

Alumina Limited

2023 Full-Year Results

27 February 2024

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Mike Ferraro

Managing Director and Chief Executive Officer



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This release has been approved and authorised for release by Mike Ferraro, Chief Executive Officer

Proposed Transaction with Alcoa*



- Non-binding, indicative and conditional proposal from Alcoa Corporation to acquire Alumina for scrip consideration of 0.02854 shares of Alcoa common stock for each Alumina share
 - Implies a 13.1% premium to the share price of Alumina on 23 February 2024 and a 19.5% premium based on the average exchange ratio over the last 12 months
 - Alcoa to establish secondary listing in Australia, via CHESS Depository Interests
- The proposal follows earlier indicative proposals from Alcoa and a period of mutual due diligence and negotiation
- Alumina has granted Alcoa 20 business days of exclusivity for the parties to negotiate and execute definitive transaction documentation
- Subject to entry into definitive transaction documentation, Alumina's Independent Non-executive Directors and its Managing Director and CEO intend to recommend that shareholders vote in favour of the proposal, subject to customary qualifications
- Alumina and Alcoa shareholder approval will be required, along with the satisfaction of other typical conditions and regulatory approvals
- Alcoa has entered into a conditional share sale agreement with Allan Gray Australia giving it the right to acquire up to 19.9% of Alumina shares
- Alumina shareholders do not need to take any action in relation to the proposal. There is no certainty that the proposal will result in a binding offer for Alumina.

* Refer to Alumina Limited Announcement on 26th February 2024

Proposed Transaction with Alcoa

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(1) Based on the current undiluted shares on issue of 2,901,681,417 for Alumina and 179,550,294 for Alcoa.
On a fully diluted share basis, Alumina shareholders would own 31.25% of the merged entity

2023 Full-Year Results



Disappointing Financial Performance

- Net Loss after tax \$92 m excluding significant items (2022: NPAT \$109m)
- No dividends announced

Pro-active Business Response

- WA mine plan approvals
- Kwinana curtailment to commence in 2Q 2024
- Actions taken at San Ciprian
- Focus on profitability improvement



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API Averaged \$343/t in 2023, Down 5% Y-o-Y

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Source: S&P Global Commodity Insights, IRESS, February 2024

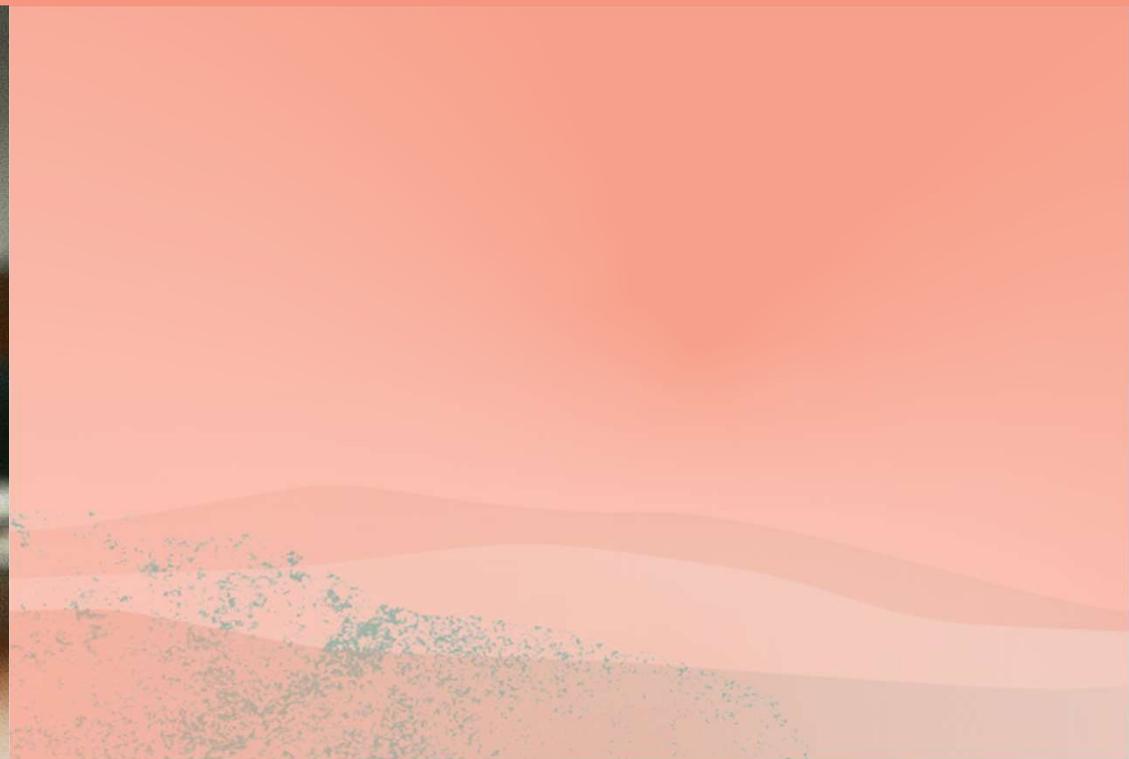
Galina Kraeva

Chief Financial Officer

ALUMINA
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AWAC

2023 Full-Year results



2023 AWAC Full-Year Results



Financials

\$165M
EBITDA

2022:
\$817M

Alumina

\$352/t
Alumina Realised Price

2022: \$371/t

Aluminium and Bauxite

\$2,369/t
Aluminium Realised Price

2022: \$2,884/t

\$(10M)
CFO

2022: \$482M

10.3Mt@ \$308/t
Production/Cash Cost

2022: 11.8Mt@ \$304/t

7.6Mt
Bauxite 3rd Party Shipments

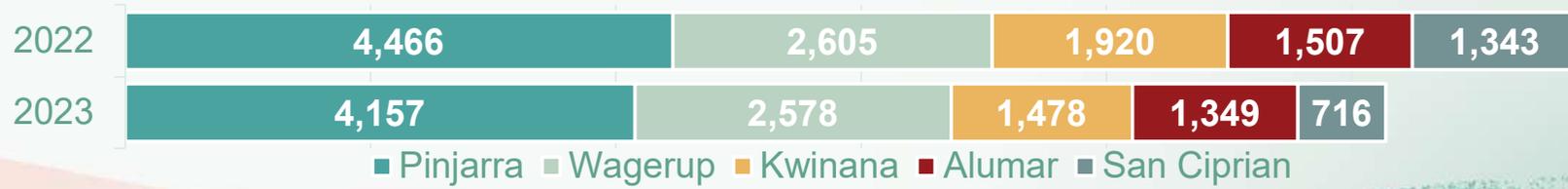
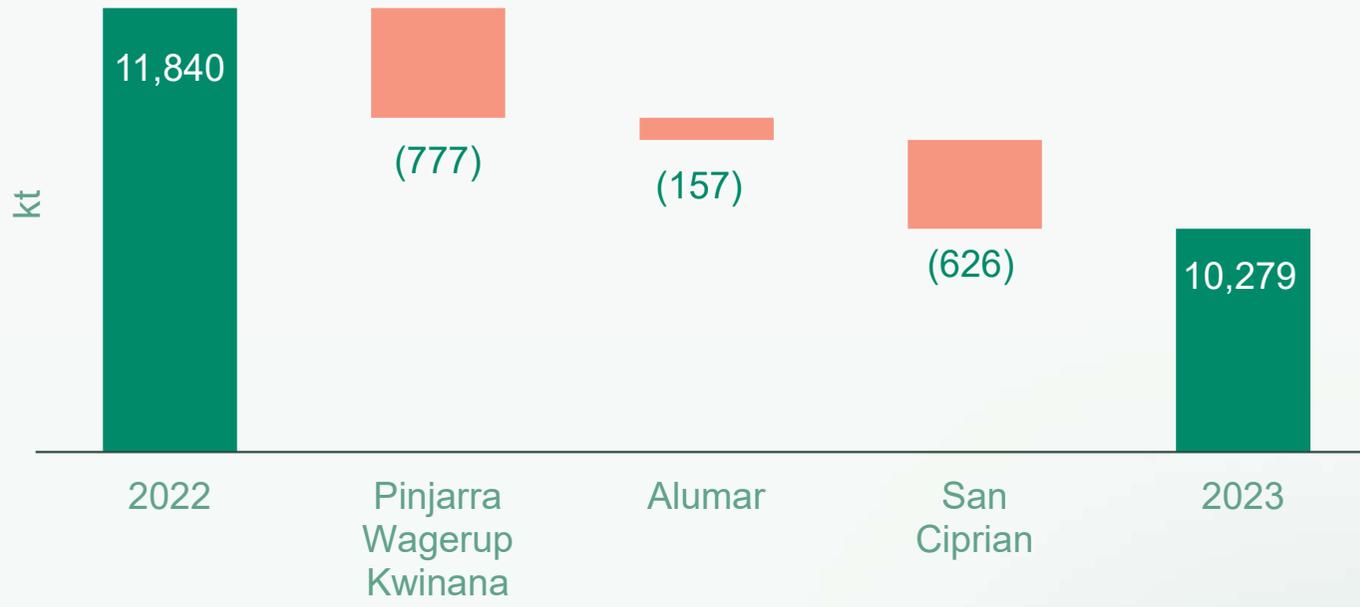
2022: 3.5Mt

