ALUMINA
LIMITED

ASX Announcement *28 March 2024*

Alumina Limited 2023 Annual Report

Attached, is a copy of Alumina Limited's Annual Report 2023 that will be issued to shareholders.

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

KATHERINE KLOEDEN
COMPANY SECRETARY

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ALUMINA
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Annual Report 2023

CONTENTS

01 About Alumina Limited
02 Focused investment in AWAC
04 Chairman and CEO Report
06 Sustainability
08 Directors' Report
  18 *Operating and Financial Review*
  42 *Remuneration Report*
66 Financial Report
97 Directors' Declaration
98 Independent Auditor's Report
104 Financial History

ABOUT

Alumina Limited

Alumina Limited has a unique investment in some of the world's highest quality alumina assets

The Annual Report is presented in US dollars, unless otherwise specified.

Alumina Limited is the 40% partner in the AWAC joint venture with a portfolio of assets in Australia, Brazil, Spain, Saudi Arabia and Guinea, including globally leading bauxite mines and alumina refineries. Alumina Limited is an Australian company listed on the Australian Securities Exchange (ASX) and trades on the OTC Market in the US. AWAC also has a 55 per cent interest in the Portland aluminium smelter in Victoria, Australia.

AWAC's joint venture partner and operator is Alcoa Corporation. The AWAC joint venture was formed in 1994 and our relationship with Alcoa dates back to the early 1960s when Western Mining Corporation (now called Alumina Limited) began to explore bauxite deposits and other resources in the Darling Ranges of Western Australia. Alcoa Inc. was invited to join the project to provide technology, aluminium expertise and finance.

Over the following years the venture grew to include refineries and smelter interests as the partners sought to take opportunities to expand the business. By 1990, WMC Limited's interests in Alcoa of Australia had grown through acquiring the interests of other minority participants, other than Alcoa.

WMC Limited and Alcoa Inc. combined their respective bauxite, alumina and alumina-based chemicals businesses and investments and some selected smelting operations to create Alcoa World Alumina and Chemicals (AWAC) in January 1995. Alumina Limited was created on 11 December 2002 when WMC Limited's alumina assets were demerged from the nickel, copper and fertiliser businesses.

AT A GLANCE

Focused investment in AWAC

In 2023 Alumina Limited posted a net loss after tax of $150.1 million compared to a net profit after tax of $104.0 million in 2022.

Excluding significant items, net loss after tax would have been $91.9 million dollars (2022: $109.3 million net profit after tax). The Company did not declare a dividend in respect of the 2023 year.

Alumina Limited Results

$150.1M

2023 net loss after tax
2022: $104.0 million net profit after tax

$159.1M

2023 net cash contributions to AWAC
2022: $166.5 million net distributions

Nil

2023 dividends declared
2022: 4.2¢ per share

$294.3M

2023 net debt
2022: $106.2 million

AWAC Results (USGAAP)

$317.8M

2023 net loss after tax

2022: $301.1 million net profit after tax

$(9.9)M

2023 AWAC cash from operations

2022: $481.5 million

$352 PER TONNE

2023 realised Alumina price

2022: $371 per tonne

$209.5M

2023 AWAC EBITDA excl significant items

2022: $814.6 million

AWAC's EBITDA for 2023 was $164.5 million (2022: $817.1 million) and excluding significant items would have been $209.5 million (2022: $814.6 million). The decrease in AWAC's 2023 net profit is principally attributable to reduced alumina production and higher cash costs of production.

In 2023, alumina prices were tightly range bound, with a maximum of between $371 per tonne and a minimum of $325 per tonne for Platts WA FOB. The average Platts WA FOB was $343 per tonne (2022: $362 per tonne). The average realised alumina price was $352 per tonne in 2023, a decrease of 5.1% relative to 2022.

AWAC's cash cost of alumina production increased by 1.3% to $308 per tonne. Key factors driving this were lower bauxite grade, higher caustic prices and conversion costs.

The margin[1] was $44 per tonne of alumina (2022: $67 per tonne).

1. Calculated as average realised price less cash cost of production.

Chairman and CEO Report

2023 was a highly challenging year for our company. Accordingly, we took steps to weather the storm and we supported the hard decisions necessary to turnaround AWAC's performance.

