export intermediary for the export of products from Türkiye, replicating the cash flow and VAT processing benefits of Ciner İç ve Dış Ticaret A.Ş. ("CIDT") following its transfer. It was intended that WIDT will gradually take over the role of CIDT in Türkiye until the year end of 2023 and exporting products on behalf of Kazan Soda and Eti Soda to Soda World pursuant to a resale agreement. Under Turkish regulations, WIDT's application to become a foreign trade company ("FTC") can only be submitted when specific trading thresholds have been met (in excess of $100 million of export sales in a calendar year). This threshold had been exceeded during financial year 2022 and the approval process had been completed on 18 March 2023 and WIDT's FTC status has been announced to the public on the same date with Official Gazette numbered 32136. CIDT to WIDT transition has been completed as of 31 December 2023.

On 1 February 2023, Şişecam Resources LP ("Şişecam") (NYSE: SIRE) and Şişecam Chemicals Resources LLC ("SCR") announced that Şişecam has entered into a definitive Agreement and Plan of Merger (the "Agreement" or the "Merger") pursuant to which Şişecam Chemicals Wyoming LLC, a wholly owned subsidiary of Şişecam Chemicals Resources LLC ("Parent") will acquire all of the outstanding common units of Şişecam not already owned by Parent and its affiliates (the "Public Common Units"). The Agreement follows the offer made by Parent on 6 July 2022 to acquire the Public Common Units.

As a result of this Merger, the Group's effective holding in Şişecam Wyoming LLC increased to approximately 20.4% from 15.1% and Şişecam Resources LP ("Şişecam") (NYSE: SIRE) is delisted and merged under Şişecam Chemicals Wyoming LLC.

On 24 June 2023, the Group acquired a 60% controlling stake of Denmar Depoculuk Nakliyat ve Ticaret A.Ş. ("Denmar Türkiye") from the Ciner Group for consideration of $39 million. The provisional accounting of this acquisition is summarised in Note 5.

2. Material accounting policies

2.1 Financial information

The financial information is presented in US dollars ("$"). Foreign operations are included in accordance with the policies set out in this Note.

2.2 Basis of preparation

The Company has prepared consolidated financial statements which comply with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared under the historical cost convention as modified by the fair valuation of certain financial instruments. The disclosed policies have been applied consistently by the Group for both the current and previous financial year with the exception of the new standards adopted, if any. Prior year numbers have been reclassified, where necessary, to conform to the current year presentation.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.2 Basis of preparation continued

Going concern

The financial statements as of and for the year ended 31 December 2023 have been prepared on the going concern basis, as the Directors have determined that the Group has sufficient resources and liquidity to continue in operational existence and to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. In assessing the Group's ability to adopt the going concern basis, the Directors have evaluated the Group's ability to meet its liabilities as they fall due in a variety of cash flow scenarios, including a severe but plausible downside scenario, which still results in positive operational cash flows. This scenario applies severe but plausible economic downside assumptions to the Group's base case forecast resulting from the continued economic and social uncertainties surrounding the general outlook in the global economy. Additionally, our forecasts show that the Group will have sufficient financial headroom to meet its financial covenants based on the Revolving Credit facility for a period of at least 12 months from the date of approval of the financial statements and as detailed in Note 39 *Post Balance Sheet Events* the Directors have also considered the new bond issuance and royalty settlement on the liquidity of the Group.

The key assumptions made included a sales volume sensitivity, a netback price sensitivity, a natural gas supply and price cost sensitivity.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as of each year end. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

See Note 2.8 *Subsidiaries* for further details.

2.4 New and revised IFRSs

The Group has evaluated the effects of new and revised standards and interpretations on its operations, which are implemented after their effective date.

(a) Standards, amendments, and interpretations that are applicable from 1 January 2023

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12.** The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar two model rules. This amendment has been endorsed by the UK Endorsement Board on 19 July 2023. The Group has commenced Pillar two impact analysis, but the Group is, as yet, not in a position to provide quantified analysis of the potential future impact.
- **IFRS 17, 'Insurance Contracts'; effective from annual periods beginning on or after 1 January 2023.** This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

These newly adopted amendments to standards have not been a significant impact on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.4 New and revised IFRSs continued

(b) Standards, amendments, and interpretations that are issued but not effective as at 31 December 2023

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the accounting periods starting on or after 1 January 2024 that the Group has not yet adopted. The application of these is not expected to have a material impact on the Group in the future reporting periods or on foreseeable future transactions.

- **Amendment to IAS 1 –** Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.
- **Amendment to IFRS 16 –** Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

2.5 Acquisitions

On an acquisition that qualifies as a business combination in accordance with IFRS 3 'Business Combinations', the identifiable assets and liabilities of a subsidiary are measured at their fair value as at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill, which is treated as an intangible asset. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to the statement of comprehensive income in the year of acquisition.

If the Group acquires a group of assets or equity in a company it can apply a 'concentration test' that, if met, eliminates the need for further assessment. This test is optional, and where substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business. For a group of assets or equity in a company that does not constitute a business combination in accordance with IFRS 3 'Business Combinations', the cost of the acquired group of assets or equity is allocated to the individual identifiable assets acquired based on their relative fair value.

The Company adopted IFRS 3 'Business Combinations' as its accounting policy regarding acquisitions under common control.

2.6 Business combinations

Business combinations are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests ("NCI") that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.7 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill is tested for impairment annually (as at 31 December or earlier) and when circumstances indicate that the carrying value may be impaired.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

2.8 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Investments in subsidiaries represent equity holdings in subsidiaries and long-term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the investment is the higher of fair value less cost to disposal and value in use.

The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising therefrom, are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying amount of any non-controlling interest; (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any investment retained; (vi) recognises any surplus or deficit in profit and loss; and (vii) reclassifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

(b) Non-controlling interests ("NCI")

Non-controlling interests represent the equity in a subsidiary not attributable, directly, and indirectly, to the Parent Company and are presented separately within the consolidated statement of financial position, separately from equity attributable to owners of the parent. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

(c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 2.8 *Equity method*), after initially being recognised at cost. Details of the associates are set out in Note 33 *Interests in equity-accounted associates*.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or CGUs. Non-financial assets suffered from an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.8 Principles of consolidation and equity accounting continued

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of WE Soda Ltd.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.9 Revenue recognition

Revenue represents the sales value, net of value added tax ("VAT") and equivalent taxes applied to the Group's sales. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates, commissions, and taxes related to sales.

The core principle of revenue recognition is that the Group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, IFRS 15 'Revenue from Contracts with Customers' introduces a five-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Accordingly, revenue is recognised when (or as) a performance obligation is satisfied, ie, when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled to exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer. In most instances, control passes, and sales revenue is recognised, when the product is delivered to the vessel or vehicle on which it will be transported once loaded, the destination port or the customer's premises. There may be circumstances when judgement is required based on the five indicators of control below.

- The customer has the significant risks and rewards of ownership and has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service.
- The customer has a present obligation to pay in accordance with the terms of the sales contract. For shipments under the Incoterms Cost, Insurance and Freight ("CIF")/Carriage Paid to ("CPT")/Cost and Freight ("CFR"), this is generally when the ship is loaded, at which time the obligation for payment is for both product and freight.
- The customer has accepted the asset. Sales revenue may be subject to adjustment if the product specification does not conform to the terms specified in the sales contract, but this does not impact the passing of control. Assay and specification adjustments have been immaterial historically.
- The customer has legal title to the asset. The Group usually retains legal title until payment is received for credit risk purposes only.
- The customer has physical possession of the asset. This indicator may be less important as the customer may obtain control of an asset prior to obtaining physical possession, which may be the case for goods in transit.

The Group sells some portion of its products on CFR or CIF Incoterms. This means that the Group is responsible (ie, acts as principal) for providing shipping services and, in some instances, insurance after the date at which control of goods passes to the customer at the loading port. The Group therefore has separate performance obligations for freight and insurance services that are provided solely to facilitate the sale of the commodities it produces. Other Incoterms commonly used by the Group are Free on Board ("FOB"), where the Group has no responsibility for freight or insurance once control of the goods has passed at the loading port, and Delivered at Place ("DAP"), where control of the goods passes when the product is delivered to the agreed destination. For these Incoterms there is only one performance obligation, being for provision of product at the point where control passes.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.10 Leases

The date of initial application of IFRS 16 Leases for the Group was 1 January 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease for lease contracts entered into prior to the adoption date. Accordingly, the definition of a lease in accordance with IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.10 Leases continued

The Group as lessee continued

The Group did not make any such adjustments for the years presented.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the year in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 7 *Profit from operations*).

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Financial investment revenues from the temporary investing of unused portion of investment loan are deducted against the borrowing costs eligible for capitalisation. All other borrowing costs are recorded in the income statement in the year in which they are incurred.

2.12 Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of each company in the Group are expressed in US dollars, which is the presentation currency for the consolidated historical financial information.

The presentation currency of the Group is the US dollar based on the assessment that the Group's revenue mix will be predominantly US dollar denominated due to nature of the industry and US dollar presentation will enhance comparability with the industry peer group.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Any change in the functional currencies of the operations and entities and their immediate parents are evaluated and detailed in Note 2.28 *Critical accounting judgements and key source of estimation uncertainty* "Identification of functional currencies".

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US dollars using exchange rates prevailing at the end of each reporting date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Exchange differences on monetary items are recognised in profit or loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 4 *Financial risk management*); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.14 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties during construction for production, rental, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes costs related to the acquisition of the mentioned asset (employee benefits, site preparation, delivery cost, instalment, and montage costs etc.) These assets are classified to the related type of property asset when the construction is completed, and the asset is ready for use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of tangible assets is derecognised upon disposal or when future economic benefits are no longer expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of tangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The maintenance expenses arising from changing any part of the tangible assets can be capitalised if the economic benefit of the asset is increased. All other expenses are recorded in the expense accounts in the income statement when they are realised.

Depreciation for tangible assets is calculated based on the following:

Land improvements	Straight line	5 – 38 years
Buildings	Straight line	10 – 50 years
Plant, machinery and equipment	Straight line	4 – 40 years
Other fixed assets	Straight line	2 – 15 years
Leasehold improvements	Straight line	4 – 9 years

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.15 Mining reserves

Mining reserves include trona reserves and resources that can be economically and legally extracted and processed into soda ash or sodium bicarbonate at the time of their determination. Mining reserves are initially recognised at fair value when acquired.

Subsequently mining reserves are stated at initial value, less accumulated amortisation, and accumulated impairment losses.

Amortisation of mining reserves

The Group amortises mining reserves based on actual units of production and an estimation of total reserve volume by independent experts. Mining reserves are amortised according to units of production of trona extracted during the relevant periods.

2.16 Mining assets

The Group's Turkish operating subsidiaries produce soda ash/sodium bicarbonate after extracting trona using the solution mining method through usage of production wells. Mining assets comprise capitalised costs to construct production wells and other related costs incurred for wells to become operational.

Mining assets are stated at cost, less accumulated amortisation, and accumulated impairment losses.

Expenditure on the construction, installation or completion of infrastructure facilities is capitalised within mining assets, as long as the facts and circumstances indicate that the field has commercially viable reserves.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the asset retirement obligation, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Any other subsequent expenditure or maintenance expenses can be capitalised if the economic benefit of the asset is increased. All other expenses are recorded in the expense accounts in the income statement when they are realised.

Amortisation of mining assets

To amortise mining assets, the Group uses a methodology based on information that is dependent on actual units of production. Mining assets are amortised according to units of production of trona extracted.

Mineral exploration and evaluation expenditures

Exploration for and evaluation of mineral resources means the search for mineral resources, including minerals after an entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on a project-by-project basis as exploration and evaluation assets, pending determination of the technical feasibility and commercial viability of the project. Once sufficient information is available to prove technical feasibility and commercial viability of extracting the mineral resource, the relevant expenditure is transferred from exploration and evaluation assets to mining reserves. All other costs incurred on exploration and evaluation are expensed until technical feasibility and commercial viability of extracting the mineral resource is proven.

Exploration and evaluation assets are carried at historical costs less any impairment losses recognised.

2.17 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation methods are reviewed annually at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally generated intangible assets – software development costs

The Group capitalises certain software development costs associated with creating and enhancing internally developed software. Expenditure on research activities is recognised as an expense in the year in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.17 Intangible assets continued

Internally generated intangible assets – software development costs continued

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Useful lives of software development costs are between five to ten years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.18 Impairment of tangible and intangible assets other than goodwill

At the end of each year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.19 Share issue expenses, share premium account and restricted profit reserves

Costs of share issues are set off against the premium arising on the issue of share capital.

2.20 Inventories

Inventories of finished goods and materials are stated at lower of cost or net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with inventories being valued on the weighted average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale.

2.21 Employee benefits

(a) Retirement pay obligation:

Termination benefits for Turkish operations

The Group's Turkish operations are required by Turkish law and union agreements, to ensure that lump sum payments are made to employees retiring or involuntarily leaving the Turkish subsidiaries. Such payments are considered as being part of employee benefits as per IAS 19 (Revised) 'Employee Benefits'.

The retirement pay provision recognised in the financial statements represents the present value of the retirement pay obligation. The actuarial gains and losses are recognised in other comprehensive income.

The cost of providing retirement pay is determined using the projected unit credit method, with actuarial valuations being carried out annually at the end of each reporting year.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Retirement pay obligations are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Curtailment gains and losses are accounted for as past service costs.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.21 Employee benefits continued

(a) Retirement pay obligation continued

Post-retirement benefits for US operations[1]

Most of the employees of Şişecam Chemicals Resources, including Şişecam Wyoming, are eligible for post-retirement benefits other than pensions if they reach retirement age while still employed by Şişecam Wyoming or Şişecam Chemicals Resources.

The benefits are accounted for on an accrual basis over an employee's period of service. The retiree benefit plan is not funded, and CEI had the right to modify or terminate the plan until 21 December 2021, which was the disposal date of its subsidiaries. CEI uses 31 December to determine post-retirement benefit measurements and future costs are present valued at the respective reporting date.

(b) Defined benefit plans:

Retirement and savings for US operations[1]

Up until the Strategic Transactions on 21 December 2021, CEI sponsored various defined benefit plans, being:

Retirement plans

Benefits provided under the Ciner Pension Plan for Salaried Employees and Ciner Pension Plan for Hourly Employees are based upon years of service and average compensation for the highest 60 consecutive months of the employee's last 120 months of service, as defined. Each plan covers substantially all full-time employees working at Şişecam Wyoming and Şişecam Chemicals Resources hired before 1 May 2001. CEI's funding policy is to contribute an amount within the range of the minimum required and the maximum tax-deductible contribution.

Savings plan

The Ciner 401(k) Retirement Plan covers all eligible salaried and hourly employees of Şişecam Chemicals Resources, including those at Şişecam Wyoming. Eligibility is limited to all domestic residents and any foreign expatriates who are in the United States indefinitely. The plan permits employees to contribute specified percentages of their compensation, while CEI makes contributions based upon the specified percentages of employee contributions.

The Plan was amended such that participants hired on or subsequent to 1 May 2001 will receive an additional contribution from CEI based on a percentage of the participant's base pay until 21 December 2021, which was the disposal date of its subsidiaries.

(c) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. See Note 28 *Employee benefits* for further details.

2.22 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract was entered into and are subsequently remeasured at their fair value at the end of each reporting year, with changes in the fair value immediately recognised in the income or loss, unless the derivative is designed and effective as a hedging instrument.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract. Contracts are assessed for embedded derivatives when the Group becomes a party to them, including at the date of a business combination.

The Group may enter into derivative contracts from time to time to manage exposure to the risk of exchange rate changes on its foreign currency transactions, the risk of changes in natural gas prices, and the risk of the variability in interest rates on borrowings. Gains and losses on derivative contracts qualifying for hedge accounting are reported as a component of the underlying transactions. The Group follows hedge accounting for its hedging activities. All derivative instruments are recorded on the balance sheet at their fair values. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative designated as a fair value hedge, the gain or loss is recognised in profit or loss in the period of change together with the offsetting gain or loss on the hedged item attributed to the risk being hedged. For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income/(loss) and subsequently reclassified into profit or loss when the hedged exposure affects profit or loss. Any significant ineffective portion of the gain or loss is reported in statements of profit or loss immediately. For derivatives not designated as hedges, the gain or loss is reported in profit or loss in the period of change. When the Group has natural gas physical forward contracts, they are accounted for as executory contracts as they are entered into for "own use".

1. Similar plans and benefits are continued to be provided by Sisecam Chemicals Resources LLC, which is an investment accounted for using the equity method and still affects other comprehensive income of the Group.

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(Tabular amounts in thousands of US dollars, except where noted)

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2. Material accounting policies continued

2.23 Financial instruments

Financial assets

At initial recognition, the Group measures a financial asset at its fair value, except for trade receivables that do not contain significant financing component. The Group measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component in accordance with IFRS 15 Revenue from Contracts with Customers (or when the entity applies the practical expedient) at initial recognition.

At initial recognition, Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

The Group reclassifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or FVTPL on the basis of both:

- the Group's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

When, and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. The Group applies the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest revenue of financial assets measured at amortised cost is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Receivable financing arrangements

The Group has nonrecourse receivables purchase agreements with certain financial institutions. As a part of these agreements once the Group has transferred the financial assets, the Group then determines whether or not it has transferred substantially all of the risks and rewards of ownership of these assets. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

At initial recognition, the Group considers trade receivables are held within a business model whose objective is to both collect contractual cash flows and sell and are therefore held within the fair value through other comprehensive income measurement category.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Group accounts for the cumulative gain or loss that was previously recognised in other comprehensive income in financial statements. Interest calculated using the effective interest method is recognised in profit or loss.

At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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2. Material accounting policies continued

2.23 Financial instruments continued

Financial assets continued

Financial assets measured at FVTPL

A financial asset shall be measured at FVTPL unless it is measured at amortised cost or at fair value through other comprehensive income.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses except for purchased or originated credit-impaired financial assets.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and other receivables that do not contain a significant financing component, which is referred as a simplified approach.

The allowance for expected credit loss provision is immaterial.

Financial liabilities

At initial recognition, the Group measures a financial liability at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- financial liabilities at FVTPL. Such liabilities, including derivatives and embedded derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Group recognises any income on the transferred asset and any expense incurred on the financial liability; and
- contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies. Such contingent consideration is subsequently being measured at fair value with changes recognised in profit or loss.

The Group does not reclassify any financial liabilities.

Recognition and derecognition of financial assets and liabilities

The Group recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

The Group derecognises a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the financial asset, and the transfer qualifies for derecognition.

If a transfer of a financial asset does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group will continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the Group recognises any income on the transferred assets and any expense incurred on the financial liability.

The Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished – ie, when the obligation specified in the contract is discharged or cancelled or expires.

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(Tabular amounts in thousands of US dollars, except where noted)

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2. Material accounting policies continued

2.24 Government grants and incentives

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all the required conditions. Government grants related to costs are accounted as income on a consistent basis over the related periods with the matching costs.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

2.25 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments where their maturities are three months or less from date of acquisition and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, being the geographical locations where the Group operates. The chief operating decision maker ("CODM") has been identified as the Board of Directors.

2.27 Provisions, contingent liabilities, and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting years, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised.

Environmental liabilities – mine closure provision

The Group is subject to environmental controls and regulations in Türkiye and the United States. The Group's operations may lead, as a result of the discharge of materials and contaminants into the environment, to a disturbance of land and thereby create a negative impact on the flora and fauna.

However, environmental laws and regulations continue to evolve. The Group is unable to predict the timing or extent to which those environmental laws and regulations may change. Such a change, if it occurs, may require that the Group modernises technology to meet standards that are more stringent. Within the scope of various laws, mining licences and use of mineral rights agreements, the Group decommissions mine facilities on cessation of its mining operations and restores the environment.

The Group's management believes that its environmental obligations mainly include the following:

- rehabilitation of land and other types of ongoing rehabilitation; and
- decommissioning of mining assets and bringing mine sites into a condition that ensures the safety of population, and protection of environment, building and facilities.

The Group's obligations associated with the retirement of a tangible long-lived asset are recorded as a liability when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognising a liability for its land reclamation obligations, the Group increases the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its present value each year, and the capitalised cost is depreciated over the estimated useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

2.28 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies described in the consolidated financial statements, management has made judgements and estimates that may have a significant effect on the amounts recognised in the financial statements.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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2. Material accounting policies continued

2.28 Critical accounting judgements and key sources of estimation uncertainty continued

Critical judgements in applying accounting policies

Receivable financing arrangements

The Group signed non-recourse receivables purchase agreements with certain financial institutions. As a part of these agreements once the Group has transferred the financial assets, the Group determines whether or not it has transferred substantially all of the risks and rewards of ownership of these assets. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

Based on the evaluation of management, the legal form and substance of these agreements constitute a sale of the assets rather than a secured loan, where the rights (including the risks and rewards) of the Group to collect the cash flows from the receivables expire/terminate once the respective assets are transferred. For certain transactions, assets are partially transferred and any untransferred portion of the assets has not been derecognised. Based on past experiences and contractual clauses which secures late payment risks or existing insurance arrangements, management believes that risk and reward retained is not significant. There is some judgement over whether the risks and rewards retained are not significant, given the existing insurance arrangements and the retention of late payment risk with one of the financial institutions. However, based on past experiences and other contractual clauses in the agreements, management believe that full derecognition is appropriate for all other assets transferred under the receivables purchase agreements.

Identification of functional currencies

The functional currency for each subsidiary is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgement and other companies may make different judgements based on similar facts. The Group reconsiders the functional currency of its businesses if there is a change in the underlying transactions, events, or conditions, which determine their primary economic environment. The determination of functional currency is a key judgement, which affects the measurement of non-current assets included in the statement of financial position, and, as a consequence, the depreciation and amortisation of those assets included in the statement of profit or loss. It also impacts exchange gains and losses included in the statement of profit or loss and in equity. The functional currency of the Group's Turkish subsidiaries was determined to be Turkish lira until 31 March 2022 and then as US dollar with effect from 1 April 2022 based on the following:

The Group's Turkish operating entities, Eti Soda and Kazan Soda, considered the Turkish lira as their functional currency for all years up to 31 December 2021. Towards the end of 2021, Türkiye experienced unexpected fluctuations with respect to macro-economic indicators and the government took certain measures in order to control such fluctuations. However, after year-end 2021, despite the measures taken, there have been material changes affecting the economic environment in Türkiye. As required under IAS 21, the Group has evaluated such changes as a triggering event for a reassessment of the functional currency of all subsidiaries which had Turkish lira as their functional currency.