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AWAC Alumina Production



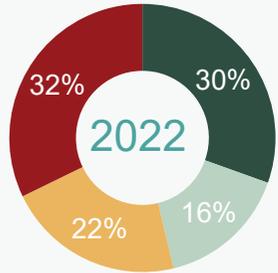
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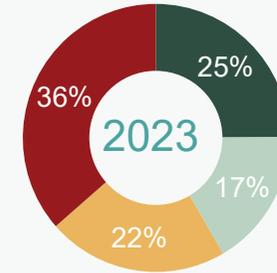
2023 AWAC Alumina Cash Cost



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- Energy
- Caustic
- Bauxite
- Conversion



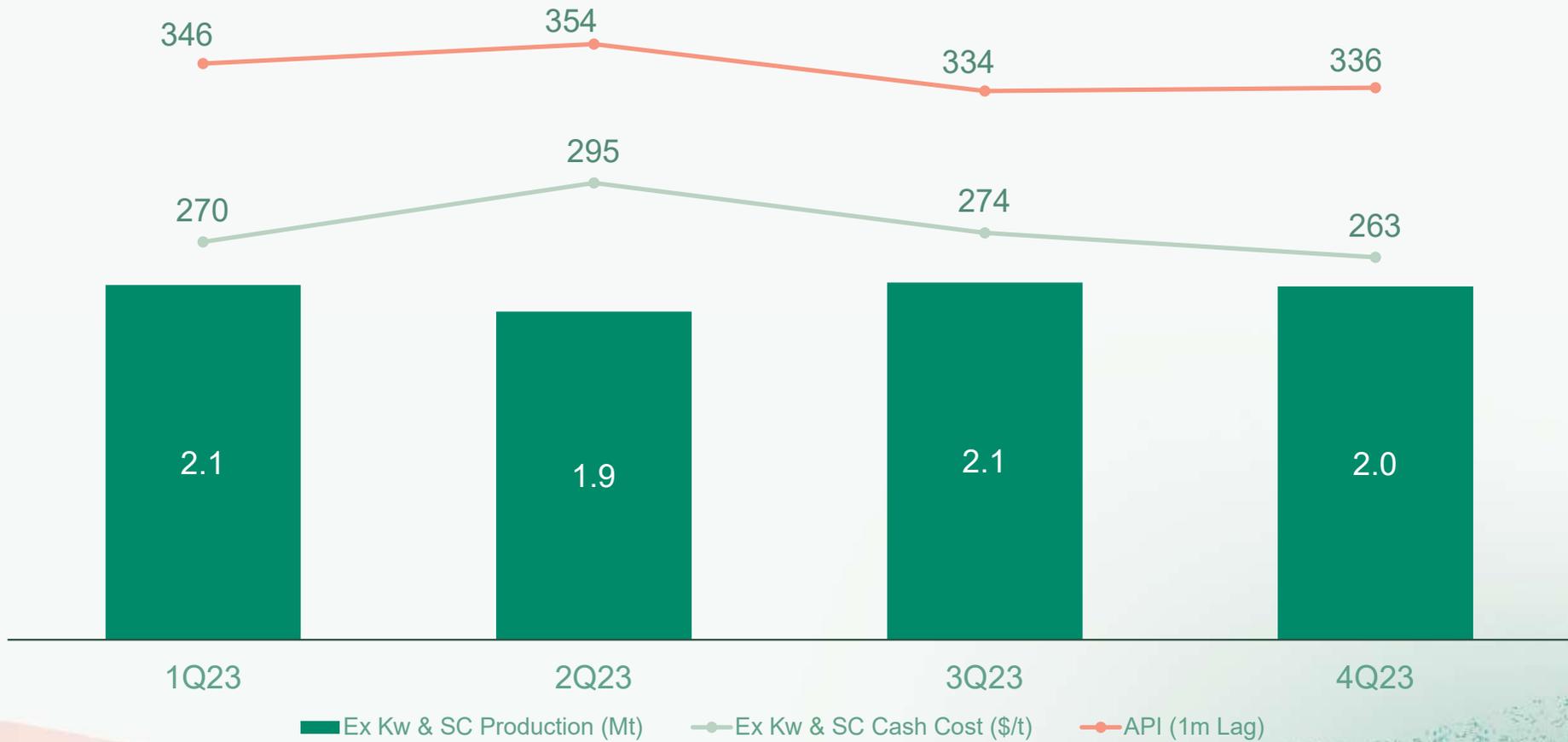
- Energy
- Caustic
- Bauxite
- Conversion



*Conversion includes employee costs, indirect costs, insurance & taxes and direct materials other than caustic and bx

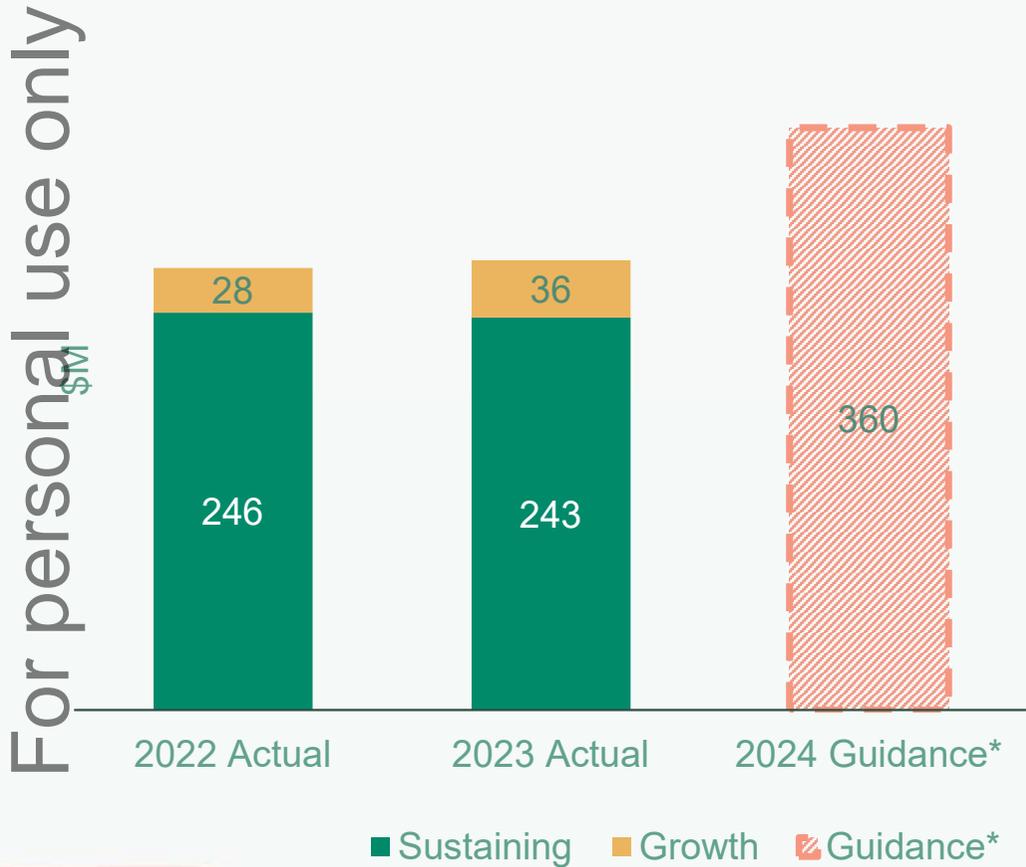
Impact of Portfolio Actions

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Source: API - S&P Global Commodity Insights, Alumina analysis, February 2024

