

ASX Announcement

25 May 2022

Chairman's and CEO's Speeches – 2022 AGM

Attached are the Chairman's and Chief Executive Officers' speeches delivered at the 2022 Annual General Meeting of the Company held today.

This ASX announcement was approved and authorised for release by Mike Ferraro, Chief Executive Officer.

About AWAC & Alcoa's Earnings Release

Alumina Limited owns 40% of each of the AWAC entities, which form a part of the Alcoa bauxite & alumina business segments. The Alcoa aluminium business segment includes the AWAC Portland smelting operations. Any closed operations are included in Transformation & legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release. Further, unlike Alumina Limited, Alcoa reports under US GAAP. All figures displayed are in US dollars unless otherwise shown.

Forward-looking statements

Neither Alumina Limited nor any other person warrants or guarantees the future performance of Alumina Limited or any return on any investment made in Alumina Limited securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina Limited's future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina Limited and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina Limited's Annual Report 2021. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina Limited disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.



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Good afternoon ladies and gentlemen.

I am John Bevan, a non-executive Director of Alumina Limited. Unfortunately, Peter Day, the Company's Chair, has COVID and is unable to attend the meeting today. I know Peter is very disappointed at being unable to attend.

I will be acting as the Chair of Alumina Limited for today's Annual General Meeting of the Company. This is the 20th AGM of the Company since its demerger from Western Mining in 2002.

Acknowledgement of Country

I would like to acknowledge the traditional owners of the land on which we stand, the Wurundjeri Woi-Wurrung people, and pay respect to their Elders, past, present and emerging. I also pay my respects to Aboriginal Elders of other communities who may be present.

I will briefly discuss some housekeeping matters before moving on to the business of the meeting.

In the unlikely event that evacuation of the Auditorium is required, Mr Joe D'Angelo, who is in charge of security for the meeting, will give directions and the meeting will be adjourned. We would follow Mr D'Angelo's directions for an orderly evacuation of the Auditorium to the pre-determined evacuation point. The Emergency Assembly Area is Outside the National Gallery of Victoria unless otherwise broadcast over the public address system.

I welcome shareholders who have joined the meeting physically.

The opportunity to ask questions in writing online via the virtual platform provided by Computershare and verbally through the webcast facility has been made available to shareholders.

Before formally beginning the meeting, I would like to introduce you to my fellow directors.

On my far left is Shirley In't Veld, a non-executive Director and the Chair of the Compensation Committee.

Next to Shirley is Deborah O'Toole, a non-executive Director and Chair of the Audit and Risk Management Committee.

Next to Deb is Mike Ferraro, our Chief Executive Officer.

On my immediate left is Stephen Foster, Alumina's General Counsel and Company Secretary.

Mr Chen Zeng, a non-executive director; who is currently located in Hong Kong and is joining us by phone. (Chen, could you please confirm you are able to hear us...). Chen is standing for reelection today and I will ask Chen to address the meeting regarding his election.

The Company's Interim Chief Financial Officer, Galina Kraeva, and Group Executive of Strategy and Business Development, Andrew Wood are seated to my left in the front row.

The Company's auditor, Price Waterhouse-Coopers, is represented by Mr. John O'Donoghue who is also present.

Mr O'Donoghue is available to answer any questions regarding the conduct of the audit and the content and preparation of the Audit Report.

A quorum of members is present and I now declare the meeting open.

The Notice of Meeting has been circulated and I will take it as read.

As previously notified to the ASX, all resolutions today will be decided on a poll, based on proxies that were submitted before the meeting.

The proxies received for today's meeting are held by the Company Secretary.

We have received proxies representing approximately 2.1 billion shares or 74 percent of the Company's issued shares.

Votes cast in person today will of course be tallied with proxies to arrive at the final outcome advised to the ASX.

The first item on the agenda of the meeting is to receive and consider the financial statements.

No resolution or vote is required on the financial statements.

I will deal with this item first.

I will then ask Mike Ferraro, our Chief Executive Officer, to address shareholders.

Then I will open the meeting for questions before dealing with each of the agenda items.

Results

Now let's turn our attention to the 2021 year. I should note, all references to currency in my and Mike's presentations are in US dollars.

The Company reported a net profit of 188 million dollars for 2021. This was a good result given the market volatility during the year. The AWAC business continued to maintain its low-cost position in 2021.

Mike will discuss the Company's results further in his presentation.

Dividends

In terms of dividends, 2021 was a year of continuing solid returns to shareholders. The total full year, fully franked dividend was 6.2 US cents per share. Your Company has now provided an average dividend yield to shareholders of 7.3 percent over the last five years and that is before the benefit of franking credits.

The Company has received net dividends from AWAC of 141 million dollars year to date, including 25.7 million dollars in May 2022.

Capital Management

- Our net debt level at the end of 2021 was 56 million dollars and we currently have a net cash position, consistent with the low and prudent debt levels we have maintained in recent years.

The Global Focus on Commodities

Now I'd like to conduct a fresh and contemporary analysis of our company, Alumina Limited, and its core business, the AWAC joint venture. I will outline some important themes which have emerged over recent years but until now have gone relatively unacknowledged.

I'm doing this in the context of a significantly sharper global focus on "commodities". The impact of the pandemic, the emerging spectre of inflation, the uncertainties suddenly overwhelming the post-Ukraine war global order and the realization everywhere that de-carbonisation is both imminent and daunting – all these factors have thrown the spotlight on the demand, availability and costs of commodities.

The world and investment markets are no longer taking commodities for granted and this is something we have not seen for many years.

So, it's important right now to place a spotlight on the fundamentals of our business and to ensure they are understood. Investment markets are beginning to price and value commodities in the light of new uncertainties. It follows that first-in-class commodity producing businesses like ours need to acknowledge the irreplaceable nature of our assets.

Alumina Limited Today

Alumina Limited is a globally unique, listed, pure-play alumina company with significant exposure to index-based alumina pricing. There is nothing like this company anywhere in the global aluminium production chain. We have no debt to speak of. We have a focused interest in alumina production, relatively undiluted by smelting and completely undiluted by interests in other commodities.

For many years our industry was challenged by what seemed to be the inexorable growth of Chinese production. This has now paused, if not plateaued, and alumina refining worldwide is expected to change in response to de-carbonization. In this new world, sunk capital and established operations are highly valuable.

Alumina's markets

Now I will turn to our markets. The global alumina market is highly attractive and over recent years index pricing has made it even more attractive because this accurately and quickly reflects global supply and demand fundamentals. Foremost among these fundamentals are the special characteristics of alumina in that unlike aluminium it cannot be stored and must be sold and consumed relatively quickly – it deteriorates otherwise. In addition, the customers that consume alumina are smelters which cannot flex their production volumes easily. You cannot turn aluminium pot lines on and off except at huge expense.

As a result, AWAC's lowest cost quartile competitiveness is highly leveraged to the upside and defensive against the downside.

Let me explain. Many hardened resource sector observers will translate AWAC's innate competitiveness into the classical mining language of resilience through the cycle.

The language of resilience is correct but insufficient. AWAC is more than just resilient through the cycle. When alumina markets turn, and prices rise – and they do so frequently - AWAC margins expand significantly, resulting in extraordinary cash flows.

Being relatively inelastic, we are seeing that alumina markets quickly price in global disruptions. We are resilient and profitable when the market is calm. But we are perfectly

positioned to receive the benefits of the volatility caused by more frequent, consistent periods of market disruption.

The net result of these factors is that Alumina Limited is a highly attractive investment for shareholders which consistently pays market leading dividends. This reflects the strong cash generation of AWAC's assets, the impact of our markets, together with favourable joint venture agreements that legislate the speedy flow of cash directly to AWAC's joint venture partners.

Alumina's assets

I referred earlier that in this world of heightened focus on commodities it is incumbent on us to acknowledge the irreplaceable nature of our assets in the light of our enviable positions in global markets. Let me do so now.

AWAC's global leadership stems from two dimensions of quality that have underpinned decades of top performance:

First, as I've detailed, AWAC's alumina assets are on average in the lowest quartile on the cost curve allowing it to generate profits through the cycle. Secondly, AWAC alumina assets are lowest quartile of emissions intensity of all major producers.

The global alumina market provides attractive returns for low-cost producers such as AWAC. As Mike will further explain, it is now commonplace for the global alumina market to turbocharge the returns of its most competitive suppliers such as AWAC.

At the root of it all is AWAC's energy position in WA, a foundation of cost and emissions competitiveness, and a highly strategic long term gas resource in times of changing energy markets. AWAC's Australian refineries combine this energy position with proximity to long life bauxite resources – there is hardly anything like this combination in the industry.

ESG

Western Australia's natural gas currently contributes to AWAC having one of the lowest carbon emission averages in the industry. Gas could continue to serve AWAC's Darling Ranges refineries for many years, but AWAC is concurrently looking at ways to transition to renewable energy, thus reducing its carbon footprint.

Your Directors and Management continue to have regular conversations with stakeholders about the importance of climate change, amongst other issues. In October last year, Alumina Limited revised its climate change position statement to announce that it will strive for AWAC to reduce its scope one and two emissions to net zero by 2050.

AWAC's decarbonisation strategy for its refineries revolves around two potential technologies: Mechanical Vapour Recompression (MVR), and Electric Calcination. MVR

would see a series of renewable powered compressors retrofitted to a refinery using renewable energy to recompress waste vapour into steam - which is then recirculated to the beginning of the digestion process. Electric Calcination would utilise renewable electricity to generate the 1,000 degrees Celsius required to dry the alumina hydrate.

The focus for this decade will be investing in R&D for these technologies to seek to prove that they are operationally viable, as well as commercial. A key catalyst for these projects will be renewable generation inputs, but we remain conscious that any energy solution needs to be reliable, affordable, and sustainable.

Australia has world leading solar and wind generation values, but sufficient renewable generation inputs required for technologies such as MVR and EC have not yet been built where our assets are located. We are not wedded to a particular type of clean energy.

Large electricity consumers such as AWAC's Portland smelter may also be able to play a role in grid stability through demand response. Portland has significantly reduced its carbon footprint over the past decade. With the help of more green electricity generated in Victoria, it's energy profile may be such that it consumes 40% to 50% renewable electricity by 2030.

Aluminium can be part of a sustainable virtuous circle, whereby aluminium can be used in components of solar panels, wind farms and transmission, all of which facilitate the transition to lower emission energy.

Conclusion

In conclusion, I believe the Company is well positioned as commodity and energy markets continue to change. Your Board and management are committed to working with Alcoa so that AWAC continues to provide long term value to its stakeholders.

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