The determination of the functional currency requires management to make numerous judgements. As a result of the Management's review and analysis of Eti Soda and Kazan Soda, it has been concluded that the US dollar is the currency that most accurately represents the economic effects of both entities. Management's analysis was based on the following considerations:

- Factors that determined the functional currency were always mixed, with revenues predominantly influenced by mainly US dollar denominated international markets and costs by both international and local Turkish lira denominated factors.
- In the last year, the exchange rate of the Turkish lira has been severely affected by devaluation against hard currencies, and the US dollar in particular. This has had a very limited impact on the Group's sales prices, but it has affected costs. The relative proportion (by value) of locally incurred input costs denominated in Turkish lira, compared to US dollars influenced input costs, such as natural gas, has decreased significantly mainly because the price of natural gas, which is imported and which price is ultimately set with reference to US dollars, has increased significantly during 2022 and in particular, following the notification of significant price increases on 31 March 2022.
- As part of the Group's corporate strategy, less functional and governance control is being led from Türkiye and new internal reporting initiatives are in US dollars.

While the indicators are still mixed, it is the judgement of management that the functional currency for Eti Soda and Kazan Soda is US Dollars as the majority of the Group's decisions and those of the Group's largest suppliers are principally based on US Dollars as the underlying currency. This change was applied prospectively from 1 April.

Licence – judgement in continuation of operations beyond licence and lease terms

Eti Soda has been granted the right to mine for trona in the Beypazarı District by way of an agreement between Eti Soda and its minority shareholder Eti Maden İşletmeleri Genel Müdürlüğü ("Eti Maden"), which owns the licence to extract trona from the mine in the Beypazarı District. The existing agreement between Eti Soda and Eti Maden allows Eti Soda to mine for trona for 24 years, between the years 2001 and 2025. On 19 November 2021, the agreement was extended to 2045.

It is management's judgement that the licence will be renewed until current known reserves are depleted and hence depreciation is being charged over the expected life of the mine rather than the term of the licence.

Kazan Soda has a mining licence for the Kazan District, which allows for mining activities in the region. The licence period expires in 2043 and it is management's judgement that the licence will be renewed until the current known trona reserves are depleted. The remaining expected depletion periods are disclosed in Note 21 *Goodwill*.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

2. Material accounting policies continued

2.28 Critical accounting judgements and key sources of estimation uncertainty continued

Critical judgements in applying accounting policies continued

Close-down, restoration and environmental obligations

Provision is made for close-down, restoration and environmental costs when the obligation occurs, based on the net present value of estimated future costs required to satisfy the obligation. Management uses its judgement and experience to determine the potential scope of closure rehabilitation work required to meet the Group's legal, statutory, and constructive obligations, and any other commitments made to stakeholders, and the options and techniques available to meet those obligations and estimate the associated costs and the likely timing of those costs. Significant judgement is also required to determine both the costs associated with that work and the other assumptions (ie, long-term discount rates) used to calculate the provision. Management's internal experts support the cost estimation process and seek third party estimates of likely costs but there remains significant estimation uncertainty. The key judgement in applying this accounting policy is determining when an estimate is sufficiently reliable to make or adjust a closure provision.

Management continuously evaluates potential provision requirements for close-down, restoration and environmental costs and has computed provisions for potential obligations related to respective components of facilities of mine area, pipelines, process facilities including purge and cogeneration unit.

For the year ended 31 December 2023, management reassessed the cash flows expected to be incurred in US dollars predominantly at the end of the life of the mines and applied a lower US dollars risk free rate. The lower risk-free rate had the impact of increasing the present value of the expected future cash flows which resulted in a material provision being recognised.

Key sources of estimation uncertainty

Mining reserves – estimation of mining reserves

Mining reserves are estimates of the amount of trona that can be economically and legally extracted from the Group's mining properties. Such reserves estimates and changes to these may affect the Group's reported financial position and results, in the following ways:

- The carrying value of property, plant and equipment, mining reserves, mining assets and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the unit of production method, or where the useful life of the related assets change.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.
- The timing of the closure of the mines and calculation and discounting of asset retirement obligations.

The Group estimates its mining reserves based on information compiled by external appropriately qualified persons relating to the geological and technical data on the size, depth, shape, and grade of the trona and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the trona.

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of mining reserves may change.

Embedded derivatives and fair value of bonds

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 'Financial Instruments' are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. As the Group has not designated the whole hybrid contract at FVTPL, the separated embedded derivatives are classified and measured at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Since the Group elected to recognise the bonds issued at amortised cost, the early payment options associated with the bonds issued are considered as embedded derivative, excluded from the host, and treated as separate derivative instrument in the financial statements.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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2. Material accounting policies continued

2.28 Critical accounting judgements and key sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

Recoverability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available in the foreseeable future. The recoverable amount of deferred tax assets, partially or fully, is estimated under the current conditions. During the assessment of the recoverability of deferred tax assets, future taxable profit forecasts and expiration dates of government grants, carry forward tax losses and other tax advantages were considered (Note 14 *Taxation*).

Annual impairment review

The Group's non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In making assessments for impairment, assets that do not generate independent cash flows are allocated to an appropriate CGU. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Goodwill is subject to an impairment test every year. The recoverable amount of those assets, or CGU, is measured at the higher of their fair value less costs of disposal and value in use. Our assessment is that no reasonably possible change in assumptions would result in the carrying amount exceeding the recoverable amount, for either the Group's non-current assets or goodwill.

Impairment models are prepared based on life-of-mine models, for which the most significant is the estimate of mining reserves. Detailed estimates are disclosed in Note 21.

Estimation of obligations for post-employment costs

The value of the Group's obligations for post-employment benefits is dependent on the amount of benefits that are expected to be paid out, discounted to the reporting date. The discount rate is a key assumption and is based upon the yields on high-quality corporate bonds in the relevant currency, which have durations consistent with the term of the obligations. The discount rate will vary from one period to another in line with movements in corporate bond yields, but at any given measurement date there is relatively little estimation uncertainty. This rate is also used to calculate the interest cost on obligations and interest income on plan assets.

The following key assumptions are used to calculate the estimated benefit: future pay increases to be received by members of final pay plans, the level of inflation (for those benefits that are subject to some form of inflation protection), current mortality rates and future improvements in mortality rates. The assumption regarding future inflation is based on market yields on inflation-linked instruments, where possible, combined with consensus views. The Group reviews the actual mortality rates of retirees in its major pension plans on a regular basis and uses these rates to set its current mortality assumptions. It also uses its judgement with respect to allowances for future improvements in longevity, having regard to standard improvement scales in each relevant country and after taking external actuarial advice.

Amortisation of mining assets – estimate on basis for amortisation

As discussed in Note 2.16 *Mining assets*, management is required to use a methodology based on information that is dependent on management's estimation, ie, estimation of mining reserves where the mining assets are deployed. See Note 2.28 *Critical accounting judgements and key source of estimation uncertainty* for further details for estimation of mining reserves.

2.29 Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group, or an individual non-current asset. The sale of assets held for sale is expected to occur within the following 12 months from the reporting date. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group). A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and that:

(a) represents a separate major line of business or geographical area of operations;
(b) is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
(c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount or fair value. If fair value is below the carrying value of assets, the related impairment is accounted for expense in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

3. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to CODM. The Group considers that WE Soda Ltd.'s Board of Directors is CODM, which is responsible for allocating resources and assessing performance of the operating segments.

The Group considers a combination of factors to determine their reportable segments, such as products and services and geographical areas. The Group's reportable segments are Eti Soda, Kazan Soda and corporate and other (which includes the Group's corporate headquarters in London, United Kingdom, WE Soda Kimya, Ciner Kimya, TC Soda, and its subsidiaries, CEI and operations in the United States (which consists of Şişecam Chemicals Resources and its subsidiaries)). Eti Soda and Kazan Soda are reported as Türkiye for geographical reporting. Information regarding the Group's operating segments are reported below.

Segment revenues and results

The following is an analysis of the Group's revenue, results, assets, and liabilities by reportable segment (as reviewed by the Board of Directors):

	Türkiye			
2023	**Eti Soda**	**Kazan Soda**	**Corporate and other**	**Total**
Domestic sales	157,271	173,436	–	**330,707**
Export sales	427,729	802,949	–	**1,230,678**
Segment revenue and other income	**585,000**	**976,385**	**–**	**1,561,385**
Finance income	11,675	86,213	133,375	**231,263**
Finance expense[1]	(183,348)	(181,425)	(34,849)	**(399,622)**
Profit before taxation	**204,520**	**267,933**	**1,369**	**473,822**
Taxation	(73,621)	138,817	(9,737)	**55,459**
Profit for the year from continuing operations	**130,899**	**406,750**	**(8,368)**	**529,281**
Profit/(loss) for the year from discontinued operations	–	–	–	**–**
Net profit for the year	**130,899**	**406,750**	**(8,368)**	**529,281**
Current assets	49,757	63,962	552,315	**666,034**
Non-current assets	519,590	1,709,247	1,053,468	**3,282,305**
Total liabilities	228,360	248,067	1,876,176	**2,352,605**
Capital expenditure	23,340	70,896	4,486	**98,722**
Taxes paid	86,590	5,034	2,930	**94,554**
Depreciation, depletion, and amortisation	27,540	33,100	6,632	**67,272**

	Türkiye			
2022	**Eti Soda**	**Kazan Soda**	**Corporate and other**	**Total**
Domestic sales	205,402	243,412	–	**448,814**
Export sales	437,372	887,562	–	**1,324,934**
Segment revenue and other income	**642,774**	**1,130,974**	**–**	**1,773,748**
Finance income	12,085	9,254	26,519	**47,858**
Finance expense[1]	(85,424)	(129,962)	31,634	**(183,752)**
Profit/(loss) before taxation	**348,114**	**249,422**	**44,343**	**641,879**
Taxation	(40,973)	232,785	(3,260)	**188,552**
(Loss)/profit for the year from continuing operations	**307,141**	**482,207**	**41,083**	**830,431**
(Loss)/profit for the year from discontinued operations	–	–	–	**–**
Net (loss)/profit for the year	**307,141**	**482,207**	**41,083**	**830,431**
Current assets	106,076	258,293	686,260	**1,050,629**
Non-current assets	521,993	1,359,014	777,731	**2,658,738**
Total liabilities	304,525	742,926	1,440,408	**2,487,859**
Capital expenditure	25,910	49,292	23,613	**98,815**
Taxes paid	40,979	–	15,679	**56,658**
Depreciation, depletion, and amortisation	30,182	27,319	2,699	**60,200**

The accounting policies used for the reportable segments are the same as the Group's accounting policies.

The Group currently operates in Türkiye and the United States, in addition to its corporate activities in the United Kingdom and immediate parent in Türkiye. The operations of the Group comprise one class of business, being the extraction of trona and production of soda ash and sodium bicarbonate.

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Directors monitor the tangible, intangible and financial assets attributable to each segment.

The segment revenue reported above represents revenue generated from external customers. There was $25.5 million inter-segment sales elimination between Eti Soda and Kazan Soda (2022: $27.8 million). Substantially all of the tax charge arises in United Kingdom and Türkiye.

1. By considering offsetting guidance IAS 1 Presentation of Financial Statements, foreign exchange gains and losses are presented on a net basis in finance expense. The foreign exchange gain in corporate and other segments has not been presented in finance income for simplicity purposes.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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3. Segmental analysis continued

Information about major customers

There were only two customers, CIDT (a related, export intermediary company selling to customers in several countries) and one of our global distributors, respectively, that contributed 10% or more of the Group total sales revenue for 2023, being $196.2 million and $172.4 million, respectively (2022: Only CIDT by $623.5 million). See Note 34 *Related party transactions*.

4. Financial risk management

The primary financial instruments of the Group consist of bank loans, cash, and short-term time deposits. The main objective of the financial instruments is to finance the Group's operational activities. The Group has other financial instruments such as trade receivables and trade payables arising from direct business operations.

(a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity structure.

The capital structure of the Group consists of equity, debt, which includes the borrowings, notes issued, and leases disclosed in Note 25 *Borrowings* and Note 38 *Lease liabilities and right-of-use of assets*, cash and cash equivalents and working capital.

(i) Senior Facilities Agreement

The Group's capital management is subject to covenant requirements set out by the new Senior Facilities Agreement entered into on 10 February 2022. On 14 February 2022 (the "Closing Date"), the Original Facilities Agreement was rescinded and replaced by the Senior Facilities Agreement. In particular, the Original Facilities were refinanced with a senior secured amortising term loan facility, split into a euro denominated tranche of an aggregate principal amount of €782.4 million and a US dollar denominated tranche of an aggregate principal amount of $270.3 million (together, the "Term Facilities").

Under the Senior Facilities Agreement, quarterly principal repayment amounts range from 1.25% – 2.5%; interest payments are due quarterly; and any remaining aggregate outstanding principal amount will be repaid on termination or the maturity date, which is 54 months later than the Closing Date.

On 5 May 2022, €180.3 million of the Senior Facilities Agreement was redenominated from the euro into US dollars, the equivalent of $191.1 million.

(ii) Revolving Credit Facilities

On 1 June 2022, a revolving credit facility ("RCF") was signed, which was designated as an add-on facility to the Senior Facilities Agreement with the same maturity in August 2026. The agreement was revised in December 2022 after which the RCF benefits from the Senior Facilities Agreement's security structure on pro rata basis and at Pari passu ranking. Total facility size is initially $170.0 million, which could be increased up to $240.0 million subsequent to the repayment of the Senior Facilities Agreement in the same amount.

On 1 September 2023, an amendment and restatement agreement was executed and the total size of RCF was increased to $420 million. On 30 October 2023, Deutsche Bank increased its commitment from $60 million to $75 million so that the total commitment amount of RCF was increased to $435 million.

As of 31 December 2023, $75.0 million and €75.0 million (31 December 2022: $50.0 million and €50.0 million) (approximately $158 million in total (31 December 2022: $103 million in total)) of this credit line has been utilised.

(iii) US Revolving Credit Facility

Our wholly owned US subsidiaries, CEI, TC Soda and Imperial (collectively, the "US Borrowers"), entered into a loan agreement ("US Revolving Facility") on 31 October 2022 for an amount of up to $30 million and utilised $22.5 million of it as of 31 December 2022. The obligations under the US Revolving Facility are guaranteed by WE Soda and are secured by a pledge by WE Soda of certain equity interests in the US Borrowers and by pledges by the US Borrowers of, among other things, certain equity interests and debt instruments.

On 1 September 2023, the US Revolving Facility was amended to provide for aggregate revolving commitments thereunder of $40 million. The expiration date for the US Revolving Facility is 31 October 2026. As of 31 December 2023, $36.5 million was outstanding under the US Revolving Facility.

(iv) Bonds

On 6 October 2023 the Group issued $800 million in aggregate principal amount of 9.50% senior secured notes (the "Original Existing Notes") pursuant to an indenture between, among others, the Issuer (WE Soda Investments Holding) , the guarantors (WE Soda, Kazan Soda, Ciner Kimya) named therein, U.S. Bank Trustees Limited as trustee, Kroll Trustee Services Limited as general security agent and Denizbank A.Ş. as Turkish security agent (the "Existing Indenture"). Additionally, on 14 December 2023, the Group privately placed $180 million in aggregate principal amount of 9.50% senior secured notes (the "Subsequent Existing Notes" and, together with the Original Existing Notes, the "Existing Notes") pursuant to the Existing Indenture. The Existing Notes are guaranteed by the same guarantors of the Notes (the "Existing Notes Guarantees") and are secured by the same collateral as the Notes. All of the Notes have 5 years maturity.

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(Tabular amounts in thousands of US dollars, except where noted)

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4. Financial risk management continued

(a) Capital risk management continued

Utilising the proceeds of this issuance, the Group has partially repaid the Senior Facilities Agreements of $179.2 million and €122.0 million on 10 October 2023 and $60.0 million and €108.2 million on 15 December 2023 and fully settled Eti Soda's working capital loans of €75 million on 9 October 2023 and Kazan Soda's project finance loan of $426.2 million on 19 October 2023. As detailed in Note 39 *Post balance sheet events*, subsequent to issuance of 7-year maturity $500 million additional bonds on 14 February 2024, the Senior Facilities Agreements are now fully closed.

(v) Receivable Financing Facilities

The Group has signed two separate agreements for receivable financing facilities with a limit of $75 million, which is committed until July 2025 and $70 million, which is uncommitted, respectively. The Group has utilised $34.7 million of the committed facilities and $52.5 million of the uncommitted facilities as of the reporting date.

(vi) Net debt and WE Soda Restricted Group net debt

The Group monitors its capital using the Net Debt/total capital ratio. Net Debt is calculated as total borrowings (including "current and non-current borrowings and lease liabilities" as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents and restricted cash. Total capital is calculated as "equity" as shown in the Consolidated Statement of Financial Position plus Net Debt.

	2023	2022
Borrowings (including transaction costs) (see Note 25)	1,664,426	1,704,885
Lease liabilities (see Note 38)	26,752	13,813
Total financial liabilities	**1,691,178**	**1,718,698**
Less: Cash and cash equivalents (see Note 23)	(169,621)	(308,733)
Less: Embedded derivatives in borrowings	(20,742)	–
Less: Restricted cash (see Note 22)	–	(53,278)
Net Debt	**1,500,815**	**1,356,687**
Total equity	1,595,734	1,221,508
Total capital	**3,096,549**	**2,578,195**
Net Debt ratio	**48%**	**53%**
Net Debt	**1,500,815**	**1,356,687**
Less: Net Debt of Unrestricted Subsidiaries[1,2]	(7,268)	(9,093)
Less: Working Capital Loans with a maturity less than 1 year[1]	(33,196)	–
WE Soda Restricted Group Net Debt[1]	**1,460,351**	**1,347,594**

(b) Financial risk factors

The risks of the Group resulting from operations include market risk, liquidity risk and credit risk. The Group's risk management programme generally seeks to minimise the effects of uncertainty in financial markets on financial performance of the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions. Sales to related parties were 16% of total sales (2022: 38%) due to using an export intermediary company, which is a related party. Trade receivables from related parties constitute 15% (2022: 66%) of total trade receivables. As detailed in Note 1 *General information*, CIDT to WIDT transition has been completed as of 31 December 2023, which led to a significant decrease in related party trade receivables.

The Group assesses the credit quality of the customers, including related parties, by assessing the financial position of the customers, past experiences, and other factors as a part of its credit risk management programme. Historically, the Group has not been faced with any significant problem related to collections of third-party receivables. However, due to lack of collateral for its receivables the Group is exposed to credit risk.

The Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account the appropriate amount of credit losses in the consolidated financial statements. The Group does not have any material overdue trade receivables at the reporting date.

1. In accordance with the terms of the bonds and RCF. **2.** Ciner Enterprises Inc. and its subsidiaries.

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(Tabular amounts in thousands of US dollars, except where noted)

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4. Financial risk management continued

(b) Financial risk factors continued

Credit risk continued

The maximum exposure to credit risk as at the reporting date is:

	Trade receivables		Other receivables		
As at 31 December 2023	**Related party[1]**	**Third party**	**Related party[1, 2]**	**Third party[1]**	**Bank deposit**
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	**22,952**	**131,445**	**1,078,190**	**14,349**	**169,608**
The part of maximum risk under guarantee with collateral etc.	–	*12*	–	–	–
A. Net book value of financial assets that are neither past due nor impaired	**22,952**	**131,445**	**1,078,190**	**14,349**	**169,608**
The part of maximum risk under guarantee with collateral etc.	–	*12*	–	–	–
B. Net book value of financial assets whose terms are renegotiated, otherwise, overdue or impaired	–	–	–	–	–
The part of maximum risk under guarantee with collateral etc.	–	–	–	–	–
C. Net book value of assets that are due but not impaired	**–**	**–**	**–**	**–**	**–**
The part of maximum risk under guarantee with collateral etc.	–	–	–	–	–
D. Net book value of impaired asset	**–**	**–**	**–**	**–**	**–**
Overdue (gross book value)	–	–	–	–	–
Impairment (–)	–	–	–	–	–
The part of maximum risk under guarantee with collateral etc.	–	–	–	–	–
Not due (gross book value)	–	–	–	–	–
Impairment (–)	–	–	–	–	–
The part of maximum risk under guarantee with collateral etc.	–	–	–	–	–
E. Off-balance sheet items bearing credit risk	**–**	**–**	**–**	**–**	**–**

	Trade receivables		Other receivables		
As at 31 December 2022	**Related party[1]**	**Third party[1]**	**Related party[1]**	**Third party[1]**	**Bank deposit**
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	**239,197**	**120,918**	**818,098**	**1,656**	**308,725**
The part of maximum risk under guarantee with collateral etc.	–	*9*	–	–	–
A. Net book value of financial assets that are neither past due nor impaired	**239,197**	**120,918**	**818,098**	**1,656**	**308,725**
The part of maximum risk under guarantee with collateral etc.	–	*9*	–	–	–
B. Net book value of financial assets whose terms are renegotiated, otherwise, overdue or impaired	–	–	–	–	–
The part of maximum risk under guarantee with collateral etc.	–	–	–	–	–
C. Net book value of assets that are due but not impaired	**–**	**–**	**–**	**–**	**–**
The part of maximum risk under guarantee with collateral etc.	–	–	–	–	–
D. Net book value of impaired asset	**–**	**–**	**–**	**–**	**–**
Overdue (gross book value)	–	–	–	–	–
Impairment (–)	–	–	–	–	–
The part of maximum risk under guarantee with collateral etc.					
Not due (gross book value)					
Impairment (–)					
The part of maximum risk under guarantee with collateral etc.					
E. Off-balance sheet items bearing credit risk					

Although the Group has received guarantee letters from some customers, as of 31 December 2023, the outstanding amount from such customers is $nil (2022: $nil). The Directors believe that the total trade receivables and other receivables are recoverable.

The Group is exposed to credit risk in relation to its loan receivables from related parties of $1,070.5 million (2022: $807.0 million) (see Note 34 *Related party transactions*) to the extent that the related parties fail to meet their contractual obligations.

1. Management considers that the carrying amount of financial assets and financial liabilities approximates their fair value. **2.** As detailed in Note 39 *Post balance sheet events*, an agreement was also reached with Park Holding (a wholly owned subsidiary of the Ciner Group) to unwind the receivable balances owed to WE Soda from Park Holding via the suspension of the 6% ex-works sales royalty agreement ($276.3 million) from Kazan Soda until the end of 2032.

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4. Financial risk management continued

(b) Financial risk factors continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework or the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following tables present the contractual maturities of financial liabilities, including estimated interest payments. The tables have been drawn up based on the undiscounted cash flows of derivative and non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

As at 31 December 2023	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	5+ years
Borrowings	1,664,426	2,204,869	162,292	2,042,577	–
Lease liabilities	26,752	30,324	3,390	18,965	7,969
Trade payables	82,113	82,113	82,113	–	–
Trade payables to related parties	28,096	28,096	28,096	–	–
Other payables	18,969	18,969	5,042	13,917	–
Other payables to related parties	44,767	44,767	44,767	–	–
Derivative financial instrument	4,570	4,570	4,570	–	
Total liabilities	**1,869,683**	**2,413,698**	**330,270**	**2,075,459**	**7,969**

As at 31 December 2022	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	5+ years
Borrowings	1,704,885	2,003,208	476,018	1,527,190	–
Lease liabilities	13,813	17,473	4,309	9,504	3,660
Trade payables	117,956	117,956	115,077	2,879	–
Trade payables to related parties	185,497	185,497	185,497	–	–
Other payables	25,003	25,355	10,075	15,280	–
Other payables to related parties	30,601	30,601	30,601	–	–
Total liabilities	**2,077,755**	**2,380,090**	**821,577**	**1,554,853**	**3,660**

Significant restrictions under the Revolving Credit Facility/the Senior Facilities Agreements

As detailed in Note 25 *Borrowings*, the Group completed the refinancing of its Original Facilities with the Senior Term Facilities on 14 February 2022. References to "WE Soda Restricted Group" refer to WE Soda and its Restricted Subsidiaries (as defined in the Senior Facilities Agreement).

CEI, TC Soda and Imperial Natural Resources Trona Mining Inc. have been designated as Unrestricted Subsidiaries under the Senior Facilities Agreement and, therefore, do not form part of the WE Soda Restricted Group (as defined in the Senior Facilities Agreement).

The Revolving Credit Facility/The Senior Facilities Agreement contains certain customary incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments). Such incurrence covenants limit the WE Soda Restricted Group's ability to, among other things:

Covenants	The Revolving Credit Facility	The Senior Facilities Agreement
• incur or guarantee additional indebtedness or issue certain preferred stock;	√	√
• make certain restricted payments and investments;	√	√
• transfer or sell assets;	√	√
• enter into transactions with affiliates;	√	√
• create or incur certain liens;	√	√
• make certain loans, investments, or acquisitions of minority interests;	√	√
• create or incur restrictions on the ability of WE Soda's Restricted Subsidiaries to pay dividends or to make other payments to the Parent;	√	√
• take certain actions that would impair the security interests granted for the benefit of the lenders under the Revolving Credit Facility/the Senior Facilities Agreement; and	√	√
• merge, consolidate or transfer all or substantially all of the WE Soda Restricted Group's assets.	√	√

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

4. Financial risk management continued

(b) Financial risk factors continued

Liquidity risk continued

Significant restrictions under the Revolving Credit Facility/the Senior Facilities Agreements continued

In addition, the Revolving Credit Facility Agreement/the Senior Facilities Agreement also requires the Parent and its Restricted Subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods. Solely for the benefit of the lenders participating in a Financial Covenant Facility (as defined in the Revolving Credit Facility Agreement/the Senior Facilities Agreement), the Revolving Credit Facility Agreement also includes the following financial covenants:

Covenants	The Revolving Credit Facility	The Senior Facilities Agreement
• the Parent shall ensure that the Consolidated Net Leverage Ratio does not (i) on or prior to the Kazan Soda Facilities Repayment Date (as defined in the Revolving Credit Facility Agreement) exceed 5.00:1. initially with step downs to 4.00:1. (for each test date occurring on or after 31 December 2022 but before 30 June 2023) and 3.50:1 (for each test date occurring on or after 30 June 2023) (the "Initial Leverage Financial Covenant") and (ii) following the Kazan Soda Facilities Repayment Date (as defined in the Revolving Credit Facility Agreement) exceed 5.00:1 initially with step downs to 4.50:1 (for each test date occurring on or after 31 December 2022 but before 30 June 2023) and 4.00:1 (for each test date occurring on or after 30 June 2023) (the "Subsequent Leverage Financial Covenant", whichever of the Initial Leverage Financial Covenant and the Subsequent Leverage Financial Covenant is applicable at any time, the "Leverage Financial Covenant"); and	√	N/A
• the Parent shall ensure that the Debt Service Cover Ratio (as defined in the Revolving Credit Facility Agreement), on each test date shall not be less than 1.20:1 (the "Debt Service Financial Covenant"); and	√	√
• the Parent shall ensure that the Consolidated Net Leverage Ratio does not exceed 5.50:1.00 initially with step downs to 5.00:1.00 (for each test date occurring after 31 March 2022 but on or before 30 September 2022), 4.50:1 (for each test date occurring after 30 September 2022 but on or before 31 March 2023) and 4.00:1 (for each test date occurring after 31 March 2023) (the "Leverage Financial Covenant"); and	N/A	√

Covenants	The Revolving Credit Facility	The Senior Facilities Agreement
• the Parent shall ensure that: (i) the aggregate Controlled Capital Expenditure (as defined in the Senior Facilities Agreement) of the WE Soda Restricted Group in respect of any Financial Year shall not exceed 150% of the projected amount of Controlled Capital Expenditure for such Financial Year as set out in the Base Case Model or Budget for that Financial Year (as applicable) (the "Capex Financial Covenant") and (ii) no Controlled Capital Expenditure shall be made by any member of the WE Soda Restricted Group other than as permitted in accordance with sub-paragraph (i) above unless Consolidated Net Leverage Ratio is equal to or lower than 4.50:1. The Capex Financial Covenant and any other restrictions on the WE Soda Restricted Group incurring or making any Capital Expenditure pursuant to the terms above shall cease to apply in all respects from and including the Release Date.	N/A	√

Additionally, the Senior Facilities Agreement also requires the Parent and its Restricted Subsidiaries to maintain certain debt service reserve accounts with respect to payments of principal and interest due under the Senior Facilities. Such covenant shall be suspended if the Parent's Consolidated Net Leverage Ratio (as defined in the Senior Facilities Agreement) is equal to or lower than 2.50 to 1.

Lastly, the Revolving Credit Facility Agreement/the Senior Facilities Agreement includes a Release Condition mechanic, which, if satisfied, will result in the suspension and disapplication of certain covenants and related Default and Event of Default provisions, including covenants relating to the incurrence of indebtedness, the making of certain restricted payments and investments, the making of distributions from Restricted Subsidiaries, the sales of assets and subsidiary stock, the making of affiliate transactions and mergers and consolidation. The Release Condition means the satisfaction of the following conditions: (i) a Listing has occurred which does not constitute a Change of Control (if the Consolidated Net Leverage Ratio is equal to or less than 2.50:1); (ii) the long-term corporate credit rating of the Parent becoming equal to or better than Baa3 according to Moody's or BBB- according to S&P and no Default or Event of Default has occurred and is continuing; or (iii) Facility A achieving Investment Grade Status.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

4. Financial risk management continued

(b) Financial risk factors continued

Liquidity risk continued

Significant restrictions under the US Revolving Facility

The US Revolving Facility includes certain requirements with respect to the financial performance of WE Soda, including leverage and debt service maintenance covenants that are based on but no more restrictive than the requirements of the Senior Facilities Agreement as well as a requirement for WE Soda to continue to own, directly or indirectly, certain minimum assets.

The financial covenants are as follows:
WE Soda will be in compliance with the financial covenants of the Senior Facilities Agreement and the minimum threshold level of the Debt Service Cover Ratio (as defined in the Senior Facilities Agreement) shall be 1.05:1.00 instead of 1.20:1.00; WE Soda shall not cease to (i) own directly or indirectly (x) 76.8% of the capital stock of Kazan Soda (as defined in the Senior Facilities Agreement) or (y) 59.2% of the capital stock of Eti Soda (as defined in the Senior Facilities Agreement) or (ii) own directly or indirectly assets with a fair market value in excess of $1,000,000,000.

Notes Issued

Interest on the Notes is paid semi-annually in arrears on 6 April and 6 October, commencing on 6 April 2024. The Group is entitled to redeem all or a portion of the Notes at a redemption price equal to par plus 50% of the applicable coupon, declining to par plus 25% of the applicable coupon on 6 October 2025 and at par from and after 6 October 2026. At any time prior to 6 October 2025, the Group may on one or more occasions redeem up to 40% of the aggregate principal amount of the Existing Notes using the net proceeds from certain equity offerings at a redemption price equal to 109.500% of the principal amount of the Existing Notes, plus accrued and unpaid interest and additional amounts, if any, to but excluding the date of redemption; provided that at least 50% of the original aggregate principal amount of the Notes (including any additional notes of the same series) remains outstanding after the redemption. Prior to 6 October 2025, the Group may redeem all or a portion of the Existing Notes at a price equal to 100% of the principal amount of the Notes plus the applicable "make-whole" premium and accrued and unpaid interest to but excluding the redemption date.

The Existing Indenture, among other things, will restrict the ability of the Parent and its restricted subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends, redeem capital stock, and make certain investments and other restricted payments;
- create or permit to exist certain liens;
- impose restrictions on the ability of the restricted subsidiaries to pay dividends;
- transfer or sell certain assets;
- merge or consolidate with other entities;
- enter into certain transactions with affiliates; and
- impair the security interests for the benefit of the holders of the Notes.

Certain of the covenants will be suspended if the Issuer obtains an investment grade rating.

The Existing Indenture also contains customary events of default, including, without limitation, payment defaults, covenant defaults, certain cross-defaults, certain events of bankruptcy and insolvency, and judgement defaults.

The Existing Notes, the Existing Notes Guarantees and the Existing Indenture are all governed by New York Law.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

4. Financial risk management continued

(b) Financial risk factors continued

All the required covenants were complied with throughout the year 2023 and 2022 and as at 31 December 2023 and 2022.

Market risk

The Group's activities expose it primarily to the financial risks of changes in commodity prices, interest rates and foreign currency exchange rates.

(i) Commodity price risk

Soda ash is a globally traded commodity with many manufacturers and consumers worldwide. It is an essential raw material in many industries, especially in the glass industry. Soda ash can be produced by natural or synthetic methods (Solvay and Hou methods). Around the world, soda ash market prices are determined by reference to the production costs of synthetic producers.

Commodity price risk arises from the effect of fluctuations in future commodity prices on the price received for the sale of soda ash. The marketability and price of soda ash produced by the Group will be affected by many factors that are beyond the control of the Group.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates.

The Group borrows funds at both fixed and variable interest rates, so the Group is exposed to interest rate risk. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed/floating interest and short/long-term nature of borrowings as well as using derivative instruments where necessary for hedging purposes.

Interest rates of financial assets and liabilities are indicated in related notes.

Interest rate sensitivity:

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before taxes and equity of the Group would increase/decrease by $8,267,000 (2022: $8,410,000). 50 basis points represent the Management's assessment of the possible change in interest rates that could apply to the Group.

(iii) Foreign exchange risk

The Group consists of two principal operating entities: Eti Soda and Kazan Soda. As such, the Group is principally exposed to risks resulting from fluctuations in foreign currency exchange rates to US dollars (the Group's presentational currency, due to US dollars denominated borrowings and revenue until 31 March 2022), Euro (due to Euro denominated borrowings, revenue, and procurements) and Turkish Lira (due to Turkish Lira denominated revenue and procurement).

The carrying amounts of the Group's significant foreign currency denominated monetary assets and liabilities at the reporting dates are as follows:

In USD equivalent as at 31 December 2023	Total	USD	EUR	GBP	CNY	TRY
Trade receivables	**33,326**	–	31,538	362	–	1,426
Cash and cash equivalents	**57,974**	–	56,834	544	60	536
Other receivables and assets	**885,335**	–	220,974	6,231	–	658,130
Trade payables	**(89,666)**	–	(3,380)	(1,013)	–	(85,273)
Borrowings	**(407,320)**	–	(407,320)	–	–	–
Lease liabilities	**(4,836)**	–	(473)	(3,388)	–	(975)
Other payables and liabilities	**(162,143)**	–	(61,319)	(11,638)	–	(89,186)
Net exposure	**312,670**	**–**	**(163,146)**	**(8,902)**	**60**	**484,658**

In USD equivalent as at 31 December 2022	Total	USD	EUR	GBP	CNY	TRY
Trade receivables	**150,235**	–	136,282	193	–	13,760
Cash and cash equivalents	**94,383**	–	92,814	69	38	1,462
Other receivables and assets	**640,684**	–	257,561	120	–	383,003
Trade payables	**(184,789)**	–	(68,555)	(325)	–	(115,909)
Borrowings	**(724,499)**	–	(724,499)	–	–	–
Lease liabilities	**(3,959)**	–	(2,545)	(108)	–	(1,306)
Other payables and liabilities	**(112,673)**	–	(53,310)	(1,147)	–	(58,216)
Net exposure	**(140,618)**	**–**	**(362,252)**	**(1,198)**	**38**	**222,794**

Foreign exchange sensitivity:

The following table details the Group's sensitivity to a 10% movement against the respective foreign currencies, which represents management's assessment of a reasonably likely change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

4. Financial risk management continued

(b) Financial risk factors continued

Market risk continued

Foreign exchange sensitivity continued

USD'000	2023	2022
Effect to profit or (loss) before tax		
EUR	(16,315)	(36,225)
GBP	(890)	(120)
TRY	48,466	22,279
CNY	6	4
Total	**31,267**	**(14,062)**
Effect to equity due to currency translation reserve		
TRY	**(45)**	**(127,113)**

A 10% strengthening of the currencies above at 31 December 2023 would have had an equal but opposite effect on the amounts shown above, assuming all other variables remained constant.

(c) Fair value categories

Fair values and categories of financial instruments:

As at 31 December 2023	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
Financial assets					
Cash and cash equivalents	–	169,621	–	–	169,621
Trade receivables	–	131,445	–	–	131,445
Trade receivables from related parties	–	22,952	–	–	22,952
Other receivables	–	14,480	–	–	14,480
Other receivables from related parties	–	1,078,190	–	–	1,078,190
Derivative financial instruments	–	–	54,857	–	54,857
	–	**1,416,688**	**54,857**	**–**	**1,471,545**

As at 31 December 2023	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
Financial liabilities					
Borrowings	1,664,426	–	–	–	1,664,426
Leases	26,752	–	–	–	26,752
Trade payables	82,113	–	–	–	82,113
Trade payables to related parties	28,096	–	–	–	28,096
Other payables to related parties	45,611	–	–	–	45,611
Other payables	18,115			–	18,115
Derivative financial instruments	–	–	–	4,570	4,570
	1,865,113	**–**	**–**	**4,570**	**1,869,683**

As at 31 December 2022	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
Financial assets					
Cash and cash equivalents	–	308,733	–	–	308,733
Other current assets	–	53,278	–	–	53,278
Trade receivables	–	120,918	–	–	120,918
Trade receivables from related parties	–	239,197	–	–	239,197
Other receivables	–	4,303	–	–	4,303
Other receivables from related parties	–	818,098	–	–	818,098
	–	**1,544,527**	**–**	**–**	**1,544,527**
Financial liabilities					
Borrowings	1,704,885	–	–	–	1,704,885
Lease liabilities	13,813	–	–	–	13,813
Trade payables	117,956	–	–	–	117,956
Trade payables to related parties	185,497	–	–	–	185,497
Other payables to related parties	30,601	–	–	–	30,601
Other payables	10,075	–	–	–	10,075
	2,062,827	**–**	**–**	**–**	**2,062,827**

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

4. Financial risk management continued

(c) Fair value categories continued

Fair value of financial instruments

Fair value of financial instruments carried at amortised cost

The management consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value by hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's fair value financial assets and liabilities are deemed to be Level 2. There were no transfers between different levels during the year.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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5. Business combinations and acquisitions

Acquisition of controlling interest in Denmar Türkiye

On 24 June 2023, the Group acquired a 60% controlling stake in Denmar Türkiye from the Ciner Group for a consideration of $39 million. Denmar Türkiye performs port handling services for bulk shipments of the Group at Derince Port. Provisional fair value of net assets acquired, which will be revisited when the final valuation is completed in accordance with IFRS 3 requirements, and consideration paid are as follows:

Description	Denmar Türkiye
Cash and cash equivalents	22
Trade receivables	3,193
Other receivables	4,132
Property, plant and equipment and right of use assets	33,317
Intangible assets	43,160
Other assets	510
Total assets	**84,334**
Trade payables	(1,455)
Leases	(8,680)
Other liabilities	(1,583)
Deferred tax liabilities	(10,747)
Total liabilities	**(22,465)**
Net assets acquired (before non-controlling interests)	**61,869**
Net assets acquired (after non-controlling interests)	**37,121**
Provisional goodwill recognised	**1,879**
Total consideration	**39,000**
Consideration paid until 31 December 2023	(39,000)
Trade payable as of 31 December 2023	–

Acquisition of controlling interests in acquired Soda World Ltd and WE İç ve Dış Ticaret A.Ş.

The Group acquired Soda World Ltd from the Ciner Group on 21 January 2022, and from such date Soda World Ltd is consolidated as a subsidiary into the Group's results. Soda World Ltd will be the direct contracting party with the Group's end-users and distributors and the direct holder of certain export receivables from Eti Soda and Kazan Soda.

The Ciner Group has incorporated WE İç ve Dış Ticaret A.Ş. ("WIDT") in Türkiye, which was acquired by Soda World Ltd as a wholly-owned subsidiary of the Group on 18 March 2022, and will act as the Group's sole export intermediary for the export of products from Türkiye, replicating the cash flow and VAT processing benefits of CIDT (Ciner Group subsidiary) following its transfer. It was intended that WIDT will gradually take over the role of our FTC in Türkiye until 2023-year end, replacing CIDT and exporting products on behalf of Kazan Soda and Eti Soda to Soda World pursuant to a resale agreement. Under Turkish regulations, WIDT's application to become a foreign trade company ("FTC") can only be submitted when specific trading thresholds have been met (in excess of $100 million of export sales in a calendar year). This threshold had been exceeded during financial year 2022 and the approval process had been completed on 18 March 2023 and WIDT's FTC status has been announced to the public on the same date with Official Gazette numbered 32136.

Fair value of net assets acquired, and consideration paid are as follows:

Description	Soda World	WIDT
Cash and cash equivalents	263	2
Trade receivables	81,485	–
Other assets	161	70
Total assets	**81,909**	**72**
Trade payables	(81,003)	(4)
Other liabilities	(115)	(257)
Total liabilities	**(81,118)**	**(261)**
Net assets acquired	791	(189)
Consideration paid	(68)	(66)
Gain on bargain purchase	723	–
Loss recognised on acquisition/assumption of net liabilities	–	(255)
Net cash inflow/(outflow)	**195**	**(64)**

6. Employee number and costs

The average monthly number of employees including the Directors employed was as follows:

	2023 Number	2022 Number
Professional	1,137	1,043
Administration/operational	434	330
Total average number of employees	**1,571**	**1,373**

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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6. Employee number and costs continued

The aggregate remuneration was as follows:

	2023	2022
Wages and salaries	52,037	32,219
Social security costs	6,400	4,210
Other pension costs	2,853	2,043
Total aggregate remuneration	**61,290**	**38,472**

7. Profit from operations

Profit from operations is stated after charging/(crediting):

	2023	2022
Depreciation and amortisation	67,272	60,200
Losses on disposals of fixed assets	32	271
Movement in finished goods inventories	(2,597)	4,959
Lease payments	5,026	2,647
Exchange difference	(23,813)	(28,416)

Auditors' remuneration

In respect of the Group's audit, the following costs of the Company's Auditors, have been allocated to the Group:

	2023		2022	
	(Pricewaterhouse Coopers)	(Other than Pricewaterhouse Coopers)	(Pricewaterhouse Coopers)	(Other than Pricewaterhouse Coopers)
Fees payable to the Company's Auditors for the audit of the Company's annual report and consolidated financial statements	**763**	**–**	794	–
Fees payable to the Company's Auditors for other services:				
– The audit of the Company's subsidiaries and associates, pursuant to legislation	**285**	**1,257**	377	1,271
Total audit fees	**1,048**	**1,257**	1,171	1,271
– Audit-related assurance services: Interim reviews	**224**	**–**	102	–
– Tax advisory and compliance services	**–**	**–**	–	–
– Other assurance services	**1,685**	**–**	1,755	–
Total non-audit fees	**1,909**	**–**	**1,857**	**–**

1. The Group's share in auditors' remuneration for its investments accounted for using the equity method is $102,905 (2022: $142,100).

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

8. Revenue

Revenue comprises:

	2023	2022
Domestic sales	330,707	448,814
Export sales	1,230,678	1,324,934
Segment revenue[1]	**1,561,385**	**1,773,748**

The Group recognised net sales amounting to $1,561.4 million (2022: $1,773.7 million) with respect to the performance obligations satisfied at a point in time for the year ended 31 December 2023. Segment information is disclosed in Note 3 *Segmental analysis*.

Revenue for 2023 consists of $1,475.6 million (2022: $1,628.6 million) soda ash/sodium bicarbonate sales, $84.6 million (2022: $143.7 million) electricity sales and $1.2 million (2022: $1.4 million) other income.

9. Cost of sales

Cost of sales comprises:

	2023	2022
Raw material costs	378,106	537,780
Personnel expenses	26,295	17,658
Production overheads	157,039	183,124
Transportation expenses	176,483	152,420
Export expenses	39,476	43,126
Depreciation and amortisation expenses	62,881	56,345
Change in finished goods inventories	(2,597)	4,959
	837,683	**995,412**

10. Administrative expenses

Administrative expenses comprise:

	2023	2022
Consultancy expenses	43,785	12,043
Personnel expenses	32,805	19,050
Transportation expenses	762	670
Outsourced benefits and services	2,134	636
Donations	4,365	883
Travel expenses	2,302	781
Rent expenses	1,525	377
Depreciation and amortisation expenses	3,920	3,272
Office expenses	2,181	1,422
Other expenses	6,800	4,695
	100,579	**43,829**

11. Marketing expenses

Marketing expenses comprise:

	2023	2022
Personnel expenses	2,190	1,764
Transportation expenses	265	322
Depreciation and amortisation expenses	471	583
Outsourced services and benefits	516	405
Rent expenses	1,562	498
Other sales and marketing expenses	867	1,628
	5,871	**5,200**

1. The classification between domestic and export sales refers to the final client.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

12. Other operating income and expenses

Other income from operating activities comprises:

Other income from operating activities	2023	2022
Foreign exchange gain	30,274	69,866
Interest income	8,039	6,359
Discount interest income	2,701	2,005
Other income	2,128	13,653
	43,142	**91,883**

Other expenses from operating activities comprises:

Other expense from operating activities	2023	2022
Foreign exchange losses	6,461	41,450
Interest expense	6,829	2,394
Discount interest expense	389	1,039
Other expenses	3,437	1,458
	17,116	**46,341**

13. Finance income and finance expense

Finance income comprises:

	2023	2022
IFRS 9 EIR adjustment reversal for Kazan Soda project finance loan due to loan closure	9,782	-
Reimbursement of transaction costs for Kazan Soda project finance loan due to loan closure	13,246	-
Interest income	175,252	47,858
Other financial income	32,983	-
	231,263	**47,858**

Finance expense comprises:

	2023	2022
Interest expense related to financial activities	(134,968)	(100,359)
Foreign exchange losses, net	(236,021)	(44,832)
Interest expenses related to the lease obligations	(1,118)	(312)
Bank charges related to financing activities[2]	(8,247)	(30,927)
Interest expense related to funding activities with related parties, net	(1,267)	(389)
Other financial expenses	(18,001)	(6,933)
	(399,622)	**(183,752)**

14. Taxation

Current and deferred tax

Taxation credit comprises:

	2023	2022
Tax (charge)/credit:		
Income tax credit/(charge) – UK entities	(14,366)	(979)
Income tax charge – foreign entities	(78,217)	(51,549)
Deferred tax credit	148,042	241,080
Total tax credit	**55,459**	**188,552**

The Group's operations in Türkiye are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and deducting exempt income, non-taxable income, and other incentives.

1. The balance consist of fair value gains for future gas contracts, interest rate swaps and early payment option of the bonds amounting to $1.3 million, $17.4 million and $14.3 million, respectively. **2.** Bank charges related to financial activities include various commissions charged by banks and financial institutions within the context of term loan agreement and other transaction costs and also include $nil (2022: $20.4 million) loss on extinguishment of financial liabilities.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

14. Taxation continued

Reconciliation of total tax credit to (loss)/profit before taxation

The Company is domiciled in the United Kingdom, but its operations are primarily in Türkiye and the United States.

Effective corporate tax rate in 2023 is 25% (2022: 23%) for Türkiye, 21% (2022: 21%) for the United States and 23.5% (2022: 19%) for the United Kingdom, respectively. The provision for income taxes is different from the expected provision for income taxes for the following reasons:

	2023	2022
Profit/(loss) before tax	**473,822**	**641,879**
Applicable rate of tax	23.5%	19.0%
Tax at applicable rate	**(111,348)**	**(121,957)**
Tax effect of:		
Disallowable expenses	(5,338)	(8,408)
Other tax incentives (patent[1] and capital increases)	36,742	58,256
Investment incentives	(15,068)	332,557
Effect of tax rates in different jurisdictions	7,208	(19,083)
Dividend withholding tax	(14,694)	-
Carry forward tax losses (recognised) or (written off) as deferred tax asset	(15,177)	24,603
Corporate interest restriction in UK	(23,426)	(20,344)
Disregarded foreign exchange and fair value gains	27,479	20,038
Loss on translation	(3,774)	(84,635)
One-off taxes[2]	(21,768)	-
Statutory inflation accounting effect on tax bases	202,059	-
Other	(7,436)	7,525
Total tax credit	**55,459**	**188,552**

Investment incentives – investment discount application

Under Turkish local legislation, Eti Soda and Kazan Soda come under the ruling of the Council of Ministers on Government Grants with respect of their status in obtaining central Turkish government investment incentive grants.

The decision of the Council of Ministers on Government Grants and Incentives no. 2012/3305 regulating investment incentives became effective after being published in the Official Gazette on 19 June 2012. Within the scope of that decision, Eti Soda has received an Investment Incentive Certificate numbered A129108, which is located in Region 1 and has a contribution rate of 40% for their investments. As of 31 December 2020, within the scope of this certificate, Eti Soda recognised a $1.4 million deferred tax asset to reduce corporate tax and utilised all of them until 31 December 2022. In the same manner, Kazan Soda has received an Investment Incentive Certificate numbered E109393 and I109393 (together renumbered as J109393 in 2022), which is located in Region 1 and has a contribution rate of 50% for Kazan Soda's investments. As of the reporting date, within the scope of the certificate, Kazan Soda recognised $548.5 million (2022: $571.8 million) deferred tax asset to reduce corporate tax.

LLC associates in USA

The associates of the Group in the USA are formed as a Limited Liability Company ("LLC") (under Delaware State Law), which is a separate business entity allowed by state statute. As the LLCs have multiple owners, such entities have chosen to be taxed as a partnership, meaning each owner would report profit and losses on their income tax return.

As a result, the profits are taxed at the taxpaying owner's tax rate with such rate impacted to reflect the jurisdictions in which the partnership operates. Any profits, losses or deductions that are business expenses that reduce taxable income are all reported on the partnership's tax return and used to compute the taxable income reported by the owners.

In this respect, any current and deferred taxes attributable to the associates of the Group in the USA are accounted for by the US parent companies (investor) at its tax rates.

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRSs and tax purposes and they are given below.

Deferred tax assets/(liabilities) comprises:

	2023	2022
Deferred tax assets	717,373	558,644
Deferred tax liabilities	(163,301)	(153,933)
Net deferred tax asset	**554,072**	**404,711**

1. The Company has obtained a patent document, which has been examined by the Turkish Patent Institute ("TPI") for the invention entitled "Production of heavy soda from bicarbonate containing solutions, sodium bicarbonate, light soda and sodium silicate" as of 11 November 2004, and the 20 years' protection period for the patent is granted by TPI. Within the scope of the patent document examined during the protection period and in the scope of the "Exception in Industrial Property Rights" provisions of article 5/B of the Taxation Law No.5520, the exemption income amount for the year 2019 has been determined. For the 2023 accounting period, the amount of corporation tax exemption that is benefitted is $123.5 million (2022: $124.3 million). **2.** As detailed in Note 39 *Post balance sheet events* of 31 December 2022 consolidated financial statements, a Tax Amnesty Law, named as "the Law on the Restructuring of Certain Receivables and Amendments to Certain Laws", which introduced provisions regarding restructuring of tax receivables and tax base increase for all taxpayers was published on Official Gazette on 13 March 2023. This law introduced a one-time additional corporate tax for certain corporate taxpayers that benefit from certain exemptions and deductions in the calculation of their corporate income tax base. This one-time additional tax, also named as the "earthquake tax" aimed at creating more public funds to meet the urgent needs of the victims affected by the devastating earthquake that struck the South-eastern provinces of Türkiye. $21.8 million presents this additional tax amount accrued up until 31 December 2023.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

14. Taxation continued

Investment incentives – investment discount application continued

Deferred tax continued

This may be analysed as follows:

	2023	2022
Differences on carrying values of PP&E, mining assets and reserves	1,677	(141,975)
Retirement pay provision	384	778
Unused annual leave	647	245
Previous year losses to be deducted from tax	7,564	16,645
Discount on trade receivables	344	365
Discount on trade payables	(928)	(472)
Investment incentives	571,424	560,676
Revenue recognition according to IFRS 15	1,174	551
Effect of purchase of subsidiary	–	–
Investments accounted for using the equity method	(40,813)	(41,396)
Asset retirement obligation assets	(18,357)	(13,082)
Asset retirement obligation liabilities	19,258	13,082
Interest expense accruals	3,636	–
Right of use assets	(5,088)	(1,547)
Lease liabilities	5,726	1,598
Statutory inflation accounting effect on inventories	6,020	–
Other	1,404	9,243
Closing balance at 31 December	**554,072**	**404,711**

Movement of deferred tax (liabilities)/assets for the year ended 31 December 2023 and 2022 are as follows:

	2023	2022
At 1 January	**404,711**	**184,261**
Credited to statement of profit or loss for the financial year	148,042	241,080
Effect of purchase of subsidiary	(10,747)	–
Credited to other comprehensive income or loss	(1,511)	(48)
Tax effect of acquisition of public shares of equity accounted investment's subsidiary	4,237	–
Presentation currency translation effect	9,340	(20,582)
Closing balance at 31 December	**554,072**	**404,711**

At 31 December 2023, the Group has unused tax losses of $36.0 million (2022: $72.7 million) available for offset against future profits and $7.6 million (2022: $13.8 million) deferred tax asset has been recognised in respect of these losses.

Expiration schedule of carry forward tax losses is as follows:

	2023	2022
Will be expired in 2023	–	–
Will be expired in 2024	–	–
Will be expired in 2025	–	17,432
Will be expired in 2026	–	55,301
Will be expired after 2026[1]	36,020	–
Total	**36,020**	**72,733**

Deferred tax assets, which are recognised for tax losses carried forward in 2022, arise in entities, primarily domiciled in Türkiye, and related to tax losses during the investment period in 2018 and net operating losses in subsequent periods. In this respect, the Group utilised $72.7 million in 2023.

In evaluating whether it is probable that taxable profits will be earned in future accounting periods prior to any tax loss expiry as may be the case, all available evidence was considered, including approved budgets, forecasts, and business plans and, in certain cases, analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets and that no reasonable possible change in any of the key assumptions would result in a material reduction in forecast headroom of tax profits so that the recognised deferred tax asset would not be realised.

In the UK, the Finance (No 2) Act 2015, which provides the main rate of corporation tax of 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act receiving the Royal Assent on 28 July 2020 stipulates in section 5(1) that the Corporation Tax main rate for the financial year 2020 and 2021 to be 19%. These rates have been reflected in the calculation of deferred tax at the reporting date. In May 2021, as a result of the 2021 Budget, it was enacted that the corporation tax rate on company profits above £250,000 to rise from 19% to 25% in April 2023.

1. At 31 December 2023, the Group have unused tax losses $36.0 million (2021: nil) with no expiry date.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

15. Property, plant and equipment

2023	Land	Land improvements	Buildings	Plant, machinery and equipment	Leasehold improvements	Construction in progress	Other fixed assets[1]	Total
Cost:								
As at 1 January 2023	**3,200**	**111,891**	**13,877**	**345,365**	**756**	**39,927**	**3,074**	**518,090**
Additions	5,286	21,612	61	11,652	246	75,635	2,171	116,663
Purchase of subsidiary	–	–	18	18,778	51	–	9,972	28,819
Disposals	–	(688)	–	(39)	(75)	–	(18)	(820)
Transfers to mining assets	–	–	–	–	–	(32,533)	–	(32,533)
Transfers from construction in progress	–	2,018	252	29,078	–	(31,348)	–	–
Reclassification	–	–	–	(68)	–	–	68	–
At 31 December 2023	**8,486**	**134,833**	**14,208**	**404,766**	**978**	**51,681**	**15,267**	**630,219**
Accumulated depreciation:								
As at 1 January 2023	**–**	**(10,039)**	**(1,750)**	**(60,519)**	**(248)**	**–**	**(1,716)**	**(74,272)**
Purchase of subsidiary	–	–	(9)	(2,083)	(43)	–	(953)	(3,088)
Charge for the year	(127)	(5,928)	(568)	(17,992)	(102)	–	(1,110)	(25,827)
Disposals	–	173	–	39	50	–	18	280
Reclassification	–	–	–	3	–	–	(3)	–
At 31 December 2023	**(127)**	**(15,794)**	**(2,327)**	**(80,552)**	**(343)**	**–**	**(3,764)**	**(102,907)**
Net book value as of 31 December 2023	**8,359**	**119,039**	**11,881**	**324,214**	**635**	**51,681**	**11,503**	**527,312**

1. Includes vehicles and furniture and fixtures.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

15. Property, plant and equipment continued

2022	Land	Land improvements	Buildings	Plant, machinery and equipment	Leasehold improvements	Construction in progress	Other fixed assets[1]	Total
Cost:								
As at 1 January 2022	**3,726**	**37,768**	**12,870**	**357,852**	**737**	**41,043**	**2,181**	**456,177**
Additions	365	68,948	754	9,605	43	63,736	732	144,183
Purchase of subsidiary	–	–	–	–	–	–	320	320
Disposals	(460)	–	–	(384)	–	–	–	(844)
Transfers to mining assets	–	–	–	–	–	(29,535)	–	(29,535)
Transfers from construction in progress	–	9,722	1,763	19,396	–	(30,897)	16	–
Presentation currency translation effect	(431)	(4,547)	(1,510)	(41,104)	(24)	(4,420)	(175)	(52,211)
At 31 December 2022	**3,200**	**111,891**	**13,877**	**345,365**	**756**	**39,927**	**3,074**	**518,090**
Accumulated depreciation:								
As at 1 January 2022	**–**	**(8,346)**	**(1,480)**	**(52,321)**	**(181)**	**–**	**(1,084)**	**(63,412)**
Charge for the year	–	(2,715)	(443)	(14,351)	(81)	–	(575)	(18,165)
Purchase of subsidiary	–	–	–	–	–	–	(185)	(185)
Disposals	–	–	–	87	–	–	–	87
Presentation currency translation effect	–	1,022	173	6,066	14	–	128	7,403
At 31 December 2022	**–**	**(10,039)**	**(1,750)**	**(60,519)**	**(248)**	**–**	**(1,716)**	**(74,272)**
Net book value as of 31 December 2022	**3,200**	**101,852**	**12,127**	**284,846**	**508**	**39,927**	**1,358**	**443,818**

Property, plant and equipment with a carrying amount of $nil (2022: $480.4 million) have been pledged under a commercial enterprise pledge, to secure borrowings of the Group (see Note 25 *Borrowings*).

As of 31 December 2023, the net carrying amounts of vehicles and plant, machinery and equipment acquired through leasing agreement (see Note 38 *Lease liabilities*) are $14.5 million (2022: $6.8 million) in total and depreciation charges for the year are $0.7 million (2022: $0.5 million).

1. Includes vehicles and furniture and fixtures.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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16. Mining reserves

	Cost	Accumulated amortisation	Total
At 1 January 2022	**809,553**	**(113,110)**	**696,443**
Charge for the year	–	(26,833)	(26,833)
Reporting currency translation effect	(92,234)	13,241	(78,993)
As at 31 December 2022	**717,319**	**(126,702)**	**590,617**
Charge for the year	–	(25,942)	(25,942)
Closing balance as of 31 December 2023	**717,319**	**(152,644)**	**564,675**

Mining reserves include trona reserves that can be economically and legally extracted and processed into soda ash or sodium bicarbonate by the Group's operating companies.

The acquisition of Kazan Soda and CEI in February 2018 included the allocation of purchase price to mining reserves based on its fair value as at the date of the respective acquisitions which was approximately $1,105 million and $793 million, respectively. Similarly mining reserves of Eti Soda was $1,619 million based on its fair value as at the acquisition date in November 2017.

17. Intangible assets

Movement of intangibles assets:

	Cost	Accumulated amortisation	Total
At 1 January 2022	**268**	**(109)**	**159**
Additions[1]	23,586	–	23,586
Charge for the year	–	(99)	(99)
Presentation currency translation effect	(28)	11	(17)
At 1 January 2023	**23,826**	**(197)**	**23,629**
Additions[1]	3,400	–	3,400
Charge for the year	–	(2,208)	(2,208)
Effect of acquisition of the subsidiary	43,164	(4)	43,160
At 31 December 2023	**70,390**	**(2,409)**	**67,981**

18. Mining assets

	Cost	Accumulated amortisation	Total
At 1 January 2022	**126,940**	**(44,874)**	**82,066**
Transfers from construction in progress	29,535	–	29,535
Charge for the year	–	(12,407)	(12,407)
Presentation currency translation effect	(15,016)	5,853	(9,163)
At 31 December 2022	**141,459**	**(51,428)**	**90,031**
Transfers from construction in progress	32,533	–	32,533
Charge for the year	–	(9,805)	(9,805)
At 31 December 2023	**173,992**	**(61,233)**	**112,759**

1. Additions represent acquisition of access rights related to mining sites and activities in the United States.

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(Tabular amounts in thousands of US dollars, except where noted)

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19. Prepaid expenses

Prepaid expenses comprise:

	2023	2022
Non-current assets		
Prepaid expenses	3,286	1,711
Order advances given for property, plant and equipment	–	17,106
Total non-current prepaid expenses	**3,286**	**18,817**
Current assets		
Prepaid expenses	2,457	7,242
Order advances given for inventory purchases	13,477	1,762
Total current prepaid expenses	**15,934**	**9,004**
Total prepaid expenses	**19,220**	**27,821**

20. Trade and other receivables

	2023	2022
Trade receivables		
Current:		
Trade receivables	131,445	121,235
Discount on trade receivables	–	(317)
Trade receivables from related parties (Note 34)	22,952	239,197
Total trade receivables	**154,397**	**360,115**
Other receivables		
Current:		
Other sundry receivables	13,629	46
Deposits given	641	1,495
Other receivables from related parties (Note 34)	240,475	266,874
	254,745	**268,415**
Non-current:		
Deposits given	79	2,762
Other sundry receivables	131	–
Other receivables from related parties (Note 34)	837,715	551,224
	837,925	**553,986**
Total other receivables	**1,092,670**	**822,401**
Total trade and other receivables	**1,247,067**	**1,182,516**

The Group's credit terms for its trade receivables vary from 30 to 120 days and trade receivables are amounts due from customers for goods sold performed in the ordinary course of business. As of the reporting date, trade receivables are generally due for settlement within 43 days (2022: 41 days) and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group considers trade receivables are held within a business model whose objective is to both collect contractual cash flows and sell and are therefore held within the fair value through other comprehensive income measurement category.

21. Goodwill

	2023	2022
As of 1 January	**12,686**	**14,317**
Acquisition of subsidiary (Note 5)	1,879	–
Presentation currency translation effect[1]	–	(1,631)
As of 31 December	**14,565**	**12,686**

The goodwill recognised by the Group is a result of the:

- acquisition of Eti Soda on 24 November 2017 originally amounting to $31.4 million ($8.4 million net of presentation currency translation effect as of 1 April 2022) and allocated to the Turkish soda ash business;
- acquisition of Kazan Soda on 5 February 2018 originally amounting to $16.6 million ($4.3 million net of presentation currency translation effect as of 1 April 2022) and allocated to the Turkish soda ash business; and
- acquisition of Denmar Türkiye on 24 June 2023 amounting to $1.9 million.

1. Until 31 March 2022, which is the transition date of US dollars functional currency for Turkish subsidiaries as detailed in Note 2.28 *Identification of functional currencies*, for the purposes of presenting these consolidated financial statements, the assets, and liabilities of the Group's foreign operations (mainly reportable segments in Türkiye) were translated into US dollars using exchange rates prevailing at the end of each reporting date.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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21. Goodwill continued

Goodwill is subject to impairment tests every year, with no impairment being recognised in 2023 (2022: $nil). In making assessments for impairment, assets that do not generate independent cash flows are allocated to an appropriate CGU. The recoverable amount of those assets, or CGU, is measured at the higher of their fair value less costs of disposal and value in use.

Management applies its judgement in allocating assets to CGUs, in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the recoverable value calculation. Subsequent changes to CGU allocation or estimates and assumptions in the recoverable value calculation could impact the carrying value of the respective assets. The key assumptions set out below were used in the calculation of the recoverable value as of 31 December 2023.

The projection period for the purposes of goodwill impairment testing is based on the estimated useful lives of mining reserves for Turkish subsidiaries, which is approximately 33 years for Kazan Soda, and 20 years for Eti Soda. For its Turkish subsidiaries, the Group expects to use available reserves of trona until the depletion of such reserves with the existing capacity of the facilities. Considering the unique solution mining method used by the Turkish subsidiaries, and limited estimated useful lives of mining reserves management decided to use useful lives of mining reserves for impairment testing. The average growth rate of cash flows for further periods for Turkish operations is 2%.

A range of weighted average cost of capital rates between 14.3% and 15.0% were used for financial year 2021 as post-tax discount rates in order to calculate the recoverable amount under the fair value less cost of disposal approach for each of the CGUs individually. The post-tax rate was adjusted by considering tax effects of the tax cash outflows and other future tax cash flows and differences between the cost of the assets and their tax bases.

As of 31 December 2023, management has taken IAS 36.99 requirements into consideration and the most recent detailed calculation made in a preceding period (2021) of the recoverable amount of a cash generating unit to which goodwill has been allocated is used in the impairment test of that unit in the current period provided all of the following criteria are met:

(a) the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation (the net assets are flat for respective CGUs);

(b) the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin (it was three times higher than carrying value); and

(c) based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote. During this evaluation, the management team considered the following:

- Selling prices have been fluctuating within the estimations of the management when compared with the prior years and production costs have the similar trend when the general price level fluctuations in the world are taken into consideration.
- As the lowest cost producer in its industry the Group has also doubled its EBITDA and expects similar profitability trends going forward due to its competitive advantages.
- Existing production capacity and sales volumes are expected to slightly increase parallel to improvement modifications and efficient maintenance programme applied, when capacity increases due to future investments are excluded.
- The change in the weighted average cost of capital rates were limited and they were 16.9% and 15.2% in 2022 and in 2023, respectively, and when compared with 2021 have limited decreasing or increasing effect on the substantial margin.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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22. Other assets and liabilities

Other assets and liabilities comprise:

Other Assets	2023	2022
Current:		
VAT carried forward	15,804	15,063
VAT other	17,652	5,428
Restricted cash	–	53,278
Assets related to current tax	8,454	–
Other	1,706	2,218
	43,616	**75,987**
Non-current:		
Other sundry receivables	–	–
		–
Total other assets	**43,616**	**75,987**

Other liabilities	2023	2022
Current:		
Taxes and funds payable	36,911	6,106
Other sundry payables	2,265	487
	39,176	**6,593**
Non-current:		
Taxes and funds payables	–	322
Total other liabilities	**39,176**	**6,915**

Restricted cash comprised of deposits held in the United Kingdom, Türkiye, and the United States that had been placed to satisfy covenant requirements in respect of bank borrowings. The restricted cash was not under the exclusive control of the Group and therefore was disclosed separately from the Group's cash and cash equivalents. As a part of the settlement Kazan Soda Project Finance Loan, as detailed in Note 25 *Borrowings*, the restriction has been removed and is now under exclusive control of the Group.

23. Cash and cash equivalents

Cash and cash equivalents comprises:

	2023	2022
Cash	13	8
Cash at bank comprises:	169,608	308,725
– Demand deposits	6,678	110,434
– Time deposits with maturities less than three months	162,930	198,291
	169,621	**308,733**

24. Inventories

Inventories comprise:

	2023	2022
Raw materials and supplies	15,503	19,077
Finished goods	11,895	9,298
Other inventories	323	–
	27,721	**28,375**

No inventories were written off to profit and loss in 2023 and 2022.

Raw materials and supplies comprise:

	2023	2022
Packaging	1,764	2,958
Raw materials	3,396	7,645
Spare parts	10,343	8,474
	15,503	**19,077**

Non-current inventories comprise long-term spare parts inventories of $29.2 million (31 December 2022: $18.6 million).

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

25. Borrowings

	2023	2022
Non-current:		
Bank borrowings and bonds – long-term portion of the long-term borrowings	1,630,091	1,371,930
(Less): Transaction costs	(21,829)	(4,615)
	1,608,262	**1,367,315**
Current:		
Bank borrowings due within one year	33,196	97,809
Bank borrowings and bonds – short-term portion of the long-term borrowings	23,212	241,133
(Less): Transaction costs	(244)	(1,372)
	56,164	**337,570**
	1,664,426	**1,704,885**

Bank borrowings and bonds comprise:

	2023			2022		
Currency	**WAEIR[1]**	**Short-term**	**Long-term**	WAEIR[1]	Short-term	Long-term
USD	9.25%	22,543	1,256,602	6.62%	177,306	809,072
EUR	6.16%	33,865	373,489	4.69%	161,636	562,858
Total USD equivalent		**56,408**	**1,630,091**		**338,942**	**1,371,930**
(Less): Transaction costs[2]						
USD		(244)	(21,829)		(1,372)	(4,615)
EUR		–	–		–	–
Total Transaction costs (–)		**(244)**	**(21,829)**		**(1,372)**	**(4,615)**
Net USD equivalent		**56,164**	**1,608,262**		**337,570**	**1,367,315**

1. Weighted average effective interest rate. **2.** $22.9 million (2022: $6.0 million) are related to transaction costs of borrowings and they are capitalised and amortised as finances costs on an effective interest rate basis in the profit or loss.

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(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

25. Borrowings continued

The following summarises bank borrowings based on their agreement types:

	Current			Non-current		
As at 31 December 2023	**USD Equivalent of EUR loans**	**USD loans**	**Total**	**USD Equivalent of EUR loans**	**USD loans**	**Total**
Term loan agreement	162	107	**269**	290,498	145,477	**435,975**
RCF	506	455	**961**	82,989	75,000	**157,989**
Kazan working capital loan	33,196	–	**33,196**	–	–	**–**
Bond	–	21,982	**21,982**	–	999,627	**999,627**
Loans related to US operations	–	–	**–**	–	36,500	**36,500**
(Less): Transaction costs	–	(244)	**(244)**	–	(21,829)	**(21,829)**
	33,864	**22,300**	**56,164**	**373,487**	**1,234,775**	**1,608,262**

	Current			Non-current		
As at 31 December 2022	**USD Equivalent of EUR loans**	**USD loans**	**Total**	**USD Equivalent of EUR loans**	**USD loans**	**Total**
Term loan agreement	64,007	46,628	**110,635**	509,554	373,039	**882,593**
RCF	–	–	**–**	53,305	50,000	**103,305**
Kazan project finance	–	130,498	**130,498**		363,532	**363,532**
Eti Working Capital loan	97,809	–	**97,809**	–	–	**–**
Loans related to US operations	–	–	**–**	–	22,500	**22,500**
(Less): Transaction costs	–	(1,372)	**(1,372)**	–	(4,615)	**(4,615)**
	161,816	**175,754**	**337,570**	**562,859**	**804,456**	**1,367,315**

Eti Soda entered into eight separate unsecured Export Oriented Loan Agreements with Denizbank A.Ş. as lender ("Denizbank") relating to working capital facilities of up to $80 million for five different agreements and €18 million for two different agreements (the "Export Oriented Loan Facilities"), respectively. All amounts drawn under the Eti Soda Working Capital Facilities are for working capital purposes. As of 31 December 2022, the amounts outstanding under the Eti Soda Working Capital Facilities amounted to $97.8 million and were fully repaid in 2023 as a result of the Bond issuance.

The Eti Soda Working Capital Facilities are revolving loan facility arrangements between Denizbank and Eti Soda with each individual loan having a term of six months. In practice, Eti Soda generally rolls over accrued interest and principal on each loan to the next six-month period. The Eti Soda Working Capital Facilities accrue interest at a fixed rate per year.

On 1 August 2018, the Group secured a $380 million and a €1,100 million loan facility (the "Original Facilities") under the Original Facilities Agreement. The maturity date of the Original Facilities Agreement was 1 August 2025. Interest payments were due on a quarterly basis. WE Soda and CEI were borrowers of the loan, with the Company, WE Soda Kimya, Ciner Kimya, Şişecam Resources Corporation and Şişecam Chemical Holdings acting as guarantors to the loan. The Original Facilities were secured, with share pledges of CEI, Şişecam Chemicals Resources, Şişecam Chemical Holdings, Şişecam Resources Corporation, Ciner Kimya, WE Soda Kimya and Eti Soda. The Interest rate of the loan was 3-month LIBOR rate plus a fixed margin of 4.25% for US dollars and 3-month LIBOR rate plus a fixed margin of 3.75% for Euro denominated portions. On 22 December 2021, CEI settled in full its drawings under the Original Facilities with its lenders for a value equal to $142.7 million comprising $111.2 million and €16.9 million and, on the same date, WE Soda entered into an amendment to the Original Facilities Agreement, increasing its portion of the Original Facilities with its lenders for an additional $142.7 million comprising $111.2 million and €16.9 million.
On 14 February 2022, the Original Facilities Agreement was rescinded and replaced by the Senior Facilities Agreement. As detailed in Note 4 *Financial risk management - (a) Capital risk management*, subsequent to the Bond issuances in 2023 and 2024, these facilities are partially and fully repaid, respectively.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

25. Borrowings continued

Kazan Soda and certain lenders, including Industrial and Commercial Bank of China ("ICBC"), acting as an agent for other lenders, entered into a facilities agreement dated 25 March 2014 in relation to a soda ash project located in Kazan (the "Kazan Soda Facilities" and the relevant agreement, the "Kazan Soda Facilities Agreement"). As at 31 December 2023, the Kazan Soda Facilities is fully repaid (2022: $480.4 million). Repayment of the loan commenced on20 December 2018 and was scheduled to continue until 20 June 2027, however it is fully repaid utilising the proceeds from the Bond issuance. The interest rate of the loan is a 6-month LIBOR rate plus a fixed margin of 3.45%. Park Holding A.Ş. ("Park Holding"), WE Soda Kimya Yatırımları A.Ş. ("WE Soda Kimya") and Ciner Kimya Yatırımları A.Ş. ("Ciner Kimya") are parties to the Kazan Soda Facilities Agreement as guarantors. This full repayment has been accounted as the extinguishment of the loan, and any difference ($9.8 million – Note 13 *Finance income and finance expense*) between the carrying value accounted based on amortised cost and payment accounted in the statement of profit and loss. Additionally, the Group has been reimbursed for certain transaction costs ($13.2 million – Note 13 *Finance income and finance expense*) between the carrying value accounted based on amortised cost and payment accounted in the statement of profit and loss. Additionally, the Group has been reimbursed for certain transaction costs ($13.2 million – Note 13 *Finance income and finance expense*) as result of this early payment and with respect to clauses in the agreement regulating such early payments.

See Note 4 (a) *Capital risk management – (iv) Bonds* discloses issuance and other details of the bonds issued on 6 October 2023 and 14 December 2023 respectively.

See Note 4 *Financial risk management – (b) Financial risk factors – Significant restrictions* with respect to the various covenants and restrictive provisions applicable to (subject to certain exceptions) the WE Soda Restricted Group under the Senior Facilities Agreement.

The Group has not capitalised any borrowing costs during the year (2022: $nil).

The carrying value of bank borrowings held at amortised cost approximates the fair value.

26. Trade and other payables

Trade and other payables comprise:

	2023	2022
Trade payables		
Current:		
Trade payables to third parties	82,113	115,077
Trade payables to related parties (see Note 34)	28,096	185,497
	110,209	**300,574**
Non-current:		
Trade payables to third parties	–	2,879
	–	**2,879**
Total trade payables	**110,209**	**303,453**
Other payables		
Current:		
Other payables to related parties (see Note 34)	44,767	30,601
Deposits received	77	273
Mineral lease liabilities	4,100	4,173
Other liabilities	865	5,629
	49,809	**40,676**
Non-current:		
Mineral lease liabilities	13,917	14,928
	13,917	**14,928**
Total other payables	**63,726**	**55,604**
Total trade and other payables	**173,935**	**359,057**

The average credit period for trade purchases is 44 days (2022: 47 days). The Directors consider the carrying value of trade and other payables (on which no interest is incurred) approximate to their fair value.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

27. Derivative financial instruments

The Group may enter into derivative contracts from time to time to manage exposure to the risk of exchange rate changes on its foreign currency transactions, the risk of changes in natural gas prices, and the risk of the variability in interest rates on borrowings. Gains and losses on derivative contracts are recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group follows hedge accounting for its hedging activities. All derivative instruments are recorded on the balance sheet at their fair values. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Group designates its derivatives based upon criteria established for hedge accounting under IFRS. For a derivative designated as a fair value hedge, the gain or loss is recognised in earnings in the year of the change together with the offsetting gain or loss on the hedged item attributed to the risk being hedged.

For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified into earnings when the hedged exposure affects earnings. Any significant ineffective portion of the gain or loss is reported in earnings immediately. For derivatives not designated as hedges, the gain or loss is reported in earnings in the year of change. The Group had the following two derivative financial instruments: interest rate swap contracts and gas forward contracts.

(a) Interest rate swap contracts

In 2023, the Group has executed US dollars denominated 4-year Cancellable Interest Rate Swap transactions, in order to economically hedge the fixed coupon payments of the Bond to floating.

(b) Gas forward contracts

The Group does not have any gas forward contracts as of 31 December 2023 or 2022. However, the Group has executed two TTF Heren Day Ahead Index Asian Swaps in 2023, which were two separate swap transactions for November and December 2023 covering 50% of the natural gas consumption of the period with full production capacity of its subsidiaries. These contracts were settled in December 2023 and January 2024.

(c) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 'Financial Instruments' are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. As the Group has not designated the whole hybrid contract at FVTPL, the separated embedded derivatives are classified and measured at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Since the Group elected to recognise the bonds issued at amortised cost, the early payment options associated with the bonds issued are considered as embedded derivatives, excluded from the host, and treated as separate derivative instrument in the financial statements.

Derivative financial instruments	2023	2022
Non-current asset:		
Interest rate swap contracts	19,850	–
Bond early payment option	35,007	–
	54,857	**–**
Current liability:		
Interest rate swap contracts	(2,443)	–
Natural gas contracts	(2,127)	–
	(4,570)	**–**
Total	**50,287**	**–**

As at 31 December 2023, the Group's gas forward contract for December 2024 has been closed but settlement payment of €1,922,382 has been made in January 2024 and presented as derivative financial instrument liability.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

28. Employee benefits

Employee benefits comprises:

	2023	2022
Current:		
Due to personnel	1,835	1,617
Social security premiums payable	1,329	1,191
Provision for unused annual leave[a]	1,434	1,290
	4,598	**4,098**
Non-current:		
Provision for retirement pay obligation – Turkish operations[b]	3,354	4,097
Total	**7,952**	**8,195**

(a) Provision for unused annual leave

Movement of provision for unused annual leave is as follows:

	2023	2022
At 1 January	**1,290**	**762**
Additions	1,023	961
Payment/reversal of provision	(422)	(63)
Purchase of subsidiary	53	–
Exchange loss on translation to presentation currency	(510)	(370)
At 31 December	**1,434**	**1,290**

Unused annual leave is recognised for the monetary value of the unused annual leave remuneration to be paid to employees upon the termination of their employment contract for any reason, at the wage rate prevailing on the date of termination. The liability represents the undiscounted amount of remuneration to be paid assuming the termination occurs at the reporting date.

(b) Provision for retirement pay obligation

Movement of provision for defined retirement benefit liability for the Turkish operations is as follows:

	2023	2022
At 1 January	**4,097**	**1,899**
Effect of purchase/disposal of subsidiary	**273**	**–**
Actuarial (gain)/loss	(170)	731
Service cost	2,012	2,283
Interest cost	53	52
Termination benefits paid	(1,160)	(85)
Exchange gain on translation to presentation currency	(1,751)	(783)
At 31 December	**3,354**	**4,097**

The Group's Turkish operations maintain a retirement pay obligation provision as required by Turkish law and union agreements, to ensure that lump sum payments are made to employees retiring or involuntarily leaving the Turkish subsidiaries. Such payments are considered as being part of an employee benefit plan as per IAS 19 (Revised) 'Employee Benefits'.

The retirement pay provision recognised in the financial statements represents the present value of the retirement pay obligation. The actuarial gains and losses are recognised in other comprehensive income. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The amount payable consists of one month's salary limited to a maximum of TRY23,490 (equivalent of $798) for each period of service at 31 December 2023 (31 December 2022: TRY15,371 (equivalent of $822). Ceiling amount of $1,191 (2022: $1,068), which is declared by the government and in effect since 1 January 2024, is used in the calculation of the Group's provision for retirement pay liability. The ceiling amount determines the upper limit for the retirement pay provision liability for one month of service.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

28. Employee benefits continued

Turkish companies are not required by local law to set up a fund to meet their retirement pay obligations. Provision for retirement pay obligation is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 (Revised) 'Employee Benefits' stipulates the development of a company's liabilities by using actuarial valuation methods. Actuarial assumptions used in calculation of total liabilities are described as follows:

- Liability for each year of service will move in correlation with the Turkish national inflation rate. To reflect this correlation, the discount rate applied takes into account the anticipated effects of future inflation.
- Provision for the retirement pay obligation is calculated as the present value of the future probable obligation of the company arising from the retirement of the employees by applying 3.96% real discount rate.
- Management assumes that due to leaving voluntarily, 3.2% (2022: In PY FS – 3.2%) of liability for Eti Soda and 10.3% (2022: In PY FS – 10.3%) of liability for Kazan Soda will not be paid out to employees with 0 – 15 years of service. It is assumed that full payment will be made for those with 16 or more years of service.
- Ceiling amount of $1,191 which is in effect since 1 January 2024 is used in the calculation of Groups' provision for retirement pay liability (1 January 2023: $1,068).

29. Mine closure provisions

The mine closure provision at 31 December 2023 of $91.5 million (2022: $68.9 million) represents the discounted future cash flow expenditure required for the closure of Eti Soda and Kazan Soda mines in approximately 20 and 33 years, respectively. This has been calculated in US dollars and discounted by applying a US dollars real risk-free rate of 2.16% and 1.99% for Eti Soda and Kazan Soda respectively (2022: US dollars real risk-free rate of 1.93%).

Movement of the provision may be analysed as follows:

	2023	2022
At 1 January	**68,854**	**–**
Accretion/interest expense	1,276	–
Additions/Remeasurement[1]	21,341	68,854
At 31 December	**91,471**	**68,854**

Sensitivity

The significant assumption used for the determination of the mine closure provision is real risk-free rate and a 1% change, in isolation, would have the effect shown in the table below:

Change in 2023		+1%	-1%
Discount rate	(Decrease)/increase in provision	(21,864)	29,516

Change in 2022		+1%	-1%
Discount rate	(Decrease)/increase in provision	(18,877)	27,183

30. Deferred income (contract liabilities)

Movement of deferred income for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
At 1 January	**150,955**	**10,417**
Order advances received	144,068	158,046
Deferred revenue due to goods in transit	455	–
Amounts reimbursed[2]	(25,823)	–
Transfer of goods	(108,164)	(17,450)
Foreign currency translation effect	1,327	(58)
Closing balance at 31 December	**162,818**	**150,955**
– Short-term deferred income	140,688	134,519
– Long term deferred income	22,130	16,436

31. Share capital and other reserves

Issued and fully paid ordinary share capital as at 31 December 2023 amounted to $153.6 million (2022: $153.6 million).

Ordinary equity share capital

50,000 shares were issued at GBP1.00 per share at incorporation and were denominated to $1.32 per share in 2017. All other Ordinary Shares were issued at $1.00.

Allotted and fully paid	Number	Share Capital $'000	Share Premium $'000
At 1 January 2022	153,620,141	153,636	1,382,131
At 31 December 2022	153,620,151	153,636	1,382,131
At 31 December 2023	153,620,151	153,636	1,382,131

1. Mine closure provision is fully reassessed in the current year due to new investments especially at Kazan Soda level, which has also increased production capacity and shortened useful life of the mine, and other regulation changes like minimum wage, which has significantly increased unit costs for dismantling both for Eti Soda and Kazan Soda. In this respect additional provision and corresponding asset have been recognized in the financial statements. **2.** The balance presents actual cash reimbursements made by the Group especially starting from third quarter of the year for sales amount differences below quarterly thresholds due to selling price decreases in the market by satisfying quarterly quantities to be delivered.

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(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

31. Share capital and other reserves continued

Restricted profit reserve for Turkish operations

The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. As of 31 December 2023, Turkish operations' restricted profit reserves consist of legal reserves. The Group's legal reserve is $83.0 million (2022: $53.3 million).

Foreign currency translation reserve

As detailed in Note 2.12 *Foreign currencies* and 2.28 *Identification of functional currencies*, the functional currency for each subsidiary is the currency of the primary economic environment in which it operates. The presentation currency of the Group is the US dollar based on the assessment that the Group's revenue mix will be predominantly US dollar denominated due to nature of the industry and US dollar presentation will enhance comparability with its industry peer group.

Until 31 March 2022, which is the transition date of US dollars functional currency for Turkish subsidiaries as detailed in Note 2.28 *Identification of functional currencies*, for the purposes of presenting these consolidated financial statements, the assets, and liabilities of the Group's foreign operations (mainly reportable segments in Türkiye) were translated into US dollars using exchange rates prevailing at the end of each reporting date. Income and expense items were translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions were used. Exchange differences arising, if any, were recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests). From 1 April 2022, all transactions are recorded in US dollars at the rates as on the dates of the transactions. Transactions which were originally not in US dollars are converted using exchange rates prevailing at the end of each reporting date.

Please refer below for "Foreign currency translation reserve" movements in respective years.

	Equity attributable to owners of the Company	Non-controlling interest	Total
Opening balance as of 1 January 2022	**(1,771,432)**	**(306,333)**	**(2,077,765)**
Other comprehensive (loss)/income for the year	(127,721)	(16,247)	(143,968)
Closing balance as of 31 December 2022	**(1,899,153)**	**(322,580)**	**(2,221,733)**
Other comprehensive (loss)/income for the year	271	–	271
Closing balance as of 31 December 2023	**(1,898,882)**	**(322,580)**	**(2,221,462)**

Earnings per ordinary share

	Weighted average number of shares	Earnings	Per share amount (USD per unit)
At 31 December 2022	153,620,151	830,431	5.406
At 31 December 2023	153,620,151	529,281	3.445

Notes to the Consolidated Financial Statements continued

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32. Group companies

The companies that the Group has investments in, the activity of which relates to the extraction and production of soda ash as of 31 December 2023 are as follows:

Nature of relationship	Company	Country of incorporation[3]	Principal activity	Registered address	Effective percentage holding[7]
Subsidiary	Ciner Enterprises Inc.	United States	Holding company	5 Concourse Parkway, Suite 2500, Atlanta GA 30328, United States	100%[1,4]
Associate	Şişecam Chemicals Resources LLC	United States	Holding company	As above	40%[1,5]
Subsidiary	Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Türkiye	Mining for natural resources	Yeşilağaç Mahallesi Gürağaç Kümeevler No: 47/A 06730 Beypazarı, Ankara, Türkiye	74%[2,5]
Subsidiary	Kazan Soda Elektrik Üretim A.Ş.	Türkiye	Mining for natural resources	Söğütözü Caddesi Sim Söğütözü İş Merkezi No: 14/D Beştepeler, Yenimahalle, Ankara, Türkiye	100%[1,5]
Subsidiary	Ciner Kimya Yatırımları A.Ş.	Türkiye	Holding company	Sultantepe Mahallesi Paşalimanı Caddesi No: 41, Üsküdar, İstanbul, Türkiye	100%[1,4]
Subsidiary	We Soda Kimya Yatırımları A.Ş.[6]	Türkiye	Holding company	As above	100%[1,4]
Subsidiary	West Soda LLC (formerly TC Soda Holdings Inc.)	United States	Development project for natural resources	5 Concourse Parkway, Suite 2500, Atlanta GA 30328, United States	100%[1,5]
Subsidiary	Imperial Natural Resources Trona Mining Inc.	United States	Holding company	As above	100%[1,5]
Subsidiary	WE Soda Investments Holding Plc	United Kingdom	Holding company	23 College Hill, London, EC4R 2RP, United Kingdom	100%[1,4]
Subsidiary	Soda World Ltd.	United Kingdom	Reseller company	As above	100%[1,4]
Subsidiary	WE İç ve Dış Ticaret A.Ş.	Türkiye	Foreign trade company	Sultantepe Mahallesi Paşalimanı Caddesi No: 41, Üsküdar, İstanbul, Türkiye	100%[1,5]
Subsidiary	Denmar Depoculuk Nakliyat ve Ticaret A.Ş.	Türkiye	Port handling services	Deniz Mahallesi Limanyolu Caddesi Derince Liman İşletmesi No: 21 Derince, Kocaeli, Türkiye	60%[1,5]
Associate	Pacific Soda LLC	United States	Development project for natural resources	20 Shoshone Avenue, Green River, WY 82935, United States	40%[1,5]

1. Ordinary shares. **2.** Preference shares (the right to appoint 6 members of Board of Directors out of 8). **3.** Principal place of business for all subsidiaries is the same as the country of incorporation. **4.** Held directly by WE Soda Ltd. **5.** Held indirectly through subsidiary undertakings. **6.** Merged with Ciner Kimya Yatırımları A.Ş. **7.** Effective percentage holding is same for financial years 2022 and 2023 except for Denmar Türkiye which was acquired in June 2023.

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(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

32. Group companies continued

Non-controlling interests continued

Eti Maden İşletmeleri Genel Müdürlüğü ("Eti Maden")

Eti Maden currently owns a 26% membership interest in Eti Soda. This non-controlling interest of Eti Maden has protective rights as follows;

- Eti Maden has certain blocking rights over change in ownership of existing shares and capital increases; and
- Eti Maden has certain approval rights for budget, additional borrowings, capital expenditure and merger transactions.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

The amounts disclosed for each subsidiary are before intercompany eliminations:

Summarised balance sheet		
2023	**Eti Soda**	**Denmar**
Current assets	433,906	8,188
Non-current assets	523,280	52,550
Current liabilities	133,901	4,044
Non-current liabilities	102,410	19,495
Equity attributable to owners of the Company	533,452	14,033
Non-controlling interest	187,423	23,166
Summarised statement of comprehensive income		
Revenue	592,096	11,985
Expenses	(394,311)	(13,493)
Total profit for the year	**197,785**	**(1,508)**
Profit for the year attributable to:		
Shareholder	146,361	(905)
Non-controlling interest	51,424	(603)
Total profit for the year	**197,785**	**(1,508)**
Summarised statement of cash flow		
Cash and cash equivalents at beginning of the year	3,171	–
Net cash generated from operating activities	337,138	61
Net cash used from investing activities	(28,103)	(254)
Net cash used from financing activities	(312,053)	238
Effects of exchange rate changes on cash and cash equivalents	(13)	–
Cash and cash equivalents at end of the year	**140**	**45**

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

32. Group companies continued

Non-controlling interests continued

Eti Maden continued

2022	Eti Soda	Ciner Enterprises Inc.
Summarised balance sheet		
Current assets	580,256	n/a
Non-current assets	521,993	n/a
Current liabilities	304,348	n/a
Non-current liabilities	88,992	n/a
Equity attributable to owners of the Company	524,597	n/a
Non-controlling interest	184,312	n/a
Summarised statement of comprehensive income		
Revenue	643,048	n/a
Expenses	(318,581)	n/a
Total profit for the year	**324,467**	**n/a**
Profit for the year attributable to:		
Shareholder	240,105	n/a
Non-controlling interest	84,362	n/a
Total profit for the year	**324,467**	**n/a**
Summarised statement of cash flow		
Cash and cash equivalents at beginning of the year	725	n/a
Net cash generated from operating activities	256,969	n/a
Net cash used from investing activities	(21,619)	n/a
Net cash used from financing activities	(232,732)	n/a
Effects of exchange rate changes on cash and cash equivalents	(172)	n/a
Cash and cash equivalents at end of the year	**3,171**	**n/a**

33. Interest in equity-accounted associates

Set out below are the associates of the Group as at 31 December 2023 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of Ordinary Shares, which are held directly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Company	Country of incorporation	Principal activity	Measurement method	Effective percentage holding	2023	2022
Şişecam Chemicals Resources LLC (formerly Ciner Resources Corporation)	USA	Holding company	Equity method	40%	194,093	205,293
Pacific Soda LLC	USA	Development project for natural resources	Equity method	40%	130,426	130,938
Total equity-accounted investments					**324,519**	**336,231**

Delisting of Şişecam Resources LP

On 1 February 2023, Şişecam Resources LP ("Şişecam") (NYSE: SIRE) and Şişecam Chemicals Resources LLC ("SCR") announced that Şişecam has entered into a definitive Agreement and Plan of Merger (the "Agreement" or the "Merger") pursuant to which Şişecam Chemicals Wyoming LLC, a wholly owned subsidiary of Şişecam Chemicals Resources LLC ("Parent") will acquire all of the outstanding common units of Şişecam not already owned by Parent and its affiliates (the "Public Common Units"). The Agreement follows the offer made by Parent on 6 July 2022 to acquire the Public Common Units.

The Agreement provided for an all-cash transaction, whereby each holder of the Public Common Units will receive $25.00 per Public Common Unit owned, representing an approximately 40% premium to the closing price of the Public Common Units as of 6 July 2022. There are 5,248,791 Public Common Units outstanding.

In connection with the closing of the Merger, Şişecam (i) notified the New York Stock Exchange (the "NYSE") that the Certificate of Merger relating to the Merger had been filed with the Secretary of State of the State of Delaware and had become effective as of the Effective Time and (ii) requested that the NYSE file a Notification of Removal from Listing and/or Registration on Form 25 with the SEC to delist and deregister the Common Units under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The trading of Common Units was suspended before the opening of trading on 26 May 2023 (the "Closing Date"). Additionally, Şişecam intends to file a certification on Form 15 under the Exchange Act with the SEC requesting the suspension of Şişecam's reporting obligations under Sections 13 and 15(d) of the Exchange Act.

As a result of this Merger, the Group's effective rate in Şişecam Wyoming LLC increased approximately to 20.4% from 15.1%.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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33. Interest in equity-accounted associates continued

Summarised financial information for associates

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

2023	Şişecam Chemicals Resources	Pacific Soda	Atlantic Soda[1]
Summarised balance sheet			
Current assets	218,465	3,159	n/a
Non-current assets	1,274,720	328,638	n/a
Current liabilities	(139,564)	(5,569)	n/a
Non-current liabilities	(271,188)	(162)	n/a
Minority interests	(597,182)	–	n/a
Net assets	485,251	326,066	n/a
Summarised statement of comprehensive income			
Revenue	773,692	–	n/a
Expenses	(681,695)	(33,680)	n/a
Total profit/(loss) for the year	91,997	(33,680)	n/a
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
• Accumulated (loss)/gain on remeasurement of defined benefit plans	9,155	–	n/a
Items that will be reclassified subsequently to profit or loss:			
• Gas contracts	(47,249)	–	n/a
• Other	(861)	–	n/a
Other comprehensive income for the year, net of income tax	(38,955)	–	n/a
Total comprehensive profit/(loss) for the year	**53,042**	**(33,680)**	**n/a**

2023	Şişecam Chemicals Resources	Pacific Soda	Atlantic Soda[1]
Profit/(loss) for the year attributable to:			
Shareholder	30,938	(33,680)	n/a
Non-controlling interest	61,059	–	n/a
Total profit for the year	91,997	(33,680)	n/a
Total comprehensive income/(loss) for the year attributable to:			
Shareholder	21,473	(33,680)	n/a
Non-controlling interest	31,569		n/a
Total comprehensive income/(loss) for the year	53,042	(33,680)	n/a
Reconciliation to carrying amounts:			
Opening net assets at 1 January 2023	513,251	327,346	n/a
Profit/(loss) for the period[2]	30,938	(33,680)	n/a
Other comprehensive income	(9,465)	–	n/a
Contributions (capital increases)[3]	–	32,400	n/a
Acquisition of public shares	(49,473)	–	n/a
Net assets	485,251	326,066	n/a
Group's share in %	40%	40%	n/a
Group's share in USD000s	194,093	130,426	n/a
Carrying amount as of 31 December 2023	**194,093**	**130,426**	**n/a**

1. Merged with Pacific Soda in June 2022. **2.** The income presented as "Share of net profit/loss of associates accounted for using the equity method" in the Statement of Profit and Loss consists of $2,438,000 which is 40% of above presented net loss totaling to $6,094,000 and additional dividend distributed by Şişecam Chemicals Resources for an amount of $5,362,000 totaling to $2,924,000. **3.** Includes the dividend received from Şişecam Chemical Resources, as per agreement, for an amount of $5,362,000 which was over and above the 40% share of the Group.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

33. Interest in equity-accounted associates continued

2022	Şişecam Chemicals Resources	Pacific Soda	Atlantic Soda[1]
Summarised balance sheet			
Current assets	321,707	1,323	n/a
Non-current assets	1,286,246	335,107	n/a
Current liabilities	(126,471)	(3,340)	n/a
Non-current liabilities	(232,538)	(5,744)	n/a
Minority interests	(735,712)	–	n/a
Net assets	513,232	327,346	n/a
Summarised statement of comprehensive income			
Revenue	720,095	–	n/a
Expenses	(672,522)	(20,446)	n/a
Total profit/(loss) for the year	47,573	(20,446)	n/a
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
• Accumulated (loss)/gain on remeasurement of defined benefit plans	11,369	–	n/a
Items that will be reclassified subsequently to profit or loss:			
• Gas contracts	40,753	–	n/a
• Other	460	–	n/a
Other comprehensive income for the year, net of income tax	52,582	–	n/a
Total comprehensive profit/(loss) for the year	**100,155**	**(20,446)**	**n/a**
Profit/(loss) for the year attributable to:			
Shareholder	14,352	(20,446)	n/a
Non-controlling interest	33,221	–	n/a
Total profit for the year	47,573	(20,446)	n/a
Total comprehensive income/(loss) for the year attributable to:			
Shareholder	41,184	(20,446)	n/a
Non-controlling interest	58,971	–	n/a

2022	Şişecam Chemicals Resources	Pacific Soda	Atlantic Soda[1]
Total comprehensive income/(loss) for the year	100,155	(20,446)	n/a
Reconciliation to carrying amounts:			
Opening net assets at 21 December 2021	500,000	230,000	86,667
Profit/(loss) for the period[2]	14,352	(18,792)	(1,654)
Other comprehensive income	26,832	–	–
Contributions (capital increases)	–	15,125	16,000
Transfers as a result of merger	–	101,013	(101,013)
Dividend paid[3]	(27,953)	–	–
Net assets	513,251	327,346	–
Group's share in %	40%	40%	n/a
Group's share in USD000s	205,293	130,938	n/a
Goodwill	–	–	n/a
Carrying amount	**205,293**	**130,938**	**n/a**

1. Merged with Pacific Soda in June 2022. **2.** The income presented as "Share of net profit/loss of associates accounted for using the equity method" in the Statement of Profit and Loss consists of $2,438,000 which is 40% of above presented net loss totalling to $6,094,000 and additional dividend distributed by Şişecam Chemicals Resources for an amount of $5,362,000 totalling to $2,924,000. **3.** Includes the dividend received from Şişecam Chemical Resources, as per agreement, for an amount of $5,362,000 which was over and above the 40% share of the Group.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

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34. Related party transactions

The immediate parent undertaking of the Company is Akkan Enerji ve Madencilik A.Ş.. The ultimate controlling party is Mr. Turgay Ciner. The Group entered into transactions with related parties for the rendering of services, which amounts, depending on their nature, have either been charged to the income statement or capitalised as non-current assets as follows:

2023	Sales	Purchase	Financial income	Financial expense	Other income	Other expense
Parent Company:						
Akkan Enerji Madencilik A.Ş.	–	–	132,333	–	–	–
Kew Soda Ltd.	–	–	41,231	23,053	–	707
Other related parties:						
AG Ciner İthalat İhracat ve Ticaret A.Ş.	20,796					
Ciner İç ve Dış Ticaret A.Ş.[1]	–	9,053	2,898	2,779	–	–
Turgay Ciner	–	–	11,539	–	–	–
Eti Maden İşletmeleri Genel Müdürlüğü	3,447	31,787	–	–	–	–
Mineral Minings Commodity Trading LLC	–	–	–	–	–	–
Park Cam Sanayi ve Ticaret A.Ş.	33,026	–	–	2,399	–	–
Park Holding A.Ş.	4	45,305	6,468	29	–	–
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	–	1,109	–	–	–	–
Konya – Ilgın Elektrik Üretim ve Ticaret A.Ş.	–	7,965	–	–	–	–
Silopi Elektrik Üretim A.Ş.	–	22,133	–	–	–	–
Denmar Depoculuk Nakliyat A.Ş.	–	11,566	–	–	–	–
Other	56	60	494	1,083	783	–
Total	**57,329**	**128,978**	**194,963**	**29,343**	**783**	**707**

2022	Sales	Purchase	Financial income	Financial expense	Other income	Other expense
Parent Company:						
Akkan Enerji Madencilik A.Ş.			328			
Kew Soda Ltd.			9,237	14,142		
Other related parties:						
Ciner İç ve Dış Ticaret A.Ş.[2]	–	5,315	8,415	7,595	319	93
Denmar Depoculuk Nakliyat A.Ş.	–	23,219	148	34	–	–
Eti Maden İşletmeleri Genel Müdürlüğü	3,200	31,884	–	4	–	–
Mineral Minings Commodity Trading LLC						
Park Cam Sanayi ve Ticaret A.Ş.	34,167	4	534	–	–	–
Park Holding A.Ş.	725	51,612	28,387	328	–	249
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	–	69,115	2,442	698	–	–
Ciner Tanker Işletmeleri San. ve Ticaret A.Ş.	–	14,191	454	13	–	–
Konya – Ilgın Elektrik Üretim ve Ticaret A.Ş.	–	6,805	–	31	–	–
Silopi Elektrik Üretim A.Ş.	1,968	31,793	29	1	–	–
AG Ciner İthalat İhracat ve Ticaret A.Ş.	7,955	–	–	–	–	–
Other	1,137	2,091	8,995	3	319	–
Total	**49,152**	**236,029**	**58,969**	**22,849**	**638**	**342**

Goods are sold based on price lists and terms that would be available to third parties. Goods and services are bought from associates on normal commercial terms and conditions.

1. The Group performs the majority of its export and domestic sales through Ciner İç ve Dış Ticaret A.S. which is an export intermediary company established for this purpose in Türkiye. The turnover generated through CIDT is $539,062 thousand during the year, out of which $334,596 thousands were purchased by Soda World and sold to the end customers. Transactions with Ciner İç ve Dış Ticaret A.S. have ceased as of 31 December 2023. **2.** The Group performs the majority of its export and domestic sales through Ciner İç ve Dış Ticaret A.S. which is an export intermediary company established for this purpose in Türkiye. The turnover generated through CIDT is $1,381,567 thousand during the year, out of which $758,036 thousands were purchased by Soda World and sold to the end customers.

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(Tabular amounts in thousands of US dollars, except where noted)

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34. Related party transactions continued

Year-end balances arising from sales/purchases of goods/services:

	Receivables				Payables			
	Short term		Long term		Short term		Order advances received	
As at 31 December 2023	**Trade**	**Non-trade**	**Trade**	**Non-trade**	**Trade**	**Non-trade**	**Short term**	**Long term**
Parent Company:								
Akkan Enerji Madencilik A.Ş.	–	–	–	557,614	4	–	–	–
Kew Soda Ltd.		217,009						
Other related parties:								
AG Ciner Ithalat Ihracat Ve Ticaret A.Ş.	6,871	–	–	–	–	–	–	–
Ciner Bulkers Limited	–	–	–	6,000	–	–	–	–
Ciner Glass Ltd	28	188	–	–	–	–	–	–
Denmar Holdings LLC	–	1,249	–	–	–	–	–	–
Eti Maden İşletmeleri Genel Müdürlüğü[1]	–	–	–	–	26,950	42,655	–	–
Konya – Ilgın Elektrik Üretim ve Ticaret A.Ş.	–	–	–	–	965	–	–	–
Mineral Minings Commodity Trading LLC	9,163	126	–	–	–	1,000	–	–
Pacific Soda LLC	–	90	–	–	–	1,000	–	–
Park Cam Sanayi ve Ticaret A.Ş.	6,553	56	–	–	–	–	–	–
Park Holding A.Ş.[2,3]	–	1,153	–	71,144	53	23	–	–
Şişecam Chemicals Resources LLC	–	–	–	3,377	–	47	–	–
Director[4]	–	–	–	4,477	–	–	–	–
Turgay Ciner	–	20,586	–	195,100	–	–	–	–
Other	337	18	–	3	124	42	–	–
Total	**22,952**	**240,475**	**–**	**837,715**	**28,096**	**44,767**	**–**	**–**

Receivables and payables from/to related parties are unsecured and are repayable on demand.

1. The agreement between Eti Soda and Eti Maden İşletmeleri Genel Müdürlüğü stipulates that Eti Soda is to pay a royalty fee of $6.1 million or the amount greater than 6% of freight expenses deducted from revenue amount on an annual basis. **2.** Long-term non-trade receivables amounting to $71.1 million is due to intercompany non-trade finance arrangements made with Park Holding. It is management's intention that this receivable will not be collected in less than one year. **3.** Interest bearing. **4.** The balance presents a loan granted to a director secured with a pledge provided on property and with the maturity being July 2028 or if earlier the Director's Service Agreement ceased. This balance is interest bearing at HMRC's official interest rates for respective periods.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

34. Related party transactions continued

Year-end balances arising from sales/purchases of goods/services:

	Receivables				Payables				Order advances received
	Current		Non-current		Current		Non-current		
As at 31 December 2022	**Trade**	**Non-trade**	**Trade**	**Non-trade**	**Trade**	**Non-trade**	**Trade**	**Non-trade**	**Short-term and long-term**
Parent Company:									
Akkan Enerji Madencilik A.Ş.	–	–	–	283,029	–	–	–	–	–
Kew Soda Ltd.	–	256,718	–	–	–	–	–	–	–
Other related parties:									
Ciner İç ve Dış Ticaret A.Ş[1]	223,143	–	–	–	141,520	–	–	–	49,309
Eti Maden İşletmeleri Genel Müdürlüğü[2]	–	–	–	–	37,115	30,342	–	–	–
Park Cam Sanayi ve Ticaret A.Ş.	6,368	–	–	–	–	–	–	–	–
Park Holding A.Ş[3,4]	–	172	–	62,917	441	240	–	–	–
Denmar US LLC	–	–	–	10,178	–	–	–	–	–
AG Ciner İthalat İhracat ve Ticaret A.Ş.	9,382	–	–	–	–	–	–	–	–
Turgay Ciner	–	9,047	–	195,100	–	–	–	–	–
Other	304	937	–	–	6,421	19	–	–	–
Total	**239,197**	**266,874**	**–**	**551,224**	**185,497**	**30,601**	**–**	**–**	**49,309**

Receivables and payables from/to related parties are unsecured and are repayable on demand.

As at 31 December 2023, the Group has no payable (2022: $nil) for services provided to a company that a director has interest in.

1. The Group's Turkish subsidiaries perform the majority of their export and domestic sales through Ciner İç ve Dış Ticaret A.S., which is an export intermediary company established for this purpose. **2.** The agreement between Eti Soda and Eti Maden İşletmeleri Genel Müdürlüğü stipulates that Eti Soda is to pay a royalty fee of $6.1 million or the amount greater than 6% of freight expenses deducted from revenue amount on an annual basis. **3.** Long-term non-trade receivables amounting to $62.9 million is due to intercompany non-trade finance arrangements made with Park Holding. It is management's intention that this receivable will not be collected in less than one year. **4.** Interest bearing

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

34. Related party transactions continued

Compensation and transactions with key management personnel

Key management personnel are considered to comprise only the Directors. The compensation of Directors of the Group may be analysed as such:

	2023		2022	
	Directors	**Highest paid Director**	Directors	Highest paid Director
Short-term employee benefits – Salary	8,625	3,183	4,873	1,553
Short-term employee benefits – Health insurance	44	17	17	5
	8,669	3,200	4,890	1,558
Post-employment benefits – Benefits under money purchase schemes	4	–	50	–
Aggregate emoluments	**8,673**	**3,200**	**4,940**	**1,558**
Sums paid to third parties for Directors' services	–	–	–	–

The Directors are not entitled to participate in any defined benefit pension schemes or granted any long-term benefits.

35. Commitments

Guarantee given on behalf of subsidiaries

Under committed and uncommitted receivable financing agreements detailed in Note 4 *Financial risk management*, WE Soda has provided a parent guarantee; guaranteeing the performance obligations of Soda World as agent, not guaranteeing the performance of underlying customers/purchased receivables.

Under US Revolving Credit Facility detailed in Note 4 *Financial risk management – (a) Capital risk management*, WE Soda has provided its guarantee as a primary obligor and not merely as a surety, to the relevant financial institution, due and punctual payment, and performance by the Borrowers obligations under the loan agreements.

Guarantee letters given

As at 31 December 2023, subsidiaries of the Company had provided bank guarantee letters to the value of $11.4 million (2022: $12.6 million), mainly in respect of future minimum royalty payment commitment to Eti Maden İşletmeleri Genel Müdürlüğü and purchases from various vendors.

Pledged assets

Due to repayment of Kazan Soda Project Finance Loan, there is not any pledge on property, plant and equipment assets as of December 2023. As of December 2022, property, plant and equipment assets with a net book value amounting to $480.4 million was pledged using Commercial Enterprise Pledges ("CEP") in accordance with local Turkish regulation.

CEP is a form of security that allows banks and financial institutions to create a pledge on all movable assets and certain intangible rights of a borrower without receiving the possession of the pledged asset, and with the possibility of the borrower continuing its business operations by using the pledged assets.

For the effectiveness of CEI RCF contract detailed in Note 4 *Financial risk management*, that WE Soda Ltd has entered into an agreement with the financial institution to (i) guaranty all of its subsidiaries under the respective loan agreement and (ii) grant to the financial institution a first priority security interest in all the ownership interests of its subsidiaries.

Guarantee letters received

As at 31 December 2023, subsidiaries of the Group, Eti Soda and Kazan Soda, had received bank guarantee letters to the value of $8.6 million (2022: $4.8 million) as a guarantee from third parties.

Firm commitments

The Group's operating subsidiaries leases trona mining rights from either local state or private entities. All of said lease agreements stipulate a royalty to be paid by the lessees to the lessors based upon production volume generated from the trona mines. For Eti Soda, this royalty clause also includes a minimum threshold of $6.180 million per year of royalty, regardless of production volume generated.

36. Dividends

On 22 March 2023 WE Soda declared a dividend amounting to $110 million, which was set off against receivables of Kew Soda. During 2022, no ordinary dividends were declared and paid.