Safety

In 2023 there were no fatalities and AWAC has maintained fatality free operations since 2017. There was one serious injury and AWAC is continuing to focus on improving its performance, including in relation to issues such as chemical burns which have been challenging for AWAC and the industry more generally.

Weathering the storm

AWAC's alumina production of 10.3 million tonnes in 2023 was a decline of 1.5 million tonnes compared to the previous year. This was a result of a controlled reduction in Kwinana production due to a shortage of gas, the processing of lower grade bauxite in Western Australia, San Ciprian operating at around 50% capacity due to high natural gas prices and conveyor failure at the port in Alumar.

Alumina Limited was required to make $159.1 million net contributions to AWAC entities during the year (2022: net receipts $166.5 million dollars), disappointingly resulting in insufficient free cash flow to facilitate a dividend payment to shareholders.

We were, however, well placed to weather the storm. In June, 2023 we renegotiated our existing bank facility, increasing our total facility limit from $350 million to $500 million. As of 31 December 2023, our net debt was $294.3 million with maturities ranging from October 2025 to June 2027.

Transitioning approval processes – Western Australia

In December 2023, we were pleased to announce that the Western Australian government had granted Alcoa of Australia approval for its 2023-2027 Mining and Management Program (MMP), in respect of the Huntly and Willowdale bauxite mines.

Subsequently, the government also granted an exemption to allow AWAC to continue its mining operations while the WA Environmental Protection Authority (EPA) assesses the MMP. This resolved a significant level of uncertainty which had cast a shadow over the Company for much of 2023.

Under the approvals, AWAC agreed to a range of conditions addressing key environmental factors that include the protection of drinking water and biodiversity along with accelerated forest rehabilitation. These commitments provide significantly enhanced environmental protections, allowing a transition to a more contemporary process for future mining areas. AWAC continues to progress approvals for its next major mine regions (Myara North and Holyoak) through the contemporary WA EPA process, with the highest level Public Environmental Review being applied.

Improving the portfolio for the future

The focus now for AWAC and our Company is continuing to take action to improve our portfolio.

In December 2023, Alcoa announced that actions are being undertaken to further reduce losses in relation to the San Ciprian refinery. This work continues, including ongoing discussions with workers unions and relevant government agencies.

On 9 January 2024, Alcoa of Australia made the difficult decision to fully curtail the Kwinana Alumina Refinery in Western Australia. Kwinana had been the foundation stone for AWAC's operations in Western Australia since it was commissioned in 1963.

Through this time Kwinana, provided valuable feedstock for AWAC's Point Henry and Portland Smelters, as well as other third-party customers. It had a nameplate capacity of 2.2 million tonnes of alumina, and throughout its lifetime had produced approximately 95 million tonnes of alumina, which would equate to roughly 47.5 million tonnes of aluminium, or approximately 3,393 billion beer cans.

Unfortunately, a combination of age, scale, maintenance and bauxite grades had increased its costs of production to an uneconomic and unsustainable level.

We thank all those who worked at Kwinana and acknowledge their dedication and service to AWAC over the years.

Board updates

On 15 January 2024, we were pleased to welcome Alistair Field to the Board. Mr Field brings extensive operational experience and commercial acumen and his appointment was an important step in the Board's succession and renewal plan.

Robust markets

Aluminium remains vital in a decarbonised world. An example of this is that in December 2023, the Australian Government released a new Strategic Materials List[1] which includes aluminium, among other materials, as an essential commodity for the world's clean energy technologies, such as solar, batteries and electric vehicles, and electrical transmission.

In 2023, the alumina market was relatively tight, with alumina prices, ranging between $325 and $371 per tonne for Platts WA FOB. In the first half, alumina prices increased as a result of curtailed Kwinana production, however prices then decreased in response to weaker aluminium demand. In the second half of the year, prices increased due to increased demand from Chinese smelters, bauxite supply concerns in Guinea and supply disruptions in China. We expect the market to remain tight in 2024. No new RoW greenfield metallurgical alumina project is expected in 2024. Brownfield expansions and production ramp-ups are likely to be somewhat offset by supply disruptions in Australia. With steady demand growth from primary aluminium smelters, RoW metallurgical alumina market in 2024 is forecast to be in further deficit compared to 2023.

