

WE Soda Ltd

Condensed Consolidated Interim Financial Statements

31 March 2024

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WE Soda Ltd

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income For the period ended 31 March 2024 (in thousands of US dollars)

		Three months ended 31 March	
	Notes	2024 (Unaudited)	2023 (Unaudited)
Revenue	7	304,711	495,490
Cost of sales	8	(190,887)	(262,228)
Gross profit		113,824	233,262
Administrative expenses	9	(23,525)	(15,290)
Marketing expenses	10	(2,125)	(1,187)
Other operating income	11	8,539	8,356
Other operating expenses	11	(9,937)	(5,264)
Profit from operations		86,776	219,877
Finance income	12	89,478	28,801
Finance expenses	12	(114,996)	(55,028)
Share of net (loss) / profit of associates accounted for using the equity method		(7,006)	175
Profit before tax		54,252	193,825
Taxation	13	(23,034)	(45,699)
Total profit for the period		31,218	148,126
Profit for the period attributable to:			
Owners of the Company		16,754	123,986
Non-controlling interest		14,464	24,140
Total profit for the period		31,218	148,126
Basic and diluted earnings per share	20	0.203	0.964
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
- Accumulated gain/(loss) on remeasurement of defined benefit plans		-	-
- Accumulated gain/(loss) gain on remeasurement of defined benefit plans of investments accounted for using the equity method		-	-
<i>Items that will be reclassified subsequently to profit or loss:</i>			
- Hedge accounting of investments accounted for using the equity method		315	(6,564)
- Foreign currency translation reserve		(13)	(409)
Other comprehensive income / (loss) for the period, net of income tax		302	(6,963)
Total comprehensive income for the period		31,520	141,153
Total comprehensive income for the period attributable to:			
Owners of the Company		17,056	117,013
Non-controlling interest		14,464	24,140
Total comprehensive income for the period		31,520	141,153

The Notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

WE Soda Ltd

Condensed Consolidated Interim Statement of Financial Position

As at 31 March 2024

(in thousands of US dollars)

	Notes	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property, plant, and equipment	14	534,700	527,312
Mining reserves	15	557,933	564,675
Intangible assets		67,075	67,981
Mining assets	16	117,490	112,759
Inventories		32,580	29,150
Prepaid expenses	23	241,222	3,286
Other receivables	23	627,661	837,925
Deferred tax assets	13	700,932	717,373
Goodwill		14,565	14,565
Right of use assets		27,198	27,903
Derivative financial instruments		53,547	54,857
Investments accounted for using the equity method	22	317,913	324,519
		3,292,816	3,282,305
Current assets			
Trade receivables	23	141,858	154,397
Other receivables	23	253,018	254,745
Cash and cash equivalents	17	127,111	169,621
Prepaid expenses	23	55,725	15,934
Inventories		40,580	27,721
Other current assets		26,988	43,616
		645,280	666,034
Total assets		3,938,096	3,948,339
Non-current Liabilities			
Borrowings	18	1,622,642	1,608,262
Lease liabilities		22,661	23,445
Other payables		13,917	13,917
Employee benefits		3,850	3,354
Mine closure provision		91,857	91,471
Deferred tax liability	13	158,818	163,301
Deferred income (contract liabilities)	19	16,169	22,130
		1,929,914	1,925,880
Current liabilities			
Borrowings	18	114,708	56,164
Derivative financial instruments		3,158	4,570
Lease liabilities		3,023	3,307
Trade payables	23	115,224	110,209
Other payables	23	8,395	49,809
Tax liability		25,391	18,196
Provisions		8	8
Employee benefits		5,984	4,598
Deferred income (contract liabilities)	19	117,463	140,688
Other current liabilities		11,713	39,176
		405,067	426,725
Total liabilities		2,334,981	2,352,605
Net assets		1,603,115	1,595,734

WE Soda Ltd

Condensed Consolidated Interim Statement of Financial Position (continued)

As at 31 March 2024

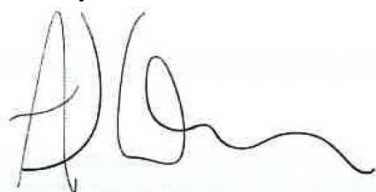
(in thousands of US dollars)

	Notes	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Equity			
Share capital	20	153,636	153,636
Share premium	20	1,382,131	1,382,131
Capital contribution in kind		131,038	131,038
Restricted profit reserves	20	83,016	83,016
Acquisition of public shares of equity accounted investment's subsidiary		(15,594)	(15,594)
Accumulated other comprehensive income that will not be reclassified subsequently to profit or loss		4,620	4,620
- Actuarial gain on remeasurement of defined benefit plans		4,620	4,620
Accumulated other comprehensive loss that will be reclassified subsequently to profit or loss		(1,898,262)	(1,898,564)
- Foreign currency translation reserve		(1,898,895)	(1,898,882)
- Hedge accounting		633	318
Retained profits		1,561,616	1,544,862
Equity attributable to owners of the Company		1,402,201	1,385,145
Non-controlling interest	21	200,914	210,589
Total equity		1,603,115	1,595,734

The Notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 2 to 31 were approved by the Board on 28 May 2024 and were signed on its behalf.

Alasdair J. Warren
Chief Executive Officer / Director
28 May 2024



Ahmet Tohma
Chief Financial Officer / Director
28 May 2024



WE Soda Ltd

Condensed Consolidated Interim Statement of Changes in Equity

For the period ended 31 March 2024

(in thousands of US dollars)

	Share capital	Share premium	Capital contribution in kind ³	Restricted profit reserves	Acquisition of public shares of equity accounted investment's subsidiary	Accumulated (loss) / gain on remeasurement of defined benefit plans ¹	Other	Foreign Currency Translation Reserve ²	Retained profits	Equity attributable to owners of the Company	Non-controlling interest ³	Total equity
At 1 January 2023	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 distributions	-	-	-	-	-	-	-	-	(110,000)	(110,000)	-	(110,000)
Transfer	-	-	-	14,216	-	-	-	-	(14,216)	-	-	-
- Profit for the period	-	-	-	-	-	-	-	-	123,986	123,986	24,140	148,126
- Other comprehensive loss for the period	-	-	-	-	-	-	(6,564)	(409)	-	(6,973)	-	(6,973)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(6,564)	(409)	123,986	117,013	24,140	141,153
At 31 March 2023	153,636	1,382,131	131,038	67,518	-	3,941	(379)	(1,899,562)	1,205,886	1,044,209	208,452	1,252,661
-	-	-	-	-	-	-	-	-	-	-	-	-
At 1 January 2024	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
Dividend distributions	-	-	-	-	-	-	-	-	-	-	(24,139)	(24,139)
Shares issued	-	-	-	-	-	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	-	-	16,754	16,754	14,464	31,218
- Other comprehensive income / (loss) for the period	-	-	-	-	-	-	315	(13)	-	302	-	302
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	315	(13)	16,754	17,056	14,464	31,520
At 31 March 2024	153,636	1,382,131	131,038	83,016	(15,594)	4,620	633	(1,898,895)	1,561,616	1,402,201	200,914	1,603,115

Note 1 – Accumulated other comprehensive income that will not be reclassified subsequently to profit or loss.

Note 2 – Accumulated other comprehensive income that will be reclassified subsequently to profit or loss.

Note 3 – 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 USD131.0 million fair value of TC Soda and the nominal value of the shares issued by Kew Soda Ltd. Has been credited to equity under “Capital contribution in kind”.

The Notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

WE Soda Ltd

Condensed Consolidated Interim Statement of Cash Flows

For the period ended 31 March 2024

(in thousands of US dollars)

	Notes	Three months ended 31 March	
		2024 (Unaudited)	2023 (Unaudited)
Cash flow from operating activities:			
Total profit for the period		31,218	148,126
Adjustments for:			
Depreciation and amortisation expenses	8,9,10	19,156	15,293
Retirement benefits		1,926	407
Interest income		(83,283)	(29,680)
Interest expense		42,396	29,590
Discount expenses / (income) (net)	11	2,077	1,736
Bank charges	12	924	1,772
Net foreign exchange losses / (gains)		43,382	16,131
Income tax charges / (benefits)	13	23,034	45,699
Adjustments related to the share of net (profit) / loss of associates accounted for using the equity method	22	7,006	(175)
Fair value losses /gains		16,309	-
Increase in inventories		(12,682)	(3,949)
(Increase) / decrease in trade and other receivables		101,573	26,731
(Decrease) / Increase in trade and other payables		(132,767)	(50,133)
Cash generated from operations		60,269	201,548
Tax return payments		-	(6,428)
Paid retirement benefit obligation		(147)	(891)
Total net cash generated from operating activities		60,122	194,229
Cash flow from investing activities:			
Payments made in conjunction with equity investment	22	-	(2,401)
Purchases of property, plant, and equipment		(25,769)	(24,230)
Interest received		1,918	1,914
Cash received from acquisition of subsidiaries		66	-
Cash outflow for purchase of subsidiary		(22)	-
Cash outflow to non-trading related party balances		(66,412)	(146,405)
Net cash used in investing activities		(90,219)	(171,122)
Cash flow from financing activities:			
Proceeds from borrowings		521,462	4,820
Repayments of the borrowings		(478,711)	(43,766)
Repayment of lease liabilities		(1,182)	(1,003)
Interest paid		(8,139)	(22,198)
Borrowing costs incurred		(924)	(1,772)
Distributions to non-controlling interest shareholder of subsidiary		(42,655)	(30,342)
Other cash outflows		(2,317)	(563)
Net cash used in financing activities		(12,466)	(94,824)
Effects of exchange rate changes on cash and cash equivalents		53	1,871
Net used in cash and cash equivalents		(42,510)	(69,846)
Cash and cash equivalents at beginning of the period	17	169,621	308,733
Cash and cash equivalents at end of the period	17	127,111	238,887

The notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

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.

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 USD 39 million.

Soda World has acquired Imperial Mining, Minerals and Chemicals GmbH (“IMMC”) on 29 February 2024 for a consideration of EUR 20,000. Imperial Mining, Minerals and Chemicals GmbH is responsible for managing sales to the Group’s clientele in Europe through warehouses located in Netherlands and fully consolidated.

These condensed interim financial statements were approved for issue on 28 May 2024.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 were approved on 25 April 2024 by the Board of Directors. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

Significant changes in the current reporting period

There are no events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

2. Material accounting policies

2.1 Financial information

The financial information is presented in US Dollars (\$, USD). Foreign operations are included in accordance with the policies set out in this note.

2.2 Basis of preparation

This condensed consolidated interim financial statements for the three-month reporting period ended 31 March 2024 have been prepared in accordance with the UK-adopted International Accounting Standard 34, "Interim Financial Reporting". The disclosed policies have been consistently applied by the Group both for the current and previous financial periods with the exception of the new and amended standards adopted.

The condensed consolidated interim financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, the condensed consolidated interim financial statements are to be read in conjunction with the annual financial report included in the Company's or Companies House websites, elsewhere.

Going concern

The financial statements as of and for period ended 31 March 2024 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, these 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 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.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

2. Material accounting policies (continued)

2.3 New and revised IFRSs

The accounting policies applied in the preparation of the condensed consolidated interim financial statements as of and for the period ended 31 March 2024 are consistent with those applied in the preparation of the consolidated financial statements as of and for the year ended 31 December 2023, except for the new and amended IFRS standards which are valid as of 1 January 2024 and International Financial Reporting Interpretations Committee's ("IFRIC") interpretations summarised below.