AWAC Capital Expenditure and Significant Projects



CAPEX 2023

- Tailings and residue storage areas
- Debottlenecking at Alumar

CAPEX 2024 Forecast

- Tailings and residue storage areas
- Huntly mine move preliminary stage
- Debottlenecking at Alumar
- Cost saving initiatives in Brazil
- Kwinana water treatment

*As per Alcoa market guidance at 4Q2023 announcement

2024 Full-Year AWAC Outlook

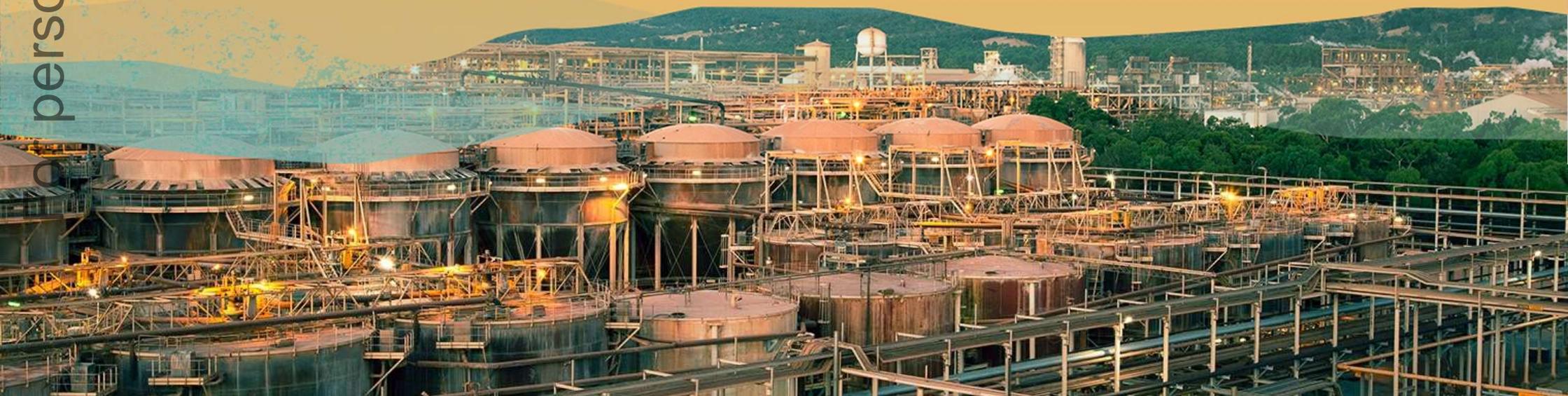


Production/Shipments	2023 Actual	2024 Outlook	Change
Alumina Production (Mt)	10.3	~9.4	↓ 0.9
Alumina Shipments (Mt)	12.4	~12.4 - 12.7	↑ 0 - 0.3
Aluminium Production (kt)	156	~161	↑ 5
Bauxite 3 rd Party Shipments– Bone Dry Tonnes (M bdt)	7.6	7.0	↓ 0.6

Cash Items(\$M)	2023 Actual	2024 Outlook	Change
Kwinana Curtailment Costs	-	~130	↑ 130
Environmental, ARO & Other Restructuring Related Items	126	~160	↑ 34
Tax Payments Related to Prior Year	110	-	↓ 110

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Alumina Limited
2023 Full-Year Results

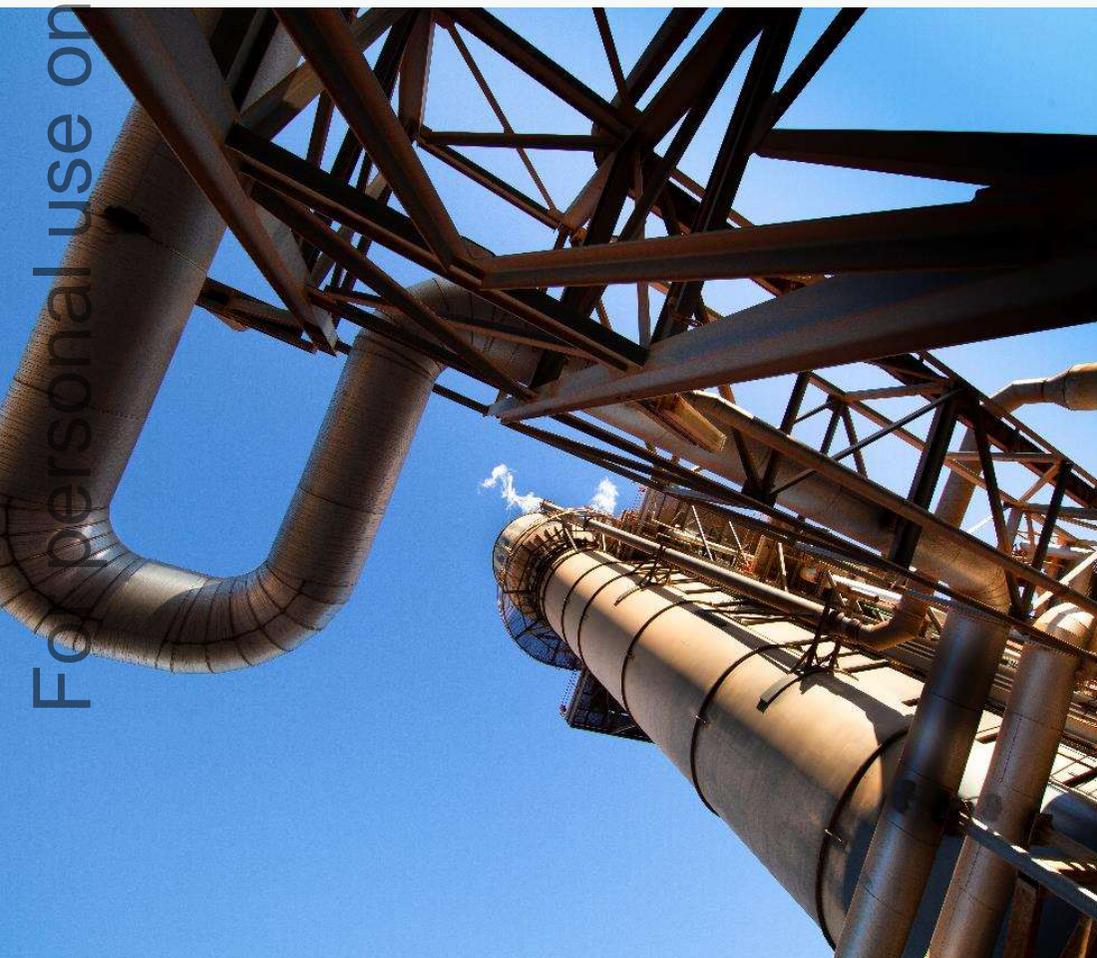


Alumina Limited

2023 Full-Year Results



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- NLAT
\$(150M)
NPAT 2022: \$104M
- NLAT excl significant items
\$(92M)
NPAT excl significant 2022: \$109M
- Syndicated credit facility limit: \$500m
- Net debt
\$(294M)
2022: \$(106M)

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AWAC's 2023 ESG Highlights



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Environment		Social	
<p>Impoundments Commitment to conform with industry standards, i.e. GISTM</p>	<p>GHG emissions Reduced 2022 absolute greenhouse gas emissions by 47% from a 2010 baseline</p>	<p>Safety No fatalities and one serious injury at AWAC operating facilities</p>	<p>SP360 Implemented Alcoa's Social Management System</p>
<p>IAI GHG Initiative Alumina Limited is a signatory to IAI's GHG Initiative</p>	Governance		
	<p>Strategic Materials List The Australian Government classified aluminium as a Strategic Material</p>	<p>ASI certification Achieved ASI Performance Standard for Portland smelter and CBG mine</p>	

GISTM - Global Industry Standard on Tailings Management; Alcoa's social performance management system, called SP360; IAI - International Aluminium Institute; ASI - Aluminium Stewardship Initiative
 CBG mine is not operated by AWAC

Western Australia Future Mining Commitments

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Enhancing protection for **drinking water**, including no mining within 1km of public drinking water reservoirs