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(Tabular amounts in thousands of US dollars, except where noted)

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37. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Note	As at 1 January 2023	Financing cash flows[1]	Foreign currency differences	Other changes[2]	As at 31 December 2023
Borrowings	25	1,704,885	(1,114,996)	13,334	60,976	664,199
Bond Issuance		–	961,021	–	39,206	1,000,227
Lease liabilities	38	13,813	(4,485)	(94)	17,518	26,752
Other payables	26	55,604	(29,927)	–	38,049	63,726
Derivative financial instruments		–	–	–	4,570	4,570
Total liabilities		**1,774,302**	**(188,387)**	**13,240**	**160,319**	**1,759,474**

	Note	As at 1 January 2022	Financing cash flows[1]	Foreign currency differences	Other changes[2]	As at 31 December 2022
Borrowings	25	1,811,314	(183,874)	46,302	31,143	1,704,885
Lease liabilities	38	15,942	(4,556)	1,026	1,401	13,813
Other payables	26	26,883	(58)	–	28,779	55,604
Total liabilities		**1,854,139**	**(188,488)**	**47,328**	**61,323**	**1,774,302**

38. Lease liabilities and right-of-use of assets

(a) Right-of-use of assets

2023 – Right-of-use assets	Buildings	Vehicles	Surface Use Agreements	Total
Cost:				
At 1 January 2023	**13,379**	**2,728**	**–**	**16,107**
Disposals	(1,659)	–	–	(1,659)
Additions	11,039	539	576	12,154
Purchase of subsidiary	10,919	30	–	10,949
At 31 December 2023	**33,678**	**3,297**	**576**	**37,551**
Amortisation:				
At 1 January 2023	**(3,568)**	**(886)**	**–**	**(4,454)**
Purchase of subsidiary	(3,340)	(23)	–	(3,363)
Disposals	1,659	–	–	1,659
Charge for the year	(2,816)	(565)	(109)	(3,490)
At 31 December 2023	**(8,065)**	**(1,474)**	**(109)**	**(9,648)**
Carrying amount as of 31 December 2023	**25,613**	**1,823**	**467**	**27,903**

1. The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows. **2.** Other changes include provisions, accruals, and payments.

Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

Since the Company has not prepared consolidated financial statements for the financial years ending on 31 December 2022 and 2021 and corresponding consolidated financial information is available at its parent level, Kew Soda Ltd., any information presented for the financial year ending on 31 December 2022 is marked as "unaudited".

38. Lease liabilities and right-of-use of assets continued

2022 – Right-of-use assets	Buildings	Vehicles	Total
Cost:			
At 1 January 2022	**10,864**	**1,205**	**12,069**
Additions	1,733	1,902	3,635
Purchase of the subsidiary	785	–	785
Presentation currency translation effect	(3)	(379)	(382)
At 31 December 2022	**13,379**	**2,728**	**16,107**
Amortisation:			
At 1 January 2022	**(920)**	**(752)**	**(1,672)**
Charge for the year	(2,316)	(380)	(2,696)
Purchase of subsidiary	(333)	–	(333)
Presentation currency translation effect	1	246	247
At 31 December 2022	**(3,568)**	**(886)**	**(4,454)**
Carrying amount as of 31 December 2022	**9,811**	**1,842**	**11,653**

(b) Lease liabilities

Lease liabilities may be analysed as such:

	2023	2022
Analysed as:		
Non-current[1]	23,445	9,504
Current[2]	3,307	4,309
Total	**26,752**	**13,813**

Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance and treasury functions.

39. Post balance sheet events

Notes Issued and interest rate swaps

WE Soda Investments Holding Plc has successfully completed the pricing of $500 million aggregate principal amount of 9.375% senior secured notes due February 2031 at an issue price of par (the "Notes") and closed the Notes offering on 14 February 2024.

Additionally, the Group has executed US dollars denominated 6-year Cancellable Interest Rate Swap transactions, in order to economically hedge the fixed coupon payments of the Bond to floating.

As a result of this issuance, all outstanding balances of the Senior Facilities Agreements have been fully repaid and closed.

Subsidiaries acquired

Soda World has acquired Imperial Mining, Minerals and Chemicals GmbH on 29 February 2024 for a consideration of €20,000. Imperial Mining, Minerals and Chemicals GmbH will be responsible for managing sales to the Group's clientele in Europe through warehouses located in Netherlands and fully consolidated.

Royalty set-off for Kazan Soda

The Group has agreed on sett-off of non-trade payables of Park Holding A.Ş. ("Park Holding") against future nine years' royalty payments to be made by Kazan Soda.

For the computation of the present value of the future royalty payments, the annual 9.50% interest rate of the bond issued by the Group has been applied to respective year's royalty computed based on the budget or forecasts financial model of WE Soda. This present value denominated in US dollars ($276.3 million) is converted to Turkish Lira by using indicative US dollars/Turkish Lira exchange rate announced by The Central Bank of the Republic of Türkiye on 11 March 2024.

The parties have also agreed to mutually compensate each other in the event that the royalty, calculated based on projected ex-works sales, differs from the actual results of respective years. In order to avoid any confusion; if the actuals are lower than the projected future royalties, then Park Holding will pay the difference amount to Kazan Soda or vice versa is applicable. The difference in payment amount will be limited to the difference between actual royalty and gross projected royalty of respective years.

Dividend distribution

On 8 March 2024 an Extraordinary General Assembly of Eti Soda has declared an advance dividend amounting to TRY2,950 million (approximately $100 million), which will be distributed to Ciner Kimya Yatırımları A.Ş. and Eti Maden İşletmeleri Genel Müdürlüğü proportionate to their shares at the latest within six weeks of declaration.

1. Includes: $nil (2022: $nil) of lease arrangements related to property, plant and equipment and $23.4 million (2022: $9.5 million) of other lease arrangements related to buildings, vehicles, and rail car leases. **2.** Includes: $nil (2022: $1.8 million) of lease arrangements related to property, plant and equipment and $3.3 million (2022: $2.5 million) of other lease arrangements related to buildings, vehicles, and rail car leases.

Parent Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Note	**2023 $000s**	2022 $000s
Administrative expenses	E	(27,366)	(15,439)
Other operating income		13,500	2,176
Other operating expenses		(2,838)	(1,171)
Loss from operations		**(16,704)**	**(14,434)**
Income from investing activities		143,730	–
Operating profit/(loss) before financial income and expense		**127,026**	**(14,434)**
Financial income	F	134,066	165,247
Financial expense	F	(141,494)	(133,882)
Profit before tax		**119,598**	**16,931**
Taxation	G	(14,370)	(992)
Profit and total comprehensive income for the year		**105,228**	**15,939**

The notes on pages 217 to 227 form part of these financial statements.

Parent Company Statement of Financial Position
As at 31 December 2023

	Note	2023 $000s	2022 $000s
Assets			
Non-current assets			
Other receivables	I	373,800	187,472
Investments	J	2,645,653	2,645,588
Derivative financial instruments	O	19,851	–
Property, plant and equipment		1,313	696
Right of use assets	M	4,392	85
Prepaid expenses		6	–
Deferred tax assets	G	–	20
Total non-current assets		**3,045,015**	**2,833,861**
Current assets			
Cash and cash equivalents	H	653	103,673
Trade receivables	I	362	193
Other receivables	I	217,009	256,710
Prepaid expenses		384	389
Other current assets	K	1,658	154
Total current assets		**220,066**	**361,119**
Total assets		**3,265,081**	**3,194,980**
Non-current liabilities			
Borrowings	L	593,965	985,898
Lease liabilities	M	3,118	–
Other payables	N	958,167	417,974
Deferred tax liabilities	G	–	16
Total non-current liabilities		**1,555,250**	**1,403,888**

Parent Company Statement of Financial Position continued

As at 31 December 2023

	Note	2023 $000s	2022 $000s
Current liabilities			
Borrowings	L	1,231	110,636
Lease liabilities	M	270	108
Trade payables	N	2,252	1,395
Other payables	N	21,982	4,841
Derivative financial instruments	O	4,570	–
Corporate tax liability		710	982
Other current liabilities	K	10,927	471
Total current liabilities		**41,942**	**118,433**
Total liabilities		**1,597,192**	**1,522,321**
Net assets		**1,667,889**	**1,672,659**
Equity			
Share capital	P	153,636	153,636
Share premium		1,382,131	1,382,131
Capital contribution in kind		131,038	131,038
Foreign currency translation reserve		(51)	(51)
Retained earnings		1,135	5,905
Total equity		**1,667,889**	**1,672,659**

The notes on pages 217 to 227 form part of these financial statements.

The financial statements on pages 212 to 227 were approved by the Board of Directors on 25 April 2024 and signed on its behalf.

Ahmet Tohma
Director
25 April 2024

Mehmet Ali Erdoğan
Director
25 April 2024

Company Number 10264457

Parent Company Statement of Changes in Equity
For the year ended 31 December 2023

	Share capital $000s	Share premium $000s	Capital contribution in kind[1] $000s	Foreign currency translation reserve $000s	Retained earnings / (accumulated losses) $000s	Total equity $000s
At 1 January 2022	**153,636**	**1,382,131**	**131,038**	**(51)**	**(10,034)**	**1,656,720**
Profit for the year	–	–	–	–	15,939	15,939
At 31 December 2022	**153,636**	**1,382,131**	**131,038**	**(51)**	**5,905**	**1,672,659**
Profit for the year	–	–	–	–	105,229	105,229
Transaction with shareholder – dividend	–	–	–	–	(110,000)	(110,000)
Other					1	1
At 31 December 2023	**153,636**	**1,382,131**	**131,038**	**(51)**	**1,135**	**1,667,889**

The notes on pages 217 to 227 form part of these financial statements.

1. Since WE Soda Ltd. acquired more than 90% of the shares in a company (TC Soda) by issuing its own shares in return, as required by the Companies Act 2006, the difference between the $131.0 million fair value of TC Soda and the nominal value of the shares issued by WE Soda Ltd. has been credited to equity under "Capital contribution in kind".

Parent Company Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 $000s	2022 $000s
Operating activities			
Profit after tax		105,229	15,939
Operating cash flow prior to movement in working capital		**105,229**	**15,939**
Adjustments for:			
Depreciation		870	917
Interest income		(37,464)	(22,993)
Interest expense		134,920	104,536
Net foreign exchange gain		(77,608)	(142,168)
Fair value gain		(16,591)	-
Dividend income		(143,730)	-
Commission expense		4,715	29,363
Tax expense income		14,370	992
Movement in trade receivable		-	(203)
Movement in other receivables		(742)	11,397
Movement in trade payables		234	(11,571)
Movement in other payables		5,506	5,037
Cash used in operating activities		**(10,291)**	**(8,754)**
Income tax paid		(763)	(1,407)
Net cash used in operating activities		**(11,054)**	**(10,161)**
Cash flow from Investing activities			
Expenditure on property, plant and equipment		(858)	(186)
Cash (outflow) / inflow from loans from group companies		(462,155)	175,527
Net cash generated from investing activities		**(463,013)**	**175,341**
Cash flow from financing activities			
Cash obtained from borrowings		51,745	140,609
Cash obtained from bond issuance through subsidiary		961,021	-
Cash used for repayment of borrowings		(569,294)	(146,891)
Cash outflows from lease liabilities		(1,520)	(715)
Borrowing costs incurred		(4,715)	(8,928)
Interest paid		(69,054)	(47,228)
Interest received		1,710	188
Other cash inflows		748	-
Net cash used in financing activities		**370,641**	**(62,965)**
Net increase in cash and cash equivalents		**(103,426)**	**102,215**
Cash and cash equivalents at the beginning of the year		103,673	1,899
Effect of foreign exchange rate change		406	(441)
Cash and cash equivalents at the end of the year		**653**	**103,673**

The notes on pages 217 to 227 form part of these financial statements.

Notes to the Parent Company Financial Statements

(Tabular amounts in thousands of US dollars, except where noted)

A. General information

The separate financial statements of the Parent Company are presented as required by the Companies Act 2006 (the Act). As permitted by the Act, the separate financial statements of the Parent Company have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The Company's financial statements are included in the WE Soda Ltd Group consolidated financial statements for the year ended 31 December 2023.

Please refer to Directors' report in the Group consolidated financial statements for information on the Company's domicile, legal form, country of incorporation, description of the nature of the entity's operations and business activities.

The functional and presentation currency of the Company is the US dollar. See Note 2.12 *Foreign currencies* in the Group consolidated financial statements for further explanation of the Company's treatment of foreign currencies.

The financial statements of the Company as of and for the year ended 31 December 2023 have been prepared on the going concern basis, as the Directors have determined that the Company has sufficient resources and liquidity to continue in operational existence and to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements. The Company's going concern assumptions and evaluations can be found in Note 2.2 *Basis of preparation/Going concern* in the Group consolidated financial statements.

B. Material accounting policies

The financial statements have been prepared on a historical cost basis. Details of material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which the income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, and standards, amendments and interpretations which are effective and those that are not yet effective are disclosed in the Group consolidated financial statements, Note 2 *Material accounting policies*.

See Note 2.28 *Critical accounting judgements and key sources of estimation uncertainty* in the Group consolidated financial statements for the critical judgements in applying accounting policies and key sources of estimation uncertainty applied by the Company in preparation of the financial statements. In addition to the disclosures in Note 2.28 *Critical accounting judgements and key sources of estimation uncertainty*, the Company is required to apply certain judgements and utilise estimates in relation to the valuation of its investments discussed below.

Investments

Investments in subsidiaries are reviewed for impairment where events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. The unit of account being the equity of the subsidiary taken as a whole, which may comprise interests in multiple cash-generating units. If any such indication exists, the Company makes an assessment of the recoverable amount. If the asset is determined to be impaired, an impairment loss will be recorded, and the asset written down based on the amount by which the asset carrying amount exceeds the higher of fair value less cost of disposal and value in use. Any impairment loss is recognised immediately in the income statement.

Financial instruments

See Note 2.23 *Financial instruments* in the Group consolidated financial statements for the initial application of IFRS 9 Financial Instruments (as revised in 2017) and Leases.

C. Employee numbers and Directors' remuneration

The average number of employees including the Directors employed was as follows:

	2023 Number	2022 Number
Professional	28	26
Total average number of employees	**28**	**26**

The aggregate remuneration was as follows:

	2023	2022
Wages and salaries	15,207	9,170
Other pension costs	164	182
Social security costs	2,144	1,277
Total aggregate remuneration	**17,515**	**10,629**

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

C. Employee numbers and Directors' remuneration continued

Compensation and transactions with key management personnel

Key management personnel are considered to comprise only the Directors. The compensation of Directors of the Company may be analysed as such:

	2023		2022	
	Directors	Highest paid director	Directors	Highest paid director
Short term employee benefits – Salary	8,625	3,183	4,790	1,553
Short term employee benefits – Health insurance	44	4	19	5
	8,669	3,187	4,809	1,558
Post-employment benefits – Benefits under money purchase schemes	4	–	49	–
Aggregate emoluments	**8,673**	**3,187**	**4,858**	**1,558**
Sums paid to third parties for directors' services	–	–	–	–

The Directors are not entitled to participate in any defined benefit pension schemes or granted any long-term benefits.

D. Financial risk management

Full details of the Company's risk management are shown in Note 4 *Financial risk management* to the Group consolidated financial statements.

(a) Capital risk management

See Note 4 *Financial risk management* to the Group consolidated financial statements for how the Company manages its capital.

(b) Fair value categories

As at 31 December 2023	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
Financial assets					
Derivative financial instruments	–	–	19,851	–	19,851
Trade receivables from related parties	–	362	–	–	362
Other receivables from related parties	–	590,809	–	–	590,809
Cash and cash equivalents	–	653	–	–	653
Other current assets	–	1,658	–	–	1,658
	–	**593,482**	**19,851**	**–**	**613,333**
Financial liabilities					
Borrowings	595,196	–	–	–	595,196
Lease liabilities	3,388	–	–	–	3,388
Trade payables	2,252	–	–	–	2,252
Other payables to related parties	980,149	–	–	–	980,149
Derivative financial instruments	–	–	–	4,570	4,570
Other current liabilities	566	–	–	–	566
	1,581,551	**–**	**–**	**4,570**	**1,586,121**

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

D. Financial risk management continued

(b) Fair value categories continued

As at 31 December 2022	Financial liabilities at amortised cost	Financial assets at amortised cost	Carrying value
Financial assets			
Trade receivables from related parties	–	193	193
Other receivables from related parties	–	444,182	444,182
Cash and cash equivalents	–	103,673	103,673
Other current assets	–	154	154
	–	**548,202**	**548,202**
Financial liabilities			
Borrowings	1,096,534	–	1,096,534
Lease liabilities	108	–	108
Trade payables	1,395	–	1,395
Other payables	4,841	–	4,841
Other payables to related parties	417,974	–	417,974
Other current liabilities	471	–	471
	1,521,323	**–**	**1,521,323**

Financial assets and liabilities exclude tax receivables and payables as they do not constitute a contractual right or obligation to receive or pay cash or another financial asset.

There were no reclassifications of financial assets during the year.

Financial risk management

The primary financial instruments of the Company consist of bank loans, cash and short-term time deposits. The main objective of these financial instruments is to finance the Company's operational activities. The Company, as part of Akkan Enerji ve Madencilik A.Ş. Group, monitors and manages its financial risks relating to operations through an internal Group risk register. In respect of the Company, these are foreign exchange, interest rate, credit, and liquidity risks.

Foreign exchange risk

The Company operates in the United Kingdom, with the US dollar as its functional currency. The Company undertakes certain transactions denominated in foreign currencies, hence, exposure to exchange rate fluctuations arise. The Company maintains cash balances in UK Pounds Sterling, which are used to fund the corporate London office, and Euro, which are used to repay the loan facility.

As at the reporting date, the Company has monetary assets and monetary liabilities denominated in US dollar, Pound Sterling and Euro.

The Company's exposure to foreign currency risk at the reporting dates, expressed in US dollars was as follows:

In USD equivalent as at 31 December 2023	Total[1]	EUR	GBP	CNY	TRY
Trade receivables	285	–	285	–	–
Cash and cash equivalents	878	70	380	426	2
Other receivables and assets	365,224	196,453	5,343	–	163,428
Trade payables	(914)	(82)	(776)	–	(56)
Borrowings	(338,116)	(338,116)	–	–	–
Lease liabilities	(2,664)	–	(2,664)	–	–
Other payables and liabilities	(9,149)	–	(9,149)	–	–
Net exposure	**15,544**	**(141,675)**	**(6,581)**	**426**	**163,374**

In USD equivalent as at 31 December 2022	Total[1]	EUR	GBP	CNY	TRY
Trade receivables	193	–	193	–	–
Cash and cash equivalents	53,462	53,389	35	38	–
Other receivables and assets	257,192	256,710	482	–	–
Trade payables	(125)	203	(324)	–	(4)
Borrowings	(626,705)	(626,705)	–	–	–
Lease liabilities	(108)	–	(108)	–	–
Other payables and liabilities	(394,895)	(22,180)	(14,991)	–	(357,724)
Net exposure	**(710,986)**	**(338,583)**	**(14,713)**	**38**	**(357,728)**

Foreign exchange sensitivity:

The following table details the Company's sensitivity to a 10% movement against the respective foreign currencies, which represents the Management's assessment of a reasonably likely change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

USD'000	2023	2022
Effect to profit or (loss) before tax		
EUR	(14,168)	(33,858)
GBP	(658)	(1,471)
TL	16,337	(35,773)
CNY	43	4
Total	**1,554**	**(71,098)**

1. US dollar denominated monetary assets and liabilities excluded.

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

D. Financial risk management continued

(b) Fair value categories continued

A 10% strengthening of the currencies above at 31 December 2023 would have had an equal but opposite effect on the amounts shown above, assuming all other variables remained constant.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates.

The Company borrows funds at both fixed and variable interest rates, so the Company is exposed to interest rate risk. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed/floating interest and short/long-term nature of borrowings as well as using derivative instruments where necessary for hedging purposes.

Interest rates of financial assets and liabilities are indicated in related Notes.

Interest rate sensitivity

If interest rates had been 50 basis points higher and all other variables were held constant, the Company's profit before taxes and equity of the Company would increase/(decrease) by $2,976,000 (2022: $5,483,000). 50 basis points represent the Management's assessment of the possible change in interest rates that could apply to the Company.

Credit risk

Credit risk refers to the risk that a counterparty will fail to fulfil its obligations to pay, resulting in a financial loss to the Company. At the reporting date, this included amounts owed by subsidiary companies of $590.8 million (2022: $444.2 million), which are repayable on demand. The Directors expect that the carrying value of the amounts owed by the immediate parent to be fully recoverable based on analysis of the expected future cash flows to be generated and resultant dividends. This analysis takes account of relevant and reliable internal and external forward-looking information, incorporating economic forecasts in relation to the soda ash business.

The carrying value of financial assets recorded in the financial statements represented the Company's maximum exposure to credit risk at the year-end without taking into account any collateral received.

Liquidity risk

The Company, as part of Akkan Enerji ve Madencilik A.Ş. Group, manages its liquidity risk in line with We Soda Ltd Group strategy to ensure that the Company is adequately funded by means of intragroup funding to meet its forecast short, medium, and long-term commitments.

The following tables detail the Company's remaining contractual maturities for its nonderivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Company was required to pay at the reporting date.

As at 31 December 2023	Carrying value	Total cash outflow according to contract	Less than 1 year	1-5 years
Borrowings	595,196	676,919	31,727	645,192
Lease liabilities	3,388	3,388	215	3,173
Trade payables	2,252	2,252	2,252	–
Other liabilities including tax	11,637	11,637	11,637	–
Other payables to related parties	980,149	1,445,649	93,100	1,352,549
Derivative financial instruments	4,570	4,570	4,570	–
Total financial liabilities	**1,597,192**	**2,144,421**	**143,951**	**2,000,470**

As at 31 December 2022	Carrying value	Total cash outflow according to contract	Less than 1 year	1-5 years
Borrowings	1,096,534	1,251,675	110,636	1,141,039
Lease liabilities	108	108	108	–
Trade payables	1,395	1,395	1,395	–
Other liabilities including tax	6,308	6,308	6,308	–
Other payables to related parties	417,974	417,974	–	417,974
Total financial liabilities	**1,522,319**	**1,677,460**	**118,447**	**1,559,013**

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

D. Financial risk management continued

(c) Fair value of financial instruments

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value by hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's fair value financial assets and liabilities are deemed to be Level 2. There were no transfers between Level 1 and 2 during the year.