Standards, amendments, and interpretations that are applicable from 1 January 2024

- **Amendments to IAS 1 Classification of Liabilities as Current or Non-Current and Non-current liabilities with covenants;** Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- **Amendments to IFRS 16 Lease Liability in a Sale and Leaseback;** In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

2. Material accounting policies (continued)

2.3 New and revised IFRSs (continued)

Standards, amendments, and interpretations that are applicable from 1 January 2024 (continued)

- **Amendments to IAS 7 and IFRS 7 Supplier Finance Agreements;** On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (“SFAs”). The amendments respond to investors that said that they urgently needed more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk. To meet investors’ needs, the new disclosures will provide information about:

- (1) The terms and conditions of SFAs.
- (2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented. (3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
- (3) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- (4) Non-cash changes in the carrying amounts of financial liabilities in (2).
- (5) Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The impacts of these improvements and amendments on the financial position and performance of the Group is being assessed and the Management does not expect any significant effect on the existing disclosures.

Standards and amendments that are issued but not effective as of 1 January 2024

A number of new standards and amendments to existing standards are not effective at reporting date and earlier application is permitted; however, the Group has not early adopted are as follows.

- **Amendments to IAS 21 - Lack of Exchangeability with covenants – Amendments to IAS 1;** In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The Group evaluates the effects of these standards, amendments, and improvements on the consolidated financial statements.

2.4 Critical accounting judgements and key source of estimation uncertainty

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

3. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (“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, IMMC in Germany, Ciner Kimya, Denmar and WIDT in Türkiye, CEI and its subsidiaries and associates 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).

Three months ended 31 March 2024	Türkiye			Total
	Eti Soda	Kazan Soda	Corporate and Other	
Domestic sales	36,686	3,581	-	40,267
Export sales	83,508	152,948	27,988	264,444
Segment revenue and other income	120,194	156,529	27,988	304,711
Finance income	6,888	26,803	55,787	89,478
Finance expense ¹	(28,887)	(21,326)	(64,783)	(114,996)
Profit / (loss) before taxation	42,164	24,607	(12,519)	54,252
Taxation	(6,779)	(16,490)	235	(23,034)
Net profit / (loss) for the period	35,385	8,117	(12,284)	31,218
Current assets	62,436	103,660	479,184	645,280
Non-current assets	527,379	1,701,752	1,063,685	3,292,816
Total liabilities	186,907	305,573	1,842,501	2,334,981
Capital expenditure	10,710	11,411	218	22,339
Taxes paid	-	-	-	-
Depreciation, depletion, and amortisation	7,522	8,736	2,898	19,156

Three months ended 31 March 2023	Türkiye			Total
	Eti Soda	Kazan Soda	Corporate and Other	
Domestic sales	44,121	53,882	-	98,003
Export sales	142,120	255,367	-	397,487
Segment revenue and other income	186,241	309,249	-	495,490
Finance income	3,139	7,628	18,034	28,801
Finance expense ¹	(14,209)	(13,881)	(26,938)	(55,028)
Profit / (loss) before taxation	111,237	100,035	(17,447)	193,825
Taxation	(26,907)	(4,260)	(14,532)	(45,699)
Net profit / (loss) for the period	84,330	95,775	(31,979)	148,126
Current assets	87,430	276,731	498,468	862,629
Non-current assets	523,686	1,479,405	819,267	2,822,358
Total liabilities	286,520	805,189	1,340,617	2,432,326
Capital expenditure	4,738	15,409	127	20,274
Taxes paid	3,651	-	2,777	6,428
Depreciation, depletion, and amortisation	6,932	7,848	513	15,293

Note 1 – By considering offsetting guidance IAS 1, 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.

The accounting policies used for the reportable segments are the same as the Group’s accounting policies.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

3. Segmental analysis (continued)

Segment revenues and results (continued)

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 USD 9.6 million inter-segment sales elimination between Eti Soda and Kazan Soda (2023: USD 8.3 million). Substantially all of the tax charge arises in United Kingdom and Türkiye.

4. Financial risk management

The primary financial instruments of the Group consist of bank loans, cash, short-term time deposits and other receivables and payables which arise from transaction. The main objective of the mentioned 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.

• Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing 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 and leases, cash and cash equivalents and working capital.

The Group's capital management is subject to covenant requirements set out by the significant restrictions under the Revolving Credit Facility.

The Group controls its capital using 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 Condensed Consolidated Interim Statement of Financial Position) less cash and cash equivalents and restricted cash. Total capital is calculated as 'equity' as shown in the Condensed Consolidated Interim Statement of Financial Position plus net debt.

	31 March 2024	31 December 2023
Borrowings (including transaction costs) (see Note 18 – Borrowings)	1,737,350	1,664,426
Lease liabilities	25,684	26,752
Total financial liabilities	1,763,034	1,691,178
Less: Cash and cash equivalents	(127,111)	(169,621)
Less: Embedded derivatives in borrowings	(35,027)	(20,742)
Net debt	1,600,896	1,500,815
Total equity	1,603,115	1,595,734
Total capital	3,204,011	3,096,549
Net debt ratio	50%	48%
Net debt	1,600,896	1,500,815
Less: Net Debt of Unrestricted Subsidiaries ^{1,2}	(7,368)	(7,268)
Less: Working Capital Loans	(63,600)	(33,196)
WE Soda Restricted Group Net Debt¹	1,529,928	1,460,351

Note 1 – In accordance with the terms of the bonds and RCF.

Note 2 – Ciner Enterprises Inc. and its subsidiaries.

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Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

4. Financial risk management (continued)

• Financial risk factors

The risks to the Group resulting from operations include market risk and liquidity risk. The Group's risk management program generally seeks to minimize the effects of uncertainty in financial markets on the financial performance of the Group.

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 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 March 2024	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	5+ Years
Borrowings	1,737,350	2,375,590	96,815	1,731,900	546,875
Lease liabilities	25,684	33,039	4,705	16,672	11,662
Trade payables	86,717	86,717	86,717	-	-
Trade payables to related parties	28,507	28,507	28,507	-	-
Other payables	19,701	19,701	5,784	13,917	-
Other payables to related parties	2,611	2,611	2,611	-	-
Derivative financial instruments	3,158	3,158	3,158	-	-
Total liabilities	1,903,728	2,549,323	228,297	1,762,489	558,537

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	18,959	18,959	5,042	13,917	-
Other payables to related parties	44,767	44,767	44,767	-	-
Derivative financial instruments	4,570	4,570	4,570	-	-
Total liabilities	1,869,683	2,413,698	330,270	2,075,459	7,969

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

4. Financial risk management (continued)

• Financial risk factors (continued)

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 March 2024	Total	EUR	GBP	CNY	TRY
Trade receivables	45,930	27,255	160	-	18,515
Cash and cash equivalents	21,953	14,934	90	3	6,926
Other receivables and assets	676,590	236,658	6,988	-	432,944
Trade payables	(89,471)	(7,669)	(583)	-	(81,219)
Borrowings	(117,684)	(117,684)	-	-	-
Lease liabilities	(4,361)	(386)	(2,880)	-	(1,095)
Other payables and liabilities	(85,101)	(46,038)	(1,190)	-	(37,873)
Net exposure	447,856	107,070	2,585	3	338,198

In USD equivalent as at 31 December 2023	Total	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

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(tabular amounts in thousands of US dollars, except where noted)

4. Financial risk management (continued)

• Financial risk factors (continued)

Foreign exchange risk (continued)

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 likely reasonable 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.

	31 March 2024	31 December 2023
Effect to profit or (loss) before tax		
EUR	10,707	(16,315)
GBP	259	(890)
TRY	33,820	48,466
CNY	-	6
Total	44,786	31,267

	31 March 2024	31 December 2023
Effect to equity due to currency translation reserve		
TRY	(23)	(45)
EUR	88	-
Total	65	(45)

A 10% strengthening of the currencies above at 31 March 2024 would have had an equal but opposite effect on the amounts shown above, assuming all other variables remained constant.

5. Business combination, acquisition of controlling interest

Acquisition of controlling interests in Imperial Mining, Minerals and Chemicals GmbH

Soda World has acquired Imperial Mining, Minerals and Chemicals GmbH ("IMMC") on 29 February 2024 for a consideration of EUR 20,000. Imperial Mining, Minerals and Chemicals GmbH is responsible for managing sales to the Group's clientele in Europe through warehouses located in Netherlands and fully consolidated.

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	IMMC
Cash and cash equivalents	66
Trade receivables	1,065
Other assets	2
Total assets	1,133
Trade payables	(816)
Other liabilities	(105)
Total liabilities	(921)
Net assets acquired	212
Gain from bargain purchase	(190)
Net cash inflow / (outflow)	(22)

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(tabular amounts in thousands of US dollars, except where noted)

6. Employee numbers

The average monthly number of employees including the Directors employed was as follows:

	31 March 2024 Number	31 December 2023 Number
Professional	1,155	1,137
Administration	447	434
Total average number of employees	1,602	1,571

7. Revenue

Revenue, excluding interest revenue, comprises:

	Three months ended 31 March	
	2024	2023
Domestic sales	40,267	98,003
Export sales	264,444	397,487
Total revenue (*)	304,711	495,490

(*) The classification between domestic and export sales refers to the final clientele.

The Group recognised sales amounting to USD304.7 million (31 March 2023: USD495.5 million) with respect to the performance obligations satisfied at a point in time for the period ended 31 March 2024. Segment information is disclosed in Note 3 – Segmental analysis.

Revenue and other income consist of:

	Three months ended 31 March	
	2024	2023
Soda ash / sodium bicarbonate sales	290,012	462,399
Electricity sales	12,338	32,900
Other income	2,361	191
Total revenue	304,711	495,490

8. Cost of sales

Cost of sales comprises:

	Three months ended 31 March	
	2024	2023
Raw material costs	79,380	154,967
Personnel expenses	9,725	5,466
Production overheads	33,612	38,328
Transportation expenses	52,157	44,023
Export expenses	8,132	10,269
Depreciation and amortisation expenses	17,312	14,315
Change in finished goods inventories	(9,431)	(5,140)
	190,887	262,228

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Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

9. Administrative expenses

Administrative expenses comprise:

	Three months ended 31 March	
	2024	2023
Consultancy expenses (*)	5,512	3,432
Personnel expenses	10,626	6,269
Transportation expenses	244	147
Outsourced benefits and services	943	376
Donations (**)	249	1,784
Travel expenses	479	254
Rent expenses	630	383
Depreciation and amortisation expenses	1,346	939
Office expenses	689	432
Other expenses	2,807	1,274
	23,525	15,290

(*) The increase is mostly related to transaction costs incurred as a result of strategic capital raising transactions, refinancing activity, or M&A and other one-off expenses incurred as a result of restructuring, corporate governance, and recruitment and consultancy expenses incurred for mining and operational investments in the USA.

(**) The decrease in donations is attributable to nonrecurrence of one-off donations made as a result of earthquake occurred in Türkiye in February 2023.

10. Marketing expenses

Marketing expenses comprise:

	Three months ended 31 March	
	2024	2023
Personnel expenses	838	741
Transportation expenses	89	64
Amortisation and depreciation expenses	498	39
Outsourced services and benefits	69	112
Rent expenses	367	98
Other sales and marketing expenses	264	133
	2,125	1,187

11. Other operating income and expenses

Other income from operating activities comprises:

Other income from operating activities	Three months ended 31 March	
	2024	2023
Foreign exchange gains	7,980	7,079
Interest income	64	867
Discount interest income	22	-
Other income	473	410
	8,539	8,356

Other expenses from operating activities comprises:

Other expense from operating activities	Three months ended 31 March	
	2024	2023
Foreign exchange losses	3,746	2,820
Interest expense	3,477	642
Discount interest expense	2,099	1,736
Other expenses	615	66
	9,937	5,264

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Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

12. Finance income and finance expense

Finance income comprises of:

	Three months ended 31 March	
	2024	2023
Interest income	82,978	28,801
Fair value changes of derivative instruments	6,500	-
	89,478	28,801

Finance expense comprises of:

	Three months ended 31 March	
	2024	2023
Interest expense related to financial activities	37,199	26,402
Foreign exchange losses, net	49,273	20,709
Interest expenses related to the lease obligation	292	227
Bank charges related to financial activities	924	1,772
Fair value changes of derivative instruments	22,809	-
Other financial expenses	4,499	5,918
	114,996	55,028

13. Taxation

Current and deferred tax

Taxation (charge) / credit comprises of:

	Three months ended 31 March	
	2024	2023
Tax charge:		
Income tax charge – UK entities	-	(14,373)
Income tax charge – foreign entities	(11,151)	(35,021)
Deferred tax (charge) / credit	(11,883)	3,695
Total tax (charge) / credit	(23,034)	(45,699)

Reconciliation of total tax (charge) / credit to profit before taxation

The Group is domiciled in the United Kingdom, but its operations are in Türkiye, and it is also active in the US.

The effective corporate tax rate in 2024 is 25% (2023: 25%) for Türkiye, 21% (2023: 21%) for the US and 25% (2023: 23.5%) for the United Kingdom, respectively. The provision for income taxes is different from the expected provision for income taxes for the following reasons:

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(tabular amounts in thousands of US dollars, except where noted)

13. Taxation (continued)

Reconciliation of total tax (charge) / credit to profit before taxation (continued)

	Three months ended 31 March	
	2024	2023
Profit before tax	54,252	193,825
Applicable rate of tax	25.0%	19.0%
Tax at applicable rate	(13,563)	(36,827)
Tax effect of:		
Disallowable expenses	(1,617)	(2,297)
Other tax incentives (patent) ¹	5,274	15,603
Net effect of indexation and translation on investment incentives	(27,955)	29,049
Effect of tax rates in different jurisdictions	2,895	116
Carry forward tax losses recognised / (not recognised) as deferred tax asset	396	(4,500)
Corporate interest restriction in UK	(6,219)	-
Disregarded foreign exchange and fair value gains	(3,269)	-
Loss on translation	(17,848)	(17,171)
Dividend withholding tax	-	(14,373)
Inflation effect on tax bases	38,201	-
One-off taxes ²	-	(15,486)
Other	671	187
Total tax (charge) / credit	(23,034)	(45,699)

Note 1 – The Company has obtained a patent document which has been examined by the Turkish Patent Institute 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 2021 has been determined. For the Three months ended 31 March 2024, the amount of corporation tax exemption that is benefited is USD21.8 million (31 March 2023: USD41.4 million).

Note 2 – Subsequent to 31 December 2022, 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 stroke the South-eastern provinces of Türkiye. USD15.5 million presents this additional tax amount accrued up until 31 March 2023.

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 USD1.4 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’s investment incentive balance is equal USD534.3 million (31 December 2023: USD548.5 million) deferred tax asset to reduce corporate tax.

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(tabular amounts in thousands of US dollars, except where noted)

13. Taxation (continued)

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRSs 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 of:

	31 March 2024	31 December 2023
Deferred tax assets	700,932	717,373
Deferred tax liabilities	(158,818)	(163,301)
Net deferred tax asset / (liabilities)	542,114	554,072

This may be analysed as follows:

	31 March 2024	31 December 2023
Differences on carrying values of PP&E, mining assets and reserves	(2,799)	1,677
Retirement pay provision	836	384
Unused annual leave	470	647
Previous year losses to be deducted from tax	7,564	7,564
Discount on trade receivables	489	344
Discount on trade payables	(579)	(928)
Investment incentives	558,813	571,424
Revenue recognition according to IFRS 15	1,449	1,174
Equity accounted investments	(40,813)	(40,813)
Asset retirement obligation assets	(18,313)	(18,357)
Asset retirement obligation liabilities	19,339	19,258
Interest expense accruals	3,636	3,636
Right of use assets	(2,660)	(5,088)
Lease liabilities	2,894	5,726
Statutory inflation accounting effect on inventories	7,014	6,020
Other	4,774	1,404
Closing balance at 31 March / 31 December	542,114	554,072

Movements of deferred tax (liabilities) / assets for the period ended 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
At 1 January	554,072	404,711
Credited to statement of profit or loss for the financial period	(11,883)	148,042
Credited to other comprehensive income or loss	(85)	(1,511)
Effect of subsidiary acquisition	-	(10,747)
Tax effect of acquisition of public shares of equity accounted investment's subsidiary	-	4,237
Presentation currency translation effect	10	9,340
Closing balance at 31 March / 31 December	542,114	554,072

At 31 March 2024, the Group has unused tax losses USD36.0 million (31 December 2023: USD36.0 million) available for offset against future profits and USD7.6 million (31 December 2023: USD7.6 million) of deferred tax assets have been recognised in respect of these losses.

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Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

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13. Taxation (continued)

Deferred tax (continued)

Expiration schedule of carry forward tax losses is as follows:

	31 March 2024	31 December 2023
Will be expired in 2024	-	-
Will be expired in 2025	-	-
Will be expired in 2026	-	-
Will be expired in 2027 and beyond	36,020	36,020
Total	36,020	36,020

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable.

Deferred tax assets, which are recognised for tax losses carried forward, arise in entities primarily domiciled in Türkiye and relate to tax losses during the investment period in 2018 and net operating losses in subsequent periods. In this respect, the Group has not utilised any previous year losses in 2024 (31 December 2023: USD72.7 million).

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 reasonably 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.

These rates have been reflected in the calculation of deferred tax at the reporting date.

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14. Property, plant, and equipment

2023	Land	Land improvements	Buildings	Plant, machinery, and equipment	Leasehold improvements	Construction in progress	Other fixed assets ¹	Total
As of 31 December 2023								
Cost	8,486	134,833	14,208	404,766	978	51,681	15,267	630,219
Accumulated depreciation	(127)	(15,794)	(2,327)	(80,552)	(343)	-	(3,764)	(102,907)
Net book value	8,359	119,039	11,881	324,214	635	51,681	11,503	527,312
Cost:								
As of 1 January 2024	8,486	134,833	14,208	404,766	978	51,681	15,267	630,219
Additions	1,641	-	65	2,926	143	16,848	539	22,162
Disposals	-	-	-	-	-	-	-	-
Transfers to mining assets	-	-	-	-	-	(7,338)	-	(7,338)
Transfers from CIP	-	175	1	5,221	-	(5,397)	-	-
Reclassification	-	-	-	-	-	-	-	-
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	-
Closing balance as of 31 March 2024	10,127	135,008	14,274	412,913	1,121	55,794	15,806	645,043
Accumulated depreciation:								
As of 1 January 2024	(127)	(15,794)	(2,327)	(80,552)	(343)	-	(3,764)	(102,907)
Charge for the period	(63)	(1,691)	(140)	(4,686)	(33)	-	(823)	(7,436)
Disposals	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	-
Closing balance as of 31 March 2024	(190)	(17,485)	(2,467)	(85,238)	(376)	-	(4,587)	(110,343)
Net book value as of 31 March 2024	9,937	117,523	11,807	327,675	745	55,794	11,219	534,700

Note 1 – Includes vehicles and furniture and fixtures.

As of 31 March 2024, the net carrying amounts of vehicles and plant, machinery, and equipment acquired through leasing agreements are USD5.8 million (31 December 2023: USD14.5 million) in total and amortisation charges for the period are USD0.2 million (2023: USD0.7 million).

15. Mining reserves

	Cost	Accumulated amortisation	Total
At 1 January 2024	717,319	(152,644)	564,675
Charge for the period	-	(6,742)	(6,742)
At 31 March 2024	717,319	(159,386)	557,933

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.

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Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

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16. Mining assets

	Cost	Accumulated amortisation	Total
At 1 January 2024	173,992	(61,233)	112,759
Transfers from construction in progress	7,338	-	7,338
Charge for the period	-	(2,607)	(2,607)
At 31 March 2024	181,330	(63,840)	117,490

17. Cash and cash equivalents

Cash and cash equivalents comprise of:

	31 March 2024	31 December 2023
Cash	12	13
Cash in bank comprises of:	127,099	169,608
– Demand deposits	27,641	6,678
– Time deposits with maturities less than three months	99,458	162,930
	127,111	169,621

There is no restricted cash in cash and cash equivalents as at 31 March 2024 and 31 December 2023.

18. Borrowings

	31 March 2024	31 December 2023
Non-current:		
Bank borrowings and bonds – long-term portion of the long-term borrowings	1,655,398	1,630,091
Less: Transaction costs	(32,756)	(21,829)
	1,622,642	1,608,262
Current:		
Bank borrowings due within one year	63,600	33,196
Bank borrowings and bonds – short-term portion of the long-term borrowings	51,352	23,212
Less: Transaction costs	(244)	(244)
	114,708	56,164
	1,737,350	1,664,426

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Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

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18. Borrowings (continued)

Bank borrowings comprise of:

Currency	31 March 2024			31 December 2023		
	WAEIR ¹	Short-term	Long-term	WAEIR ¹	Short-term	Long-term
USD	9.55%	51,139	1,601,499	9.25%	22,543	1,256,602
EUR	7.53%	63,813	53,899	6.16%	33,865	373,489
Total USD equivalent		114,952	1,655,398		56,408	1,630,091
Less: Transaction costs ²						
USD		(244)	(32,756)		(244)	(21,829)
Net USD equivalent		114,708	1,622,642		56,164	1,608,262

Note 1 – Weighted average effective interest rate.

Note 2 – USD33.0 million (31 December 2023: USD22.9 million) are related to transaction costs of borrowings and they are capitalised and amortised as finance costs using effective interest rate basis in the profit or loss.

The Group has not capitalised any borrowing cost during the period (2023: USD nil).

The fair value of bank borrowings held at amortised cost approximates the carrying value.

19. Deferred income (contract liabilities)

USD133.6 million (31 December 2023: USD162.8 million) of the deferred income consists of short-term and long-term advances received from customers mostly for soda ash and sodium bicarbonate sales of Turkish operating entities. Deferred income represents undelivered goods, which will be recognised as revenue upon delivery of such goods, which is consistent with the prior period. Movement in contract liabilities relates to timing differences.

WE Soda Ltd

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20. Share capital and other reserves

Issued and fully paid ordinary share capital as at 31 March 2024 amounted to USD153.6 million (31 December 2023: USD153.6 million).

Share capital Authorised, allotted, and fully paid	Number	Share Capital	Share Premium
At 1 January 2023	153,620,151	153,636	1,382,131
At 31 March 2023	153,620,151	153,636	1,382,131
At 31 December 2023	153,620,151	153,636	1,382,131
At 31 March 2024	153,620,151	153,636	1,382,131

50,000 shares were issued at GBP1.00 per share at incorporation and were denominated to USD1.32 per share in 2017. All other ordinary shares were issued at USD1.00.

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 March 2024, Turkish operations' restricted profit reserves consist of legal reserves. The Group's legal reserve is USD83.0 million (31 December 2023: USD83.0 million).

Foreign currency translation reserve

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, 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 period, unless exchange rates fluctuate significantly during that period, 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) until 31 March 2022. 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.

Earnings per ordinary share

	Weighted average number of shares	Earnings	Per share amount
At 31 March 2024	153,620,141	31,218	0.203
At 31 March 2023	153,620,141	148,126	0.964

WE Soda Ltd

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21. Group companies

Non-controlling interest

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,
- Eti Maden has certain approval rights over budgets, additional borrowings, capital expenditure and merger transactions.

İMİSK İthalat İhracat A.Ş.

İMİSK currently owns a 40% membership interest in Denmar Türkiye. This non-controlling interest has no specific or protective rights on Denmar Türkiye.

22. Interest in equity accounted associates

Set out below are the associates of the Group as at 31 March 2024 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	31 March 2024	31 December 2023
Şişecam Chemicals Resources LLC (formerly Ciner Resources Corporation)	USA	Holding company	Equity method	40%	193,816	194,093
Pacific Soda LLC	USA	Development project for natural resources	Equity method	40%	124,097	130,426
Total equity accounted investments					317,913	324,519

Movement of equity accounted investees

The table below provides the details of changes in the carrying amount of equity accounted investees.

	Sisecam Chemicals		Total
	Resources	Pacific Soda	
Opening balance at 1 January 2024	194,093	130,426	324,519
Profit / (loss) for the period	(677)	(6,329)	(7,006)
Other comprehensive income	400	-	400
Closing balance at 31 March 2024	193,816	124,097	317,913

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23. Related party transactions

The immediate and ultimate parent undertaking 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:

Three months ended 31 March 2024	Sales	Purchases	Financial income	Financial expense
Parent company:				
Akkan Enerji ve Madencilik A.Ş.	-	-	42,056	-
Kew Soda Ltd	-	555	3,736	5,641
Other related parties:				
AG Ciner İthalat İhracat Ve Ticaret A.Ş.	4,166	-	93	-
Ciner Glass Property Ltd	166	-	-	2
Park Cam Sanayi ve Ticaret A.Ş.	5,948	-	570	-
Park Holding A.Ş.	4	7,809	31,921	2
Paşalimanı İthalat İhracat ve Ticaret A.Ş.	-	204	-	-
Turgay Ciner	-	-	2,653	-
Eti Maden İşletmeleri Genel Müdürlüğü	-	6,483	-	-
Alasdair Warren	-	-	23	43
Other	9	4	75	7
Total	10,293	15,055	81,127	5,695

Three months ended 31 March 2023	Sales	Purchases	Financial income	Financial expense	Other income	Other expense
Parent company:						
Akkan Enerji ve Madencilik A.Ş.	-	-	17,759	-	-	-
Kew Soda Ltd	-	-	5,786	-	-	-
Other related parties:						
AG Ciner İthalat İhracat ve Ticaret A.Ş.	2,217	-	-	-	-	41
Ciner İç ve Dış Ticaret A.Ş. ¹	-	1,913	605	3,559	-	-
Ciner Tanker İşletmeleri San.ve Tic. A.Ş.	-	-	-	-	-	-
Denmar Depoculuk Nakliyat A.Ş.	-	5,598	-	2	-	-
Eti Maden İşletmeleri Genel Müdürlüğü	1,127	-	-	-	-	-
Konya - Ilgın Elektrik Üretim ve Ticaret A.Ş.	-	1,580	-	8	-	-
Park Cam Sanayi ve Ticaret A.Ş.	9,331	33	-	-	-	-
Park Holding A.Ş.	1	14,809	3,661	13	-	-
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	-	1,109	-	14	-	-
Silopi Elektrik Üretim A.Ş.	-	11,013	-	-	-	-
Turgay Ciner	-	425	2,680	-	-	-
Other	307	32	152	6	-	-
Total	12,983	36,512	30,643	3,602	-	41

Note 1 – The Group performs the majority of its export and domestic sales through Ciner İç ve Dış Ticaret A.Ş. which is an export intermediary company established for this purpose in Türkiye. The turnover generated through CIDT is USD 299,642 thousand during the period, out of which USD 229,079 thousand were repurchased by Soda World and sold to the end customers.

Goods are sold based on price lists in force and terms that would be available to third parties. Goods and services are bought from associates on normal commercial terms and conditions.

WE Soda Ltd

Notes to Condensed Consolidated Interim Financial Statements for the period ended 31 March 2024

(tabular amounts in thousands of US dollars, except where noted)

23. Related party transactions (continued)

Period-end balances arising from sales / purchases of goods / services:

As at 31 March 2024	Receivables				Payables	
	Current		Non-current		Current	
	Trade	Nontrade	Trade	Nontrade	Trade	Nontrade
Parent company:						
Akkan Enerji ve Madencilik A.Ş.	-	-	-	357,558	63	-
Kew Soda Ltd	-	225,243	-	-	-	-
Other related parties:						
Eti Maden İşletmeleri Genel Müdürlüğü ¹	-	-	-	-	25,293	-
Park Cam Sanayi ve Ticaret A.Ş.	9,337	-	-	-	-	-
Park Holding A.Ş. ^{2,3}	-	1,088	-	60,813	120	34
Denmar Holdings LLC	-	2,297	-	-	-	-
AG Ciner İthalat İhracat ve Ticaret A.Ş.	6,160	-	-	-	-	-
Ciner Bulklers Limited	-	-	-	6,000	-	-
Fatih Maritime Ltd	-	-	-	-	1,532	-
Mining Mineral Commodity Trading LLC	9,163	45	-	-	-	1,500
Pacific Soda LLC	-	172	-	-	-	1,000
Alasdair Warren	-	-	-	4,456	-	-
Sisecam SCR	-	-	-	3,454	-	33
Turgay Ciner	-	23,239	-	195,100	-	-
Other	159	18	-	-	1,046	44
Total	24,819	252,102	-	627,381	28,054	2,611

Note 1 – The agreement between Eti Soda and Eti Maden İşletmeleri Genel Müdürlüğü stipulates that Eti Soda is to pay a royalty fee of USD6.1 million or the amount greater than 6% of freight expenses deducted from revenue amount on an annual basis.

Note 2 – Long-term non-trade receivables amounting to USD60.8 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.

Note 3 – Interest bearing.

Note 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.