Increasing **transparency** by publishing the five-year mine plan



Reducing impacts on **forests**, including capping clearing at 800 ha p.a. and increasing current **rehabilitation** rates



Increasing **community** certainty, modernising **approvals** and protecting **cultural heritage**

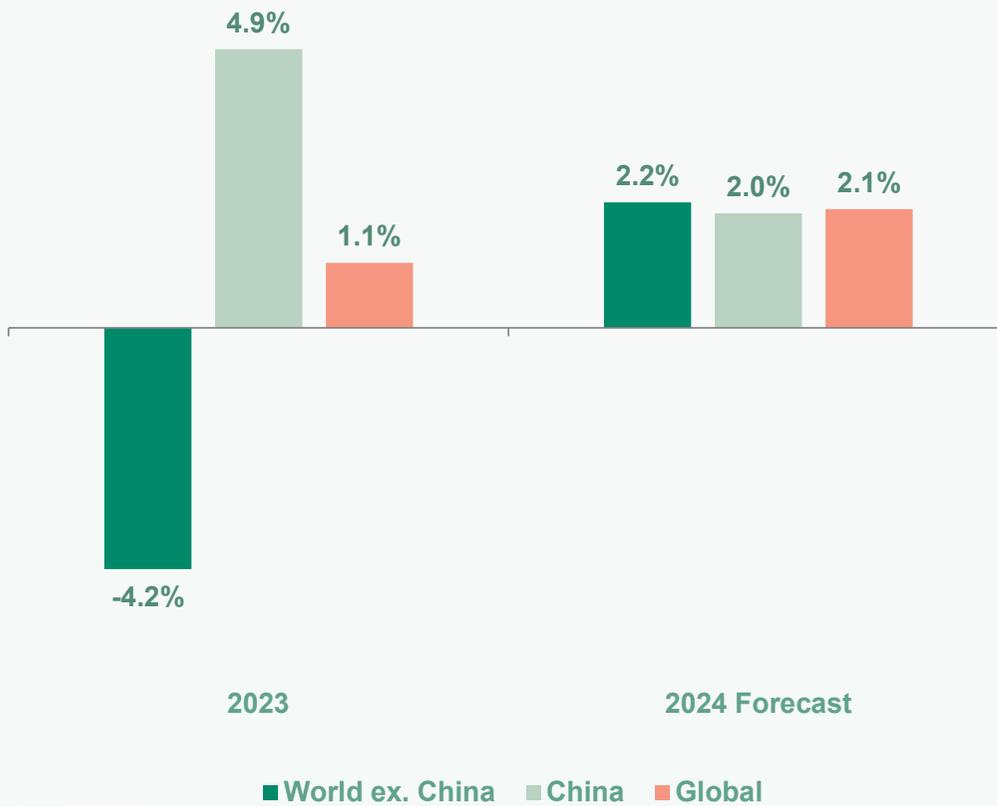
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Market Review and Outlook

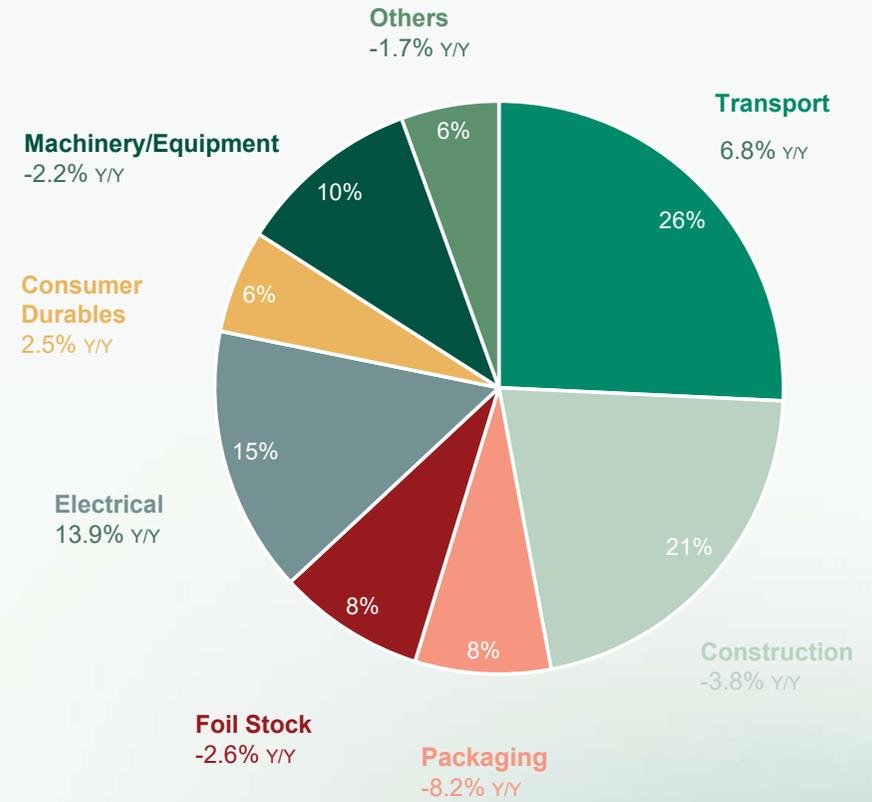


Global Aluminium Demand Flat in 2023

Primary aluminium consumption, y/y change



2023 global aluminium consumption* by sector



*Aluminium consumption refers to the consumption of semi finished products.

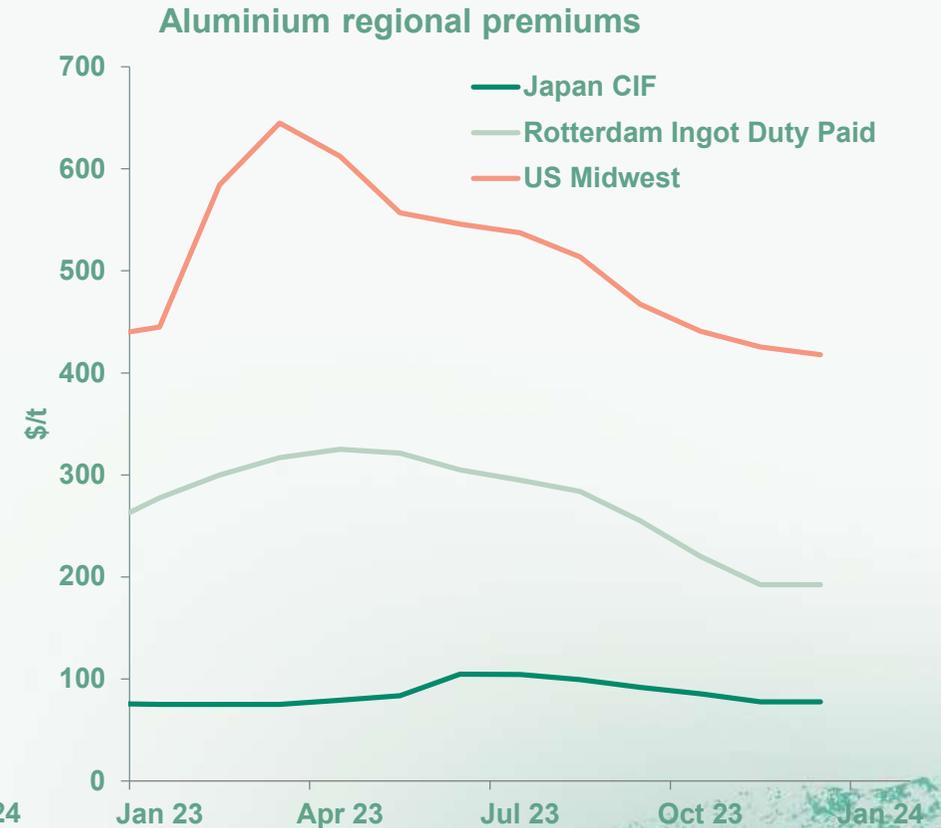
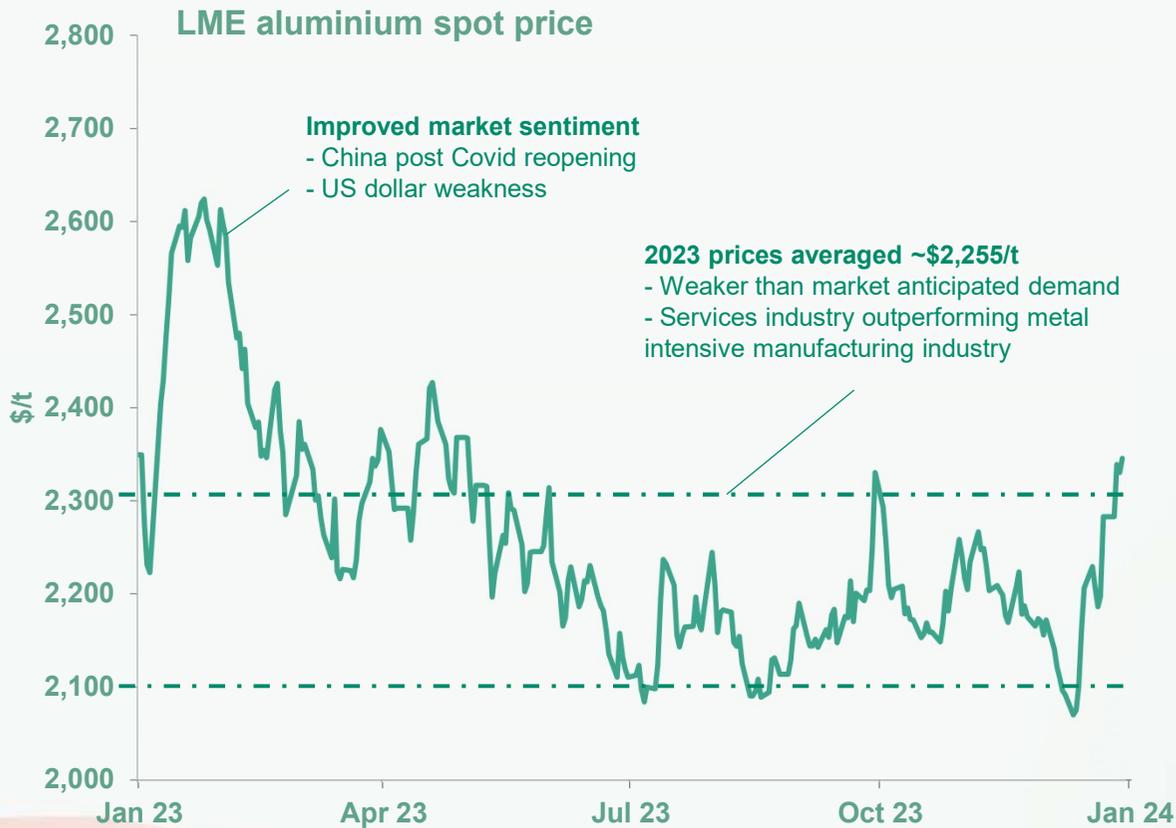
Source: CRU, February 2024

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LME Prices Rallied Early in 2023 before Retracing and Trading Sideways



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Note: US Midwest premium has been converted from ϕ /lb to $\$/t$

Source: IRESS, CRU, February 2024

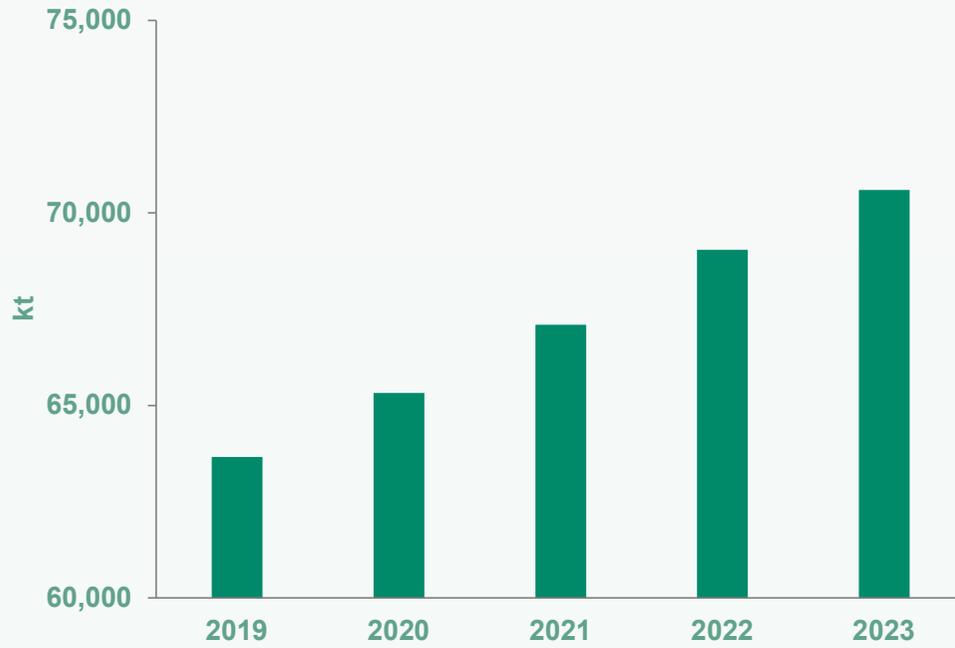
Strong Demand for Alumina as Primary Aluminium Production Grew

Global SGA Market was Tightly Balanced in 2023

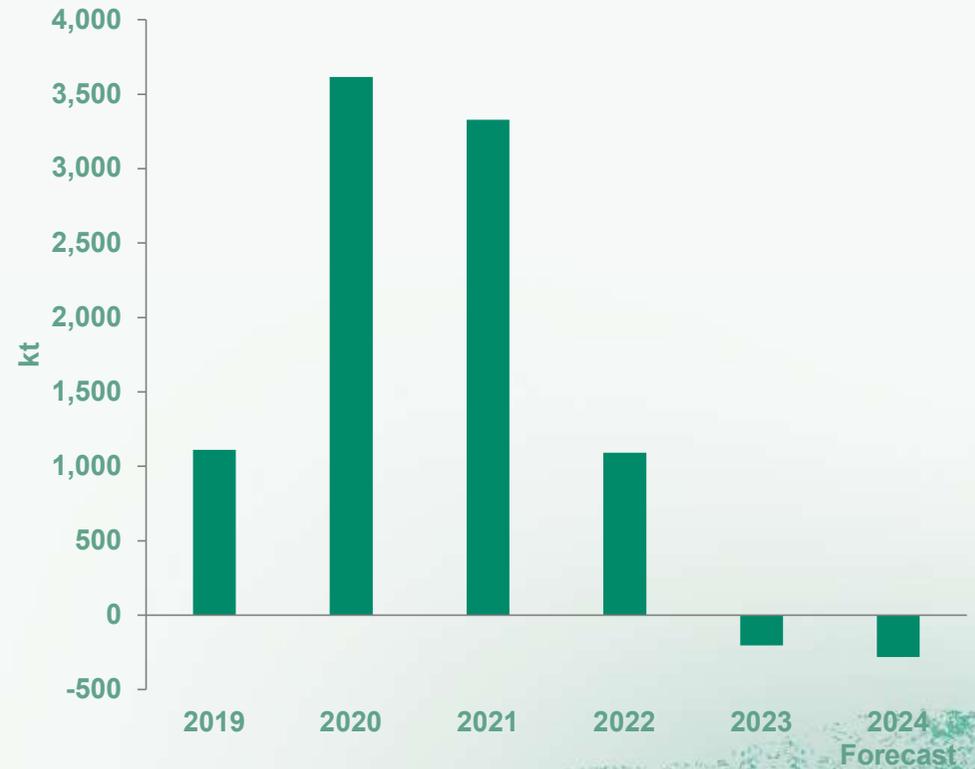


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Global primary aluminium production