The Alcoa Offer

Shareholders will be aware that Alumina has entered into a scheme implementation deed with Alcoa Corporation in relation to a proposal for Alcoa to acquire Alumina. Under the terms of the deed, eligible Alumina shareholders will be entitled to receive Alcoa common stock in the form of ASX-listed Alcoa CHESS Depositary Interests (CDIs).

Alcoa has agreed to establish a foreign exempt listing on the Australian Securities Exchange (ASX), which would enable Alumina shareholders to trade shares of Alcoa common stock via CDIs on the ASX, in the same way they would normally trade ASX-listed Alumina shares.

Further information about the proposal is set out in Alumina's ASX release of 12 March 2024 and the Alumina website at **www.aluminalimited.com/alcoa-offer/**.

The Board has considered the proposal in great detail and is working towards an outcome that is most beneficial to Alumina shareholders.

W Peter Day
Chairman

Mike Ferraro
Chief Executive Officer

1. Strategic Material List identifies important minerals for the global transition to net zero and priority technologies, for which Australia has geological potential, in demand from strategic international partners, but which are not at risk of supply chain disruptions.

Sustainability

ESG Investor Briefing

In 2023 Alumina Limited held its third annual ESG Investor Briefing (available on the Company's website), focussing on key current and emerging ESG matters for Alumina Limited and AWAC, including biodiversity and rehabilitation, energy and emissions intensity, water management and modern slavery/human rights.

The ESG Briefing highlighted AWAC's unique concentration of low-cost and low emissions refineries with AWAC emissions intensity metrics continuing to improve.

The ESG Briefing also provided an update on impoundment management. Impoundment management has been a key focus of the Board of Alumina Limited for a number of years. The Company understands the seriousness of the joint venture operating large scale residue storages areas and the importance of safety and meeting standards. Alcoa, as an ICMM member, voluntarily committed to conform to the Global Industry Standard on Tailings Management (GISTM). As part of this commitment, all AWAC tailings' dams with a consequence category rating of 'Very high' or 'Extreme' were compliant by August 2023. This was an important achievement for the joint venture, with the remaining facilities due to be in conformance by August 2025.

Modernising processes and practices – Western Australia

Engagement with relevant government agencies on mine plan and related approvals was a key focus for AWAC during 2023. Alumina Limited provided regular updates on progress, including at its 2023 Half-Year Results. Alumina Limited announced on 14 December 2023 that the Western Australian Government had made decisions allowing AWAC to continue bauxite mining and downstream alumina refining in WA, with AWAC committing to a range of conditions addressing key environmental factors including the protection of drinking water and biodiversity along with accelerated forest rehabilitation.

Safeguard mechanism

In July 2023, The Australian Government implemented its reforms to the Safeguard Mechanism. The key aspect of the reforms is to require large industrial "Safeguard Facilities" to keep direct greenhouse gas emissions at or below baselines in line with Australia's climate targets of 43% below 2005 levels by 2030 and net zero by 2050. Safeguard Facilities are required to reduce their emissions in a manner known as the "hybrid model".

Whilst all AWAC's Australian facilities (except the Willowdale mine) are captured within the policy, AWAC's alumina refineries are all below industry average, having the lowest emissions intensity in Australia. As a result, the policy is expected to have minimal impact on AWAC's operations.

The upcoming curtailment of the Kwinana refinery will further reduce AWAC's emissions.

Aluminium Stewardship Initiative (ASI)

In 2023, the Portland smelter and CBG mine (non-AWAC operated) both received ASI certification. The ASI works together with producers, users and stakeholders in the aluminium value chain to collaboratively foster responsible production, sourcing and stewardship of aluminium. All nine of AWAC's operating locations are now certified to the ASI Performance Standard.

IAI Greenhouse Gas Initiative

The International Aluminium Institute (IAI) launched a new initiative to transparently and publicly track the ambition and progress of its member companies' greenhouse gas emission reductions.

By signing up to IAI's initiative in December 2023, Alumina Limited demonstrