WE Soda Ltd

WE Soda provides further detail on the expected financial effect of the transition of its Wyoming operations to solution mining

Further to its announcement of 4 November 2026 regarding the transition of its mining operations at its Westvaco facility near Green River, Wyoming, from dry ore underground mining to solution mining, WE Soda Ltd ("WE Soda") is today providing further detail on the expected financial effect of the transition on its United States ("US") operations, so that all stakeholders are able to assess that effect at the same time.

As noted in its earlier release, this change is necessary to secure the long-term future of the company's Wyoming operations in response to the significant impact which low-cost Chinese soda ash exports have had on the pricing of American soda ash in export markets.

Earnings and capital expenditure

The financial benefits of the transition are expected to begin immediately, with the majority of the benefit expected in 2027.

In 2027, the transition is expected to increase Adjusted EBITDA from WE Soda's US operations by approximately $80 million compared with continuing dry ore underground mining, with further improvement as the transition completes.

Annual maintenance capital expenditure in the US is expected to fall from a historic average of approximately $75 million to approximately $30 million.

The cost of the transition

The total cost of effecting the transition is expected to be approximately $100 million over the next two years, comprising approximately $60 million of transition capital expenditure and approximately $40 million of one-off restructuring costs.

Funding

The transition is expected to be funded from US operating cash flow.

Basis of preparation

The figures above are internal estimates prepared by WE Soda in good faith on the basis of its current business plan which the company expects to be realised. They measure the expected effect of the transition against the alternative of continuing dry ore underground mining. They are not a forecast of WE Soda's results for 2027. They assume a reduction in Wyoming production by over 1.5 million metric tonnes per year, with a corresponding reduction in export sales that are no longer commercially viable, no material change in market conditions, costs or prices from current levels, and that the transition is completed in line with the plan announced on 4 November 2026.

2027 will be a year of transition, with lower volumes and the one-off costs described above. WE Soda will provide a further update with its third quarter results on 25 November 2026.

Forward-looking statements - Risks and uncertainties

This release contains forward-looking statements within the meaning of U.S. and other applicable securities laws, including statements regarding our US operations' Adjusted EBITDA, maintenance capital expenditure, operating cash flow, operating performance, transition from dry ore underground mining to solution mining, one-off transition expenses and capital expenditures. Forward-looking statements may be identified by words such as "believe," "expect," "anticipate," "intend," "plan," "aim," "target," "estimate," "project," "forecast," "guidance," "outlook," "seek," "continue," "potential," "may," "will," "could," "would," "should" and similar words or expressions, or their negative forms. The absence of such words does not mean that a statement is not forward-looking.

Forward-looking statements are based on current expectations, assumptions, estimates and projections and are not guarantees of future performance. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, that may cause our actual results, performance, achievements, financial condition, liquidity or industry developments to differ materially from those expressed or implied by such forward-looking statements.

A number of factors could cause the actual effect of the transition to differ from the estimates above. These include further deterioration in soda ash prices in the markets WE Soda serves, including from additional low-cost Chinese export capacity; the outcome of commercial negotiations, including agreements relating to port income included in the 2027 estimate which have not yet been concluded; the treatment and timing of lease obligations, including chartered vessels and railcar leases, where the final amounts depend on the timing of lease cancellations; rail and other freight costs; and the operational execution and timing of the transition itself, including the point at which the sesquicarbonate plant is able to run on brine solution alone. Other important factors that could cause actual results to differ materially include, among others, the risks and uncertainties described in the risk section of our latest Annual Report, and any subsequent reports, filings or other materials made available by WE Soda or on our behalf. These written materials contain additional cautionary language regarding forward-looking statements and should be read carefully.

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About WE Soda

WE Soda is a leader in industrial minerals, one of the largest producers of soda ash globally and a leading producer of sodium bicarbonate and its related specialty products. Our purpose is to responsibly produce essential ingredients for a sustainable future, and sustainability is integrated into everything we do. We produce soda ash with the lowest CO2e emissions intensity within our industry and we believe that we have the lowest impact on nature and the environment. Solution mining is the lowest cost method of producing soda ash, and it supports our position as a producer of natural soda ash with low carbon emissions, low water usage and low waste. For more information please visit www.wesoda.com.