RoW SGA balance



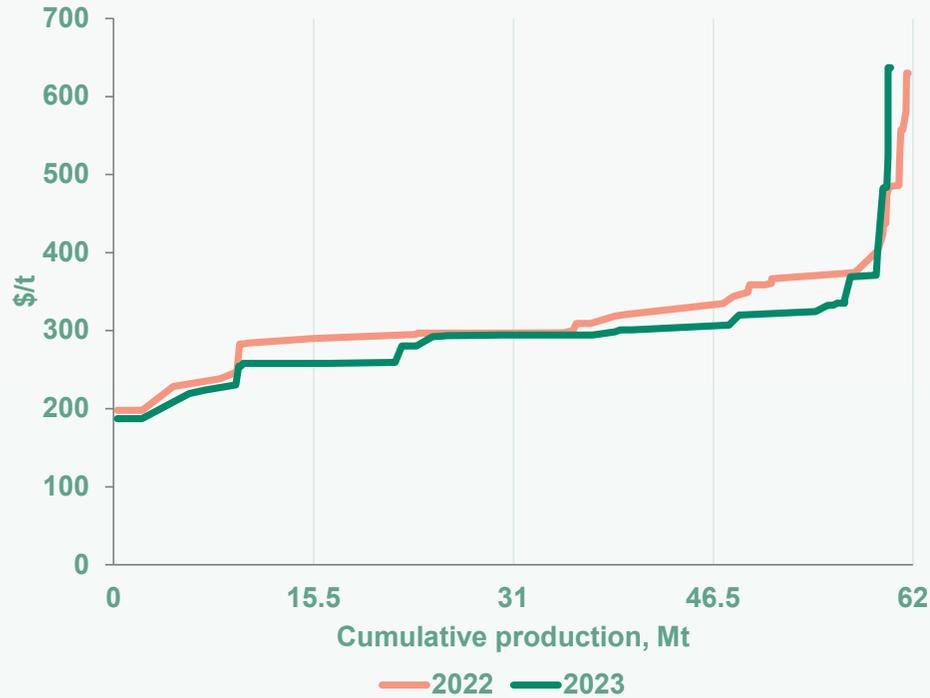
Source: IAI, Alumina Limited analysis, February 2024

Average Alumina Production Costs for RoW & China both Fell by 8% Y-o-Y

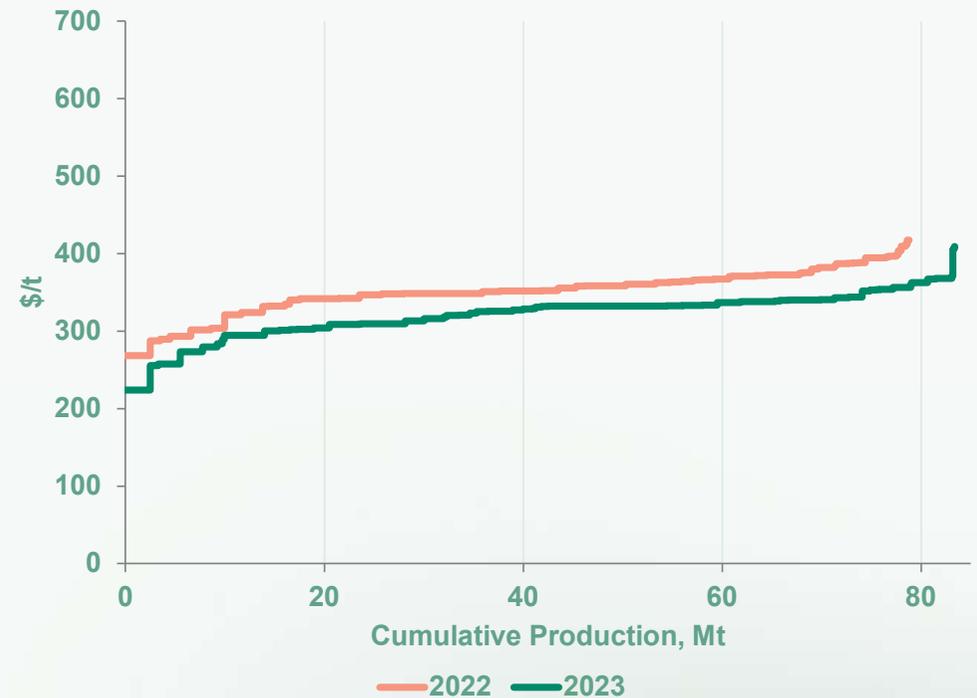


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ROW cost curve



China cost curve



RoW	Average costs, \$/t
2022	314
2023	288

China	Average costs, \$/t
2022	350
2023	320

Source: CRU – site cost

Source: CM Group – Cash Cost

AWAC Summary and Market Outlook



AWAC Highlights

- WA mine plan approvals
- Curtailment at Kwinana
- Actions taken at San Ciprian
- Focus on profitability improvement

Market Outlook

- Tight alumina market
- Limited near term growth in committed alumina capacity outside China
- Sensitive to further supply disruptions
- Moderate recovery in aluminium demand in 2024



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Appendix



AWAC Sensitivities

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Item		2024 Sensitivities	
EBITDA Sensitivities	API +/- \$10/t		Approx. +/- \$90M
	Caustic +/- \$10/dmt		Approx. +/- \$8-9M
	AUD/USD +/- 1c ¹		Approx. +/- \$25M
	USD/BRL +/- 10¢		Approx. +/- \$5-6M

¹Upon full curtailment of the Kwinana refinery, sensitivities will be adjusted for AUD

Bauxite Production



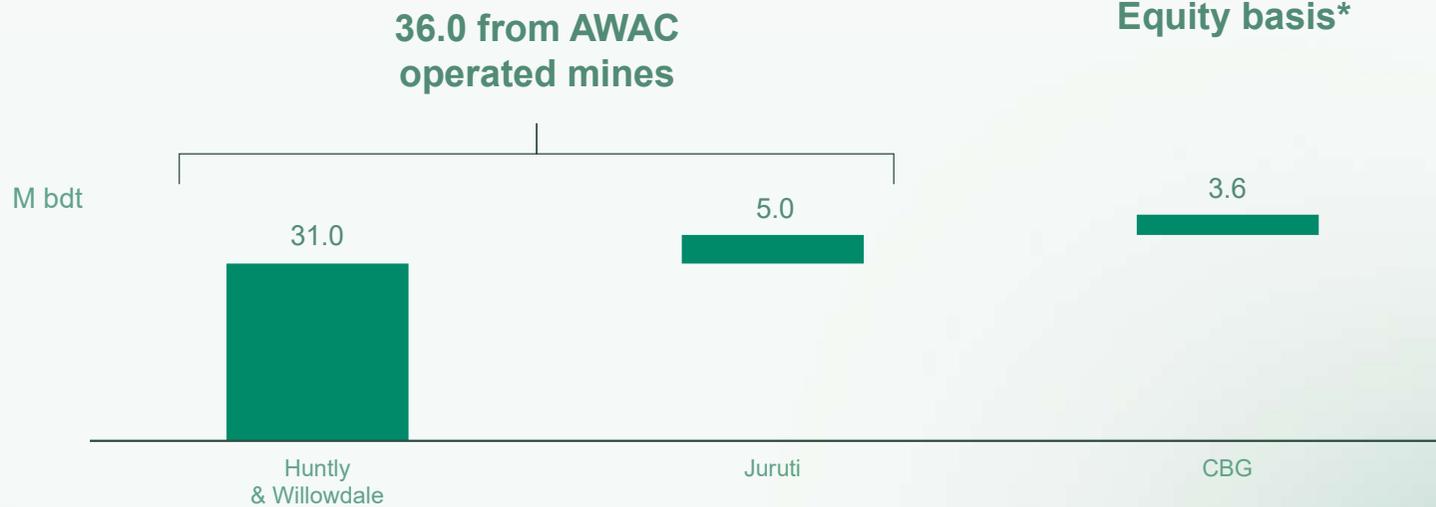
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Third Party Shipments

2023: 7.6M bdt
2022: 3.5M bdt

Cash Cost of Mining

2023: \$12.9/bdt
(2022: \$12.9/bdt)



*The sale of AWAC share of MRN was completed in April 2022

AWAC Significant Items (\$US million)



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Net (Loss) Profit after Tax	\$(317.8)	<u>Significant Items:</u>	EBITDA	\$164.5
	\$13.0	Change in fair value of energy Contracts		\$13.0
	\$104.0	Valuation allowance on Brazil DTA		-
	\$28.5	Other		\$32.0
Net (Loss) Profit after Tax Excluding Significant Items	\$(172.3)		EBITDA Excluding Significant Items	\$209.5

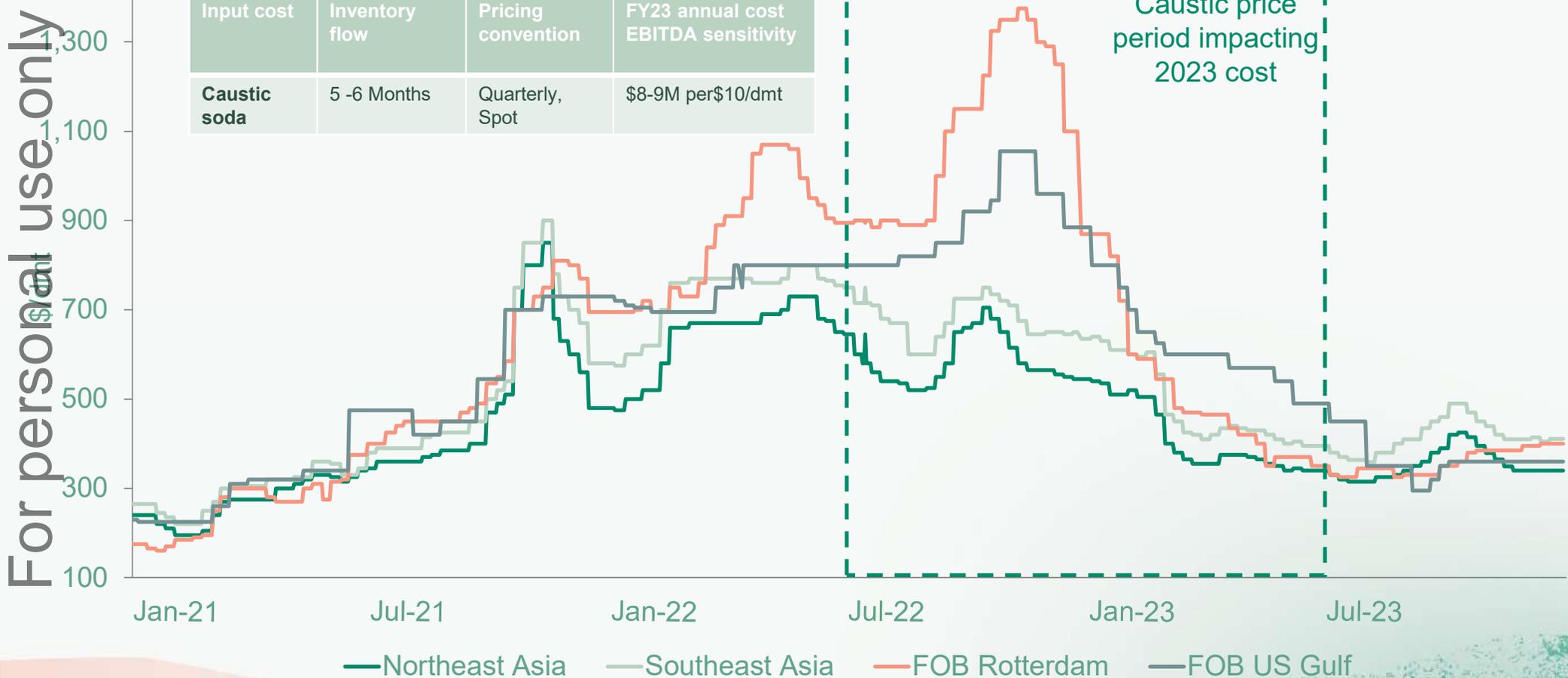
Alumina Limited Significant Items (\$US million)



Net Profit after Tax	\$(150.1)
Significant Items:	
Change in fair value of energy Contracts	\$5.2
Valuation allowance on Brazil deferred tax asset	\$41.6
Other	\$11.4
Net Profit after Tax Excluding Significant Items	\$(91.9)

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Caustic Soda Prices



Source: S&P Global Commodity Insights, January 2024

European Gas Prices

MIBGAS

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Source: Bloomberg, January 2024

AWAC Alumina Realised Price



Realised Price and API (1m lag)

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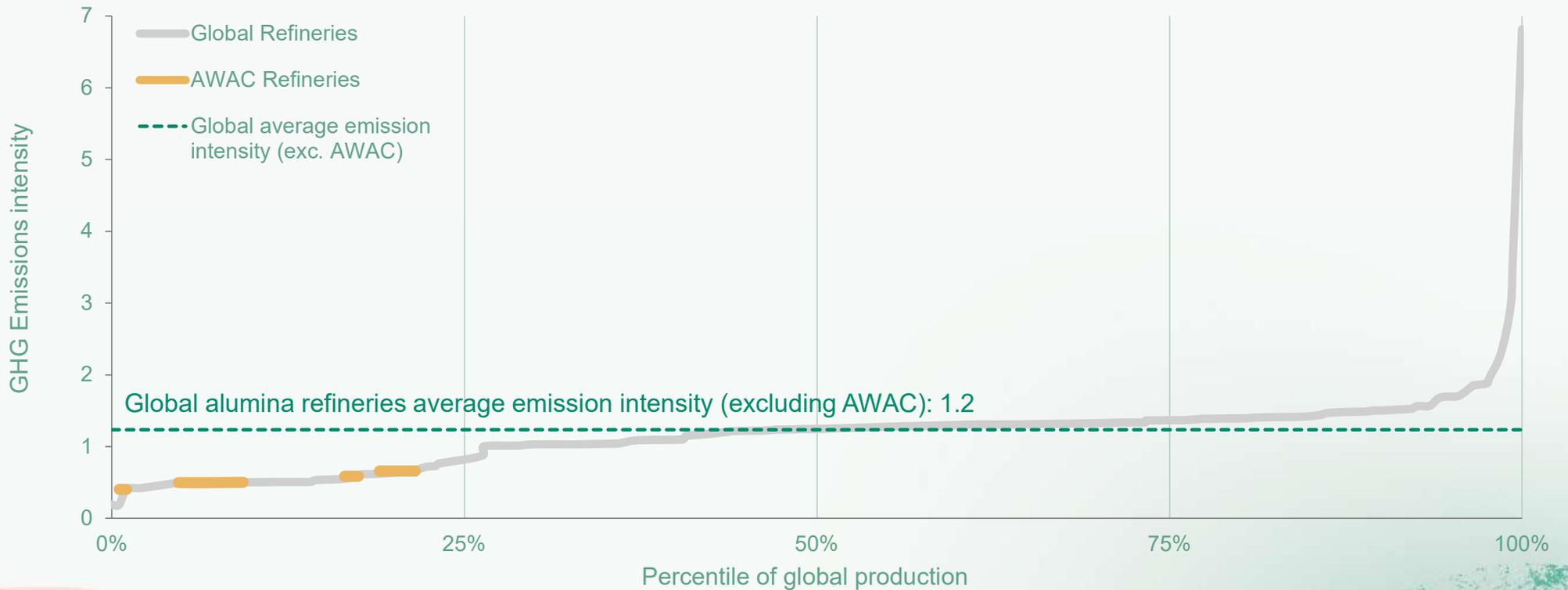
Source: API - S&P Global Commodity Insights, Alumina analysis, February 2024

Global Alumina Refineries Emissions Intensity Curve¹



AWAC's Alumina Refineries: 0.510²

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1. Tonne of CO₂e per tonne of production

