

2 December 2022

## Kwinana Upgrade Project Update

Adbri Limited ("Adbri" or "the Company"), provides the following update regarding its Kwinana Upgrade Project ("the Project").

The Project will consolidate Adbri's two existing cement production sites into a single operation serving the Western Australian market. It will utilise the latest technologies in cement production and is expected to deliver a lower carbon footprint product compared to the existing operations. Upon completion, the Project will also significantly improve our clinker material handling process and when fully commissioned, reduce heavy vehicle movements in our WA operations.

Following the appointment of Interim CEO Mark Irwin on 17 October, Adbri accelerated its review of the Project and engaged an expert engineering firm to undertake an external review. The initial findings have identified that the Project cost is being impacted by a range of factors, including the escalating cost of construction in WA and constraint on available labour.

To date, Adbri has invested approximately \$94 million in the Project. While the review is ongoing and the extent of further capital spend is subject to the review's conclusions following further analysis, preliminary findings indicate that the remaining spend to project completion under the current scope is now likely to be in the range of \$170 to \$200 million.

Based on initial findings, a more comprehensive analysis is now underway. Adbri is examining a range of options for the Project to optimise value, including re-scoping and cost mitigation, as well as alternatives to further improve the synergies with Adbri's existing operations and logistics network. This is consistent with the Company's capital management strategy which includes capital recycling from non-core assets.

Adbri expects the review of the Project to be complete by early 2023.

-ENDS-

Authorised for release by the Board.

### For further information please contact:

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