E. Administrative expenses

Administrative expenses comprise:

	2023	2022
Consultancy expenses	4,554	1,399
Depreciation expenses	870	917
Personnel expenses	17,516	10,629
Travel expenses	1,817	591
Office expenses	1,097	732
Other expenses	1,512	1,171
	27,366	**15,439**

F. Finance income and expense

Finance income comprises:

	2023	2022
Interest income	37,464	22,992
Fair value gains	18,718	–
Foreign exchange gains, net[1]	77,884	142,255
	134,066	**165,247**

Finance expense comprises:

	2023	2022
Interest expense related to financial activities	134,652	104,520
Fair value losses	2,127	–
Commission	4,715	29,362
	141,494	**133,882**

1. Prior year numbers have been reclassified, where necessary, to conform to the current year presentation.

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

G. Tax

(a) Tax charge

	2023	2022
Current tax charge		
Income tax – current year	(14,366)	(980)
Deferred tax charge	(4)	(12)
Total tax charge	**(14,370)**	**(992)**

The tax charge for the year can be reconciled to profit loss before tax per the statement of comprehensive income as follows:

	2023	2022
Profit loss before tax	**119,599**	**16,931**
Applicable rate of tax	23.5%	19%
Tax at applicable rate	**(28,106)**	**(3,217)**
Tax effect of:		
- Disallowable expenses	(133)	(151)
- Corporate interest restriction for the year	(23,426)	(20,344)
- Brought forward losses	–	2,207
- Carry forward losses	(3,797)	–
- Disregarded foreign exchange and fair value gains	24,127	20,038
- Dividend and other tax-exempt income	33,777	–
- Dividend withholding tax	(14,694)	–
- Other	(2,118)	475
Total tax charge	**(14,370)**	**(992)**

Corporate interest restriction (“CIR”) of $23.4 million (2023: $20.3 million) is a result of CIR rules that are applicable to UK tax resident entities from April 2018. The CIR rules are in place to limit the amount of tax relief an entity can obtain for deducting net interest and other financing costs. In 2023, application of the CIR rules imposed a deduction of $99.7 million (2022: $107.1 million) from the total tax credit made available to the Company.

At 31 December 2023, the Company has unused tax losses of $94.2 million (2022: $78.1 million). Deferred tax assets have not been recognised as there is no certainty that we can recover against future taxable profits.

The Finance Act receiving the Royal Assent on 28 July 2020 stipulates in section 5(1) that the Corporation Tax main rate for the financial year 2020 and 2021 to be 19%. In May 2021, as a result of the 2021 Budget, it was enacted that the corporation tax rate on company profits above £250,000 was to rise from 19% to 25% in April 2023. On 6 March 2024, the Spring Budget 2024 maintained the main corporation tax rate at 25% up to financial year ending 31 March 2026.

These rates have been reflected in the calculation of deferred tax at the reporting date.

(b) Deferred tax

Deferred tax assets/(liabilities) comprises:

	2023	2022
Deferred tax assets	–	20
Deferred tax liabilities	–	(16)
Net deferred tax asset	**–**	**4**

Movement of deferred tax assets/(liabilities) for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
At 1 January	4	16
Lease liability as a result of operating lease	(20)	(55)
Right of use of asset recognised on operating lease	16	43
Closing balance at 31 December	**–**	**4**

H. Cash and cash equivalents

Cash and cash equivalents comprise cash in bank of $652,700 (2022: $103.7 million).

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

I. Trade and other receivables

	2023	2022
Current:		
Trade receivables	362	193
Other receivables	217,009	256,710
Total current receivables	217,371	256,903
Non-current	373,800	187,472
Total trade and other receivables	**591,171**	**444,375**

Other receivables comprise other receivables from related parties where the carrying amount approximates to their fair value. Receivables from related parties are unsecured. It is Management's intention that the non-current other receivables from related parties will not be demanded in less than one year. The Directors consider the carrying amount of receivables approximates to their fair value.

J. Investments

	2023	2022
At 1 January	2,645,588	2,645,520
Additions[1]	–	68
Additions[2]	65	–
At 31 December	**2,645,653**	**2,645,588**

Fair value information regarding subsidiaries has not been disclosed. Their fair value cannot be measured reliably, as they are investments in unquoted companies.

The subsidiaries of the Company at the reporting date were as follows:

Company	Country of Incorporation[5]	Principal activity	Registered address	Effective percentage holding
Ciner Enterprises Inc.	USA	Holding company	5 Concourse Parkway, Suite 2500, Atlanta GA 30328	100%[3,6]
Ciner Kimya Yatırımları A.Ş.	Türkiye	Holding company	Sultantepe Mahallesi Paşalimanı Caddesi No: 41, Üsküdar, İstanbul, Türkiye	100%[3,6]
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Türkiye	Mining for natural resources	Yeşilağaç Mahallesi Gürağaç Kümeevler No: 47/A 06730 Beypazarı, Ankara, Türkiye	74%[4,7]
Imperial Natural Resources Trona Mining Inc.	USA	Holding company	5 Concourse Parkway, Suite 2500, Atlanta GA 30328	100%[3,7]
Kazan Soda Elektrik Üretim A.Ş.	Türkiye	Mining for natural resources	Söğütözü Caddesi Sim Söğütözü İş Merkezi No: 14/D Beştepeler, Yenimahalle, Ankara, Türkiye	100%[3,7]
Soda World Ltd.	United Kingdom	Reseller company	23 College Hill, London, EC4R 2RP, United Kingdom	100%[3,6]
West Soda LLC (formerly TC Soda Holdings Inc.)	USA	Development project for natural resources	5 Concourse Parkway, Suite 2500, Atlanta GA 30328	100%[3,7]
WE İç ve Dış Ticaret A.Ş.	Türkiye	Foreign Trade Company	Sultantepe Mahallesi Paşalimanı Caddesi No: 41, Üsküdar, İstanbul, Türkiye	100%[3,7]
WE Soda Investments Holding Plc	United Kingdom	Holding company	23 College Hill, London, EC4R 2RP, United Kingdom	100%[3,6]
We Soda Kimya Yatırımları A.Ş.[8]	Türkiye	Holding company	Sultantepe Mahallesi Paşalimanı Caddesi No: 41, Üsküdar, İstanbul, Türkiye	100%[3,6]

1. WE Soda acquired 100% of shares (50,000 shares, nominal value of £1 per share) of Soda World Ltd on 21 January 2022. **2.** WE Soda incorporated We Soda Investments Holding Plc on 24 January 2022. In the course of 2023, the Company paid for 100% of shares in We Soda Investments Holding Plc (50,000 shares, nominal value of £1 per share). **3.** Ordinary shares. **4.** Preference shares (the right to appoint 6 members of the Board of Directors out of 8). **5.** The principal place of business for all subsidiaries is same with the country of incorporation. **6.** Held directly by WE Soda Ltd. **7.** Held indirectly through subsidiary undertakings. **8.** Merged with Ciner Kimya Yatırımları A.Ş.

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

K. Other assets and liabilities

	2023	2022
Other assets		
Current:		
VAT deductible	896	154
Assets related to current tax	762	–
	1,658	**154**

	2023	2022
Other liabilities		
Current:		
Withholding tax	10,361	–
Other miscellaneous	566	471
	10,927	**471**

Restricted cash comprised of deposits held that had been placed to satisfy covenants requirements in respect of bank borrowings, see Note L – *Borrowings*. They were carried at fair value with gains or losses taken to the statement of profit or loss and other comprehensive income. The restricted cash was not under the exclusive control of the Company and therefore was disclosed separately from the Company's Cash and cash equivalent in 2021. During 2022, the Company maintained a consolidated net leverage ratio below the threshold prescribed by the Senior Facilities Agreement and thus was not required to set aside any restricted cash.

L. Borrowings

Borrowings comprises:

	2023	2022
Non-current: Bank borrowings – long term portion of the long-term borrowings	593,965	985,898
Current: Bank borrowings – short term portion of the long-term borrowings	1,231	110,636
	595,196	**1,096,534**

	2023				2022			
Currency	**WAEIR[1]**	**Short term**	**Long term**	**Total**	**WAEIR[1]**	**Short term**	**Long term**	**Total**
USD	8.28%	561	220,477	221,038	7.02%	46,809	423,039	469,848
EUR	5.91%	670	373,488	374,158	3.94%	63,827	562,859	626,686
Total USD equivalent		**1,231**	**593,965**	**595,196**		**110,636**	**985,898**	**1,096,534**

M. Right of use of assets and lease liabilities

(a) Right of use of assets

The Company leases its office location in central London for the term of five years, which ended in February 2023. In March 2023, the Company renewed the two leases it had with the lessor and contracted for an additional floor at the same location. In September 2023, the Company contracted for an additional floor at the same location. All four leases commit the parties for five years, ending on 23 March 2028.

The intangible assets comprise right of use of assets in relation to the lease:

	Cost	Depreciation	Total
At 1 January 2022	**1,189**	**(880)**	**309**
Addition	470	–	470
Depreciation charge	–	(694)	(694)
At 1 January 2023	**1,659**	**(1,574)**	**85**
Disposal	(1,659)	1,659	–
Addition	4,936	–	4,936
Depreciation charge	–	(629)	(629)
At 31 December 2023	**4,936**	**(544)**	**4,392**

1. Weighted average effective interest rate.

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

M. Right of use of assets and lease liabilities continued

(b) Lease liabilities

Amounts recognised in statement of financial position	2023	2022
Analysed as:		
Current	270	108
Non-current	3,118	–
Total	**3,388**	**108**

Maturity analysis	2023	2022
Year 1	270	108
Year 2	924	–
Year 3	1,038	–
Year 4	965	–
Year 5	191	–
Total	**3,388**	**108**

The Company does not face a significant liquidity risk regarding its lease liabilities. Lease liabilities are monitored within the Company's finance and treasury functions.

N. Trade and other payables

Trade and other payables comprise:

	2023	2022
Current:		
Trade payables	2,252	1,395
Other payables	–	4,841
Other payables to related parties	21,982	–
Total current payables	**24,234**	**6,236**
Non-Current		
Other payables to related parties	958,167	417,974
Total non-current payables	**958,167**	**417,974**
Total trade and other payables	**982,401**	**424,210**

The Directors consider the carrying value of payables approximate to their fair value. Payables to related parties are unsecured.

O. Derivative financial instruments

The Company may enter into derivative contracts from time to time to manage exposure to the risk of exchange rate changes on its foreign currency transactions, the risk of changes in natural gas prices, and the risk of the variability in interest rates on borrowings. Gains and losses on derivative contracts are recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company follows hedge accounting for its hedging activities. All derivative instruments are recorded on the balance sheet at their fair values. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company designates its derivatives based upon criteria established for hedge accounting under IFRS. For a derivative designated as a fair value hedge, the gain or loss is recognised in earnings in the year of the change together with the offsetting gain or loss on the hedged item attributed to the risk being hedged.

For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified into earnings when the hedged exposure affects earnings. Any significant ineffective portion of the gain or loss is reported in earnings immediately. For derivatives not designated as hedges, the gain or loss is reported in earnings in the year of change. The Company had the following two derivative financial instruments: interest rate swap contracts and gas forward contracts.

(a) Interest rate swap contracts

The Company has executed US dollars denominated 4-year Cancellable Interest Rate Swap transactions, in order to economically hedge the fixed coupon payments of the Bond to floating. The Company did not have any swap contracts as of 31 December 2022.

(b) Gas forward contracts

The Company does not have any gas forward contracts as of 31 December 2023 or 2022. However, the Company has executed two TTF Heren Day Ahead Index Asian Swaps in 2023, which were two separate swap transactions for November and December 2023 covering 50% of the natural gas consumption for the period with full production capacity of its subsidiaries. These contracts were settled in December 2023 and January 2024.

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

O. Derivative financial instruments continued

Derivative financial instruments comprise:

	2023	2022
Non-current asset:		
Interest rate swap contracts	19,851	–
	19,851	–
Current liability:		–
Interest rate swap contracts	(2,443)	–
Natural gas contracts	(2,127)	–
	(4,570)	–
Total	**15,281**	**–**

The Company's gas forward contract for December 2024 has been closed but settlement payment of $2,107,861.57 has been made in January 2024 and presented as derivative financial instrument liability.

P. Share capital

Issued and fully paid ordinary share capital as at 31 December 2023 amounted to $153.6 million (2022: $153.6 million).

Ordinary equity share capital

Allotted and fully paid	Number	Share Capital $'000	Share Premium $'000
At 1 January 2022	153,620,141	153,636	1,382,131
At 31 December 2022	153,620,151	153,636	1,382,131
At 31 December 2023	153,620,151	153,636	1,382,131

Q. Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	Notes	As at 1 January 2023	Financing cash flows	Foreign Currency Differences	Other changes[1]	As at 31 December 2023
Borrowings	L	1,096,534	(516,318)	15,294	(314)	595,196
Lease liabilities	M	108	(1,520)	159	4,641	3,388
Derivative financial instruments	O	–	–	–	4,570	4,570
Trade payables and other payable – Bond issuance through subsidiary	S	–	961,021	–	19,128	980,149
Trade and other payables – other[2]	N	425,679	(462,155)	27,956	22,409	13,889
Total liabilities		**1,522,321**	**(18,972)**	**43,409**	**50,434**	**1,597,192**

	Notes	As at 1 January 2022	Financing cash flows	Foreign Currency Differences	Other changes[1]	As at 31 December 2022
Borrowings	L	1,134,977	(62,438)	(52,596)	76,591	1,096,534
Lease liabilities	M	397	(715)	(62)	488	108
Trade and other payables	N	294,354	–	(104,530)	235,855	425,679
Total liabilities		**1,429,728**	**(63,153)**	**(157,188)**	**312,934**	**1,522,321**

R. Dividends

On 22 March 2023, the Company declared a dividend amounting to $110 million (2022: nil), which has been set off against receivables of Kew Soda Ltd.

1. Other changes include interest accruals and payments. **2.** $462,155 net payment presents repayment of WE Soda's outstanding payables to its related parties and in return these related parties have also repaid outstanding bank borrowings as a part of bond issuance process.

Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

S. Related party transactions

Related party balance as at reporting date:

2023	Description	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Kew Soda Ltd.	Parent company	217,009	–	–	–
Ciner Enterprises Inc.	Subsidiary	–	243,353	–	–
Ciner Glass Ltd	Related party	28	–	–	–
Ciner Glass Property Ltd	Related party	334	–	–	–
Ciner Kimya Yatırımları A.Ş.	Subsidiary	–	5,552	–	–
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	–	4,309	–	–
Kazan Soda Elektrik Üretim A.Ş	Subsidiary	–	110,106	–	–
Memo Aviation Limited	Related party	–	3	–	–
We Soda Investment Holdings Plc	Subsidiary	–	–	21,982	958,167
Ciner Bulkers Limited	Related party	–	6,000	–	–
Alasdair Warren	Director	–	4,477	–	–
		217,371	**373,800**	**21,982**	**958,167**

2022	Description	Current assets	Non-current assets	Non-current liabilities
Kew Soda Ltd.	Parent company	256,710	–	–
Ciner Enterprises Inc.	Subsidiary	–	187,472	–
Ciner Kimya Yatırımları A.Ş.	Subsidiary	–	–	277,334
Kazan Soda Elektrik Üretim A.Ş	Subsidiary	–	–	140,640
Ciner Glass Ltd	Related party	74	–	–
Ciner Glass Property Ltd	Related party	119	–	–
		256,903	**187,472**	**417,974**

T. Controlling parties

The immediate parent company is Kew Soda Ltd and the ultimate parent undertaking is Akkan Enerji ve Madencilik A.Ş. The ultimate controlling party is Mr. Turgay Ciner.

U. Auditors' remuneration

Fees payable to the Company's auditors, PricewaterhouseCoopers LLP for audit services is $211,000 (2022: $436,000) and may be analysed as such:

	2023	2022
Fees payable to the Company's Auditors for the audit of the Company's annual report and financial statements	211	108
Other services	–	328
Total audit fees	**211**	**436**

V. Post balance sheet events

Notes Issued and interest rate swaps

The Company (and, together with its subsidiaries, We Soda Investments Holding Plc) has successfully completed the pricing of $500 million aggregate principal amount of 9.375% senior secured notes due February 2031 at an issue price of par (the "Notes") and closed the Notes offering on 14 February 2024.

Additionally, the Company has executed US dollars denominated 6-year Cancellable Interest Rate Swap transactions, in order to economically hedge the fixed coupon payments of the Bond to floating.

As a result of this issuance, all outstanding balances of the Senior Facilities Agreements have been fully repaid and closed

Glossary

Term	Definition
Accident Frequency Rate	Number of total events divided by total working hours x one million calculated according to SGK data
Akkan Enerji ve Madencilik A.Ş.	Akkan Energy Mining Inc.
ANFA	Ankara Altinpark Operations Ltd
CBAM	Carbon Border Adjustment Mechanism
CDP	Formerly, the Climate Disclosure Project
CFR	Cost and Freight
CIF	Cost Insurance and Freight
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
Ciner İç ve Dış Ticaret A.Ş.	Ciner Domestic and Foreign Trade Inc.
Ciner Kimya	Ciner Kimya Yatırımları A.Ş.
Ciner Tanker Işletmeleri San. ve Ticaret A.Ş.	Ciner Tanker Enterprises Industry and Trade Inc.
Cogeneration	The combined generation of electricity and heat (in the form of steam), allowing the utilisation of the steam left over from electricity generation
CRRO	Climate Related Risk and Opportunity
DCS	Distributed Control System
Denmar Depoculuk Nakliyat A.Ş.	Denmar Warehousing Transport Inc.
dss+	DuPont Sustainable Solutions
DWT	Deadweight Tonnage
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Energy intensity	MWh of energy consumed per mt of soda ash and sodium bicarbonate production, combined (energy consumed being the sum of all renewable, non-renewable and purchased energy consumed less energy sold)
EPC	Engineering, Procurement, and Construction
EPD	Environmental Product Declaration
ERM	Environmental Resource Management Limited
ESG	Environmental, Social and Governance
Eti Maden	Eti Maden İşletmeleri Genel Müdürlüğü/Eti Mining Enterprises General Directorate
Eti Soda	Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş./Eti Soda Production Marketing Transportation and Electricity Generation Industry and Trade Inc
ETS	Emissions Trading System
EV	Electric Vehicle
Ex-works CO2e emissions intensity	CO2e emissions intensity calculated as Scope 1 & 2 and certain upstream Scope 3 mt of CO2e emissions per mt of combined soda ash and sodium bicarbonate production (Scope 1 & 2 as defined by the GHG Protocol and within Scope 3 only including categories 1, 3, 4, 5, 6 and 7 as defined by the GHG Protocol)
FCA	Free Carrier

Glossary continued

Term	Definition
FOB	Free on Board
FRC	Financial Reporting Council
FY	Financial Year
GRI	Global Reporting Initiative
IEA	International Energy Agency
IET	Institute of Exploration Technique
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial Public Offering
ISSB	International Sustainability Standards Board
Kazan Soda	Kazan Soda Elektrik Üretim A.Ş/Kazan Soda Electricity Production Inc.
Konya – Ilgın Elektrik Üretim ve Ticaret A.Ş.	Konya – Ilgın Electric Production and Trade Inc.
LCA	Life Cycle Assessment
LTI	Lost time injury
LTM	Last Twelve Months
MMBtu	Million British thermal units
mt	Metric tonnes
MW	Mega Watt
MWh	Mega Watt hour
NAM	North America
Nameplate production capacity	Maximum output stipulated by manufacturer
NGFS	Network for Greening the Financial System
NYSE	New York Stock Exchange
OHS	Occupational Health and Safety
Park Cam Sanayi ve Ticaret A.Ş.	Park Cam Industry and Trade Inc.
Park Elektrik Üretim Madencilik San. ve Tic. A.Ş.	Park Electricity Production Mining Industry and Trade Inc.
Park Holding A.Ş.	Park Holding Inc.
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	Park Toptan Electricity Energy Sales Industry and Trade Inc.
PRA	Psychosocial Risk Analysis
PV	Photo Voltaic

Glossary continued

Term	Definition
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
SAM	South America
Scope 1	Direct emissions from owned or controlled sources
Scope 1 & 2 CO2e emissions intensity	Scope 1 & 2 market mt CO2e per mt soda ash and sodium bicarbonate production, combined
Scope 2	Indirect emissions from the purchase of electricity, steam, heating, and cooling
Scope 3	Other indirect emissions, such as those resulting from the company's value chain, including both upstream and downstream emissions
SGK	Sosyal Güvenlik Kurumu – the Turkish Social Security Institution
Silopi Elektrik Üretim A.Ş.	Silopi Electricity Production Inc.
Şişecam Chemicals Resources	Şişecam Chemicals Resources LLC.
Soda ash	Sodium carbonate
SSP	Shared Socioeconomic Scenarios
STEPS	Stated Policies Scenario
TCC	China Tianchen Engineering Company
TCFD	Task Force on Climate-Related Financial Disclosures
The Group	WE Soda Ltd and its subsidiaries
Trona	A naturally occurring ore which is extracted and processed into soda ash. Soda ash, in turn, is used in the manufacture of glass, dry powder detergents, and many other products including lithium carbonate used in EV car batteries. It is also used to produce other chemicals, such as sodium bicarbonate
VFD	Variable Frequency Drive
Water intensity	Cubic metres of water withdrawal per mt of soda ash and sodium bicarbonate production, combined
WEO	World Energy Outlook
WRU	Welsh Rugby Union
YE	Year End
YEK-G	Renewable Resource Guarantee System
€	Euro
$	US dollars

References

1. Morningstar Sustainalytics is a leading global provider of ESG research, ratings and data, which provides research based on its independent methodology, and publicly available information from issuers. The full corporate ESG assessment is published on Morningstar Sustainalytics' website; however, no information provided by Morningstar Sustainalytics under the corporate ESG assessment shall be considered as being a statement, representation, warranty or argument either in favour or against the truthfulness, reliability or completeness of any facts or statements that WE Soda Group has made available to Morningstar Sustainalytics for the purpose of the corporate ESG assessment, in light of the circumstances under which such facts or statements have been presented. Neither the corporate ESG assessment, nor any other information on Morningstar Sustainalytics' website, is incorporated by reference into this Annual Report.

2. Kew Soda Ltd (the parent company and 100% owner of WE Soda Ltd) engaged Morningstar Sustainalytics ("Sustainalytics") to perform a corporate ESG assessment (the "Pre-IPO Corporate ESG Assessment") on Kew Soda Ltd as a private company in connection with our contemplated IPO, which did not go forward. Morningstar Sustainalytics is a leading global provider of ESG research, ratings and data, which provides research based on its independent methodology, and publicly available or non-confidential information from issuers. The Pre-IPO Corporate ESG Assessment is provided for information purposes only, is not part of any offering, nor shall it be considered as an offer to buy or sell or invest in any securities, investment advice, expert opinion or an assurance letter as defined by the applicable legislation. No information provided by Sustainalytics under the Pre-IPO Corporate ESG Assessment shall be considered as being a statement, representation, warranty or argument either in favour or against the truthfulness, reliability or completeness of any facts or statements that our Group has made available to Sustainalytics for the purpose of the Pre-IPO Corporate ESG Assessment, in light of the circumstances under which such facts or statements have been presented. Neither the Pre-IPO Corporate ESG Assessment, nor any other information on Sustainalytics' website, is incorporated by reference into this report.

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