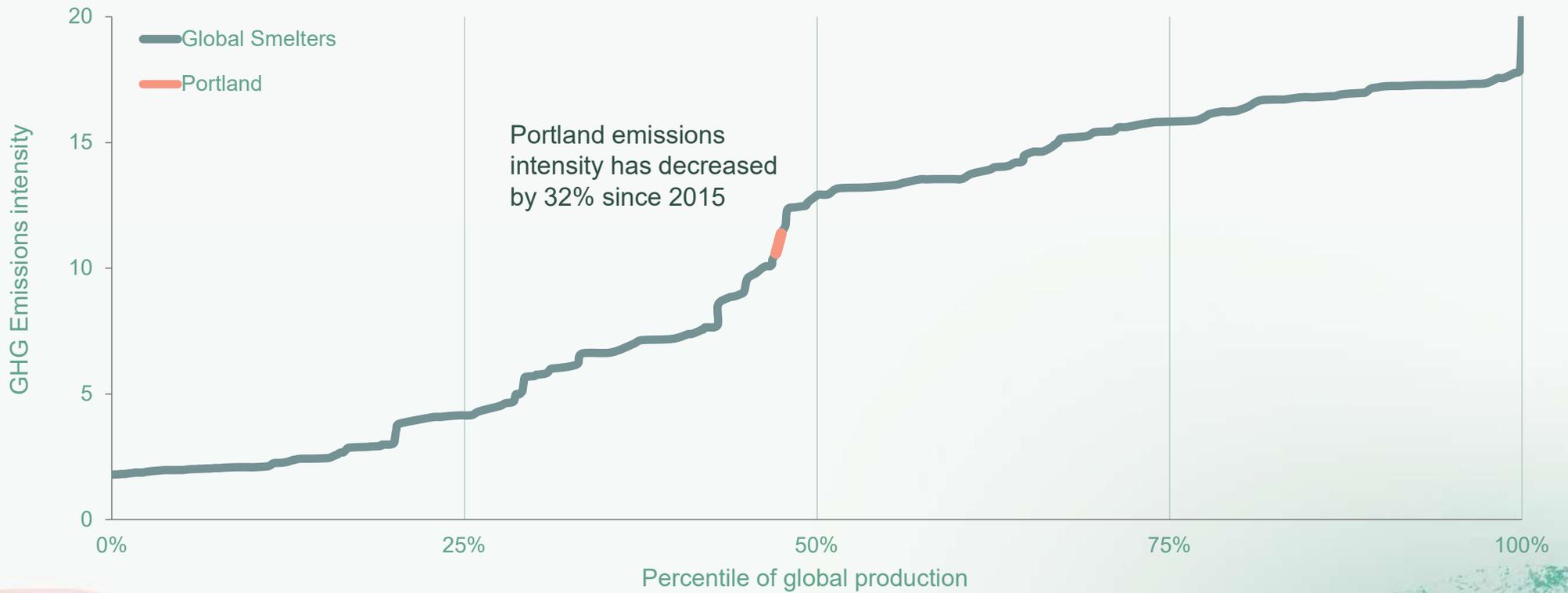
2. AWAC alumina refineries emission intensity in 2022 including Kwinana. Excluding Kwinana, emissions intensity would be 0.486

Source: CRU, January 2024

Global Aluminium Smelters Emissions Intensity Curve¹

Portland Smelter: 12.91²

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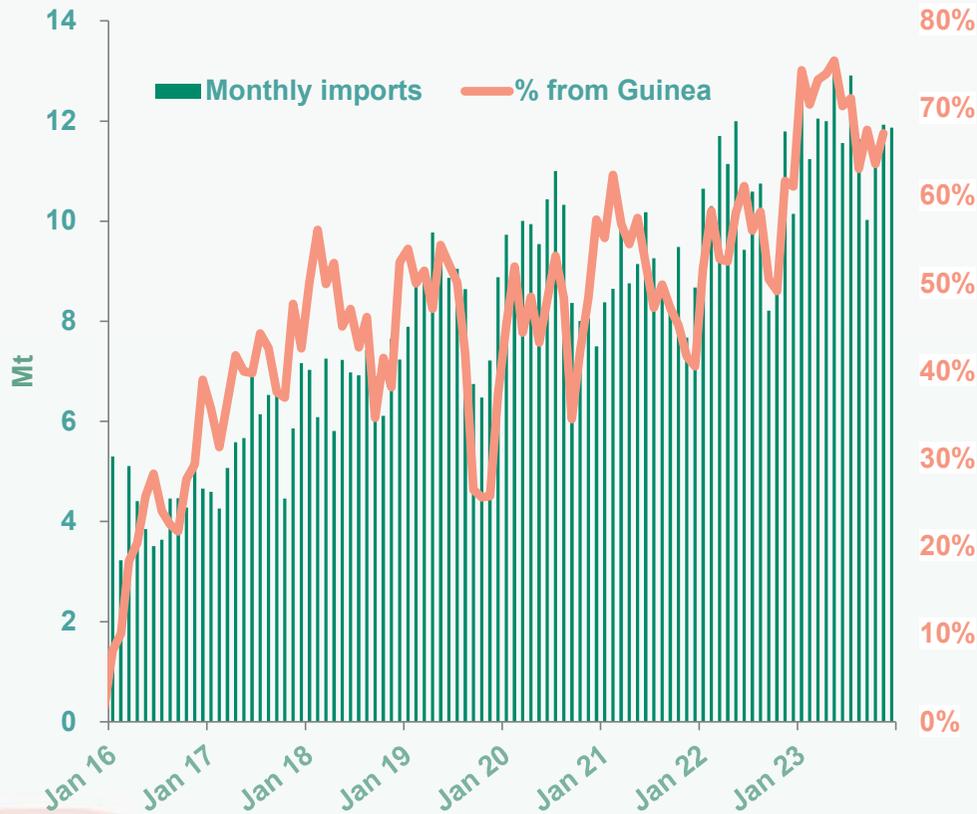
- 1. Tonne of CO₂e per tonne of production
- 2. Portland smelter emission intensity in 2022

Source: AWAC; CRU, January 2024

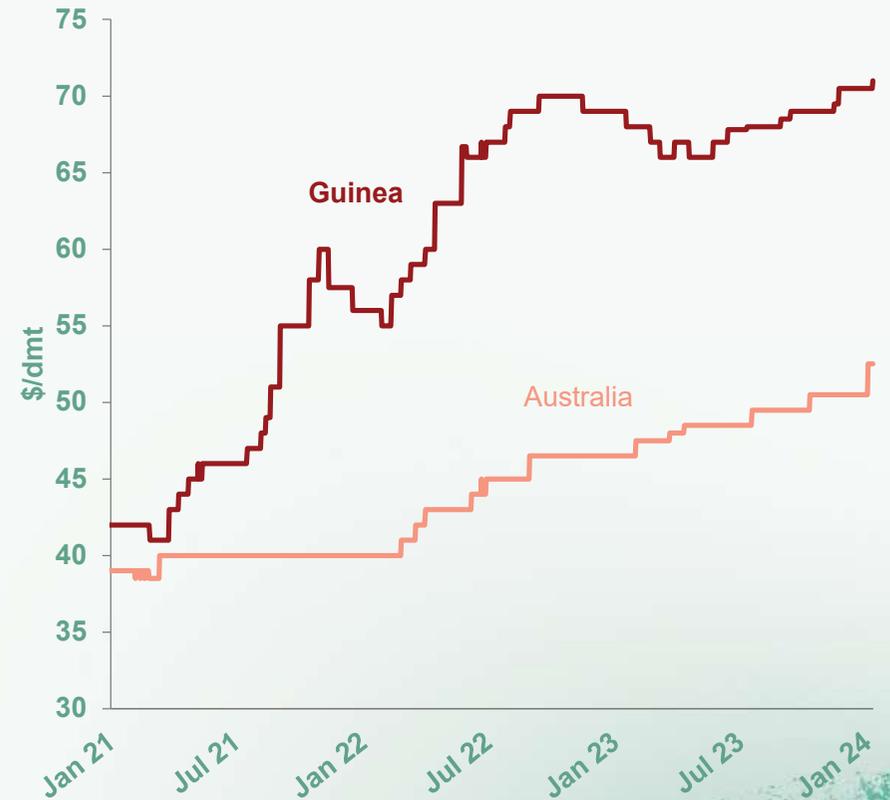
China's Dependence on Guinea Supports Bauxite Prices

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China bauxite imports



Bauxite prices (CIF China)



Source: China Customs, Mysteel, CM Group, February 2024

Limited Alumina Capacity Expansions outside China in the Near Term



COMMITTED PRIMARY ALUMINIUM CAPACITY EXPANSIONS				
COUNTRY	PRODUCER	CAPACITY (ktpy)	PROJECT TYPE	First Metal
Indonesia	Huaqing Aluminum	500	Greenfield	2023-2024
India	Vedanta (Balco)	430	Brownfield	2024-2025
Indonesia	Adaro Energy	500	Greenfield	2025-2026
Indonesia	Nanshan	500	Greenfield	2025-2026
Colombia	Galtco	540	Greenfield	2025-2026
Canada	Rio Tinto	160	Brownfield	2026-2027

COMMITTED ALUMINA CAPACITY EXPANSIONS				
COUNTRY	PRODUCER	CAPACITY (ktpy)	PROJECT TYPE	EXPECTED START YEAR
India	Vedanta	3,000	Brownfield	2024
Indonesia	Antam	1,000	Greenfield	2026

Source: Harbor - aluminium data, CRU - alumina data, February 2024

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27 February 2024

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