Period-end balances arising from sales / purchases of goods / services:

As at 31 December 2023	Receivables				Payables	
	Current		Non-current		Current	
	Trade	Nontrade	Trade	Nontrade	Trade	Nontrade
Parent company:						
Akkan Enerji ve Madencilik A.Ş.	-	-	-	557,614	4	-
Kew Soda Ltd	-	217,009	-	-	-	-
Other related parties:						
Eti Maden İşletmeleri Genel Müdürlüğü ¹	-	-	-	-	26,950	42,655
Park Cam Sanayi ve Ticaret A.Ş.	6,553	56	-	-	-	-
Park Holding A.Ş. ^{2,3}	-	1,153	-	71,144	53	23
Denmar Holdings LLC	-	1,249	-	-	-	-
AG Ciner İthalat İhracat ve Ticaret A.Ş.	6,871	-	-	-	-	-
Ciner Bulklers Limited	-	-	-	6,000	-	-
Mining Mineral Commodity Trading LLC	9,163	126	-	-	-	1,000
Director ⁴	-	-	-	4,477	-	-
Şişecam Chemicals Resources LLC	-	-	-	3,377	-	47
Turgay Ciner	-	20,586	-	195,100	-	-
Other	365	296	-	3	1,089	1,042
Total	22,952	240,475	-	837,715	28,096	44,767

Note 1 – The agreement between Eti Soda and Eti Maden İşletmeleri Genel Müdürlüğü stipulates that Eti Soda is to pay a royalty fee of USD6.1 million or the amount greater than 6% of freight expenses deducted from revenue amount on an annual basis.

Note 2 – Long-term non-trade receivables amounting to USD71.1 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.

Note 3 – Interest bearing.

Note 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.

Receivables and payables from / to related parties are unsecured and are repayable on demand.

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(tabular amounts in thousands of US dollars, except where noted)

23. Related party transactions (continued)

Receivables and payables from / to related parties are unsecured and are repayable on demand.

During 2023 WE Soda distributed dividends to Kew Soda by USD110.0 million, which is set off against current non-trade receivables from Kew Soda (non-cash settlement).

On 8 March 2024, an Extraordinary General Assembly of Eti Soda has declared an advance dividend amounting to TRY2,950.0 million (approximately USD100.0 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.

Royalty set-off for Kazan Soda

The Group has 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 respective year's royalty computed based on the budget or forecasts financial model of WE Soda. This present value denominated in US dollars (USD276.3 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.

As a result of this set-off, the Group's non-current and current prepaid expenses have been increased by USD237.9 million and USD30.7 million, respectively. USD7.7 million has been accounted in cost of sales as quarterly royalty expense.

24. Commitments

Guarantee given on behalf of subsidiaries

Under committed and uncommitted receivable financing agreements, 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, 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 March 2024, subsidiaries of the Company had provided bank guarantee letters to the value of USD12.9 million (31 December 2023: USD11.4 million), mainly in respect of future minimum royalty payment commitment to Eti Maden İşletmeleri Genel Müdürlüğü and purchases from various vendors.

WE Soda Ltd

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(tabular amounts in thousands of US dollars, except where noted)

24. Commitments (continued)

Pledged assets

For the effectiveness of CEI RCF contract, WE Soda has entered into an agreement with the financial institution to (i) guarantee 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 March 2024, subsidiaries of the Group, Eti Soda, Kazan Soda and Denmar had received bank guarantee letters to the value of USD8.9 million (31 December 2023: USD8.6 million) as a guarantee from third parties.

Firm commitments

The Group's operating subsidiaries lease trona mining rights from either local state or private entities. All of said lease agreements stipulate for 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 USD6.180 million per year of royalty, regardless of production volume generated.

25. Post balance sheet events

Title Change of the Ultimate Holding Company

The title of Akkan Enerji ve Madencilik A.Ş., which is the Ultimate Holding Company in Türkiye has been changed to Akkan Enerji Madencilik, Denizcilik ve Gemi İşletme Hizmetleri A.Ş. as of 2 May 2024.

Glossary

Akkan Enerji ve Madencilik A.Ş.	Akkan Energy Mining Inc.
Ciner İç ve Dış Ticaret A.Ş.	Ciner Domestic and Foreign Trade Inc.
Ciner Kimya	Ciner Kimya Yatırımları A.Ş.
Ciner Turizm Ticaret İnşaat Servis Hizmetleri A.Ş.	Ciner Tourism Trade Construction Transportation Services Inc.
Cogeneration	The generation of electricity and useful heat jointly, especially the utilisation of the steam left over from electricity generation for heating.
Denmar Depoculuk Nakliyat ve Ticaret A.Ş.	Denmar Warehousing, Transportation and Trading Inc.
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.
HSE	Health Safety and Environment
Kazan Soda	Kazan Soda Elektrik Üretim A.Ş. / Kazan Soda Electricity Production Inc.
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 Sigorta Aracılık Hizmetleri Ltd. Şti.	Park Insurance Intermediary Services Ltd. Co.
Park Teknik Elektrik Madencilik Turizm San. ve Tic. A.Ş.	Park Technical Electricity Mining Tourism Industry and Trade Inc.
Ciner Enerji Madencilik Sanayi ve Ticaret A.Ş. (formerly	Park Thermal Electricity Industry and Trade Inc.
Park Termik Elektrik Sanayi ve Ticaret A.Ş.)	
Nameplate production capacity	Maximum output stipulated by manufacturer
Silopi Elektrik Üretim A.Ş.	Silopi Electricity Production Inc.
Sisecam Chemicals Resources	Sisecam Chemicals Resources LLC
Soda ash	Sodium carbonate. Mainly used as a flux in the production of glass, lowering the melting point of silica
The Group	We Soda Ltd and its subsidiaries
Trona	The raw material which is refined into soda ash. Soda ash, in turn, is used to make glass, paper products, laundry detergents, and many other products. It also is used in the manufacturing of other chemicals, such as sodium bicarbonate (baking soda) and sodium phosphates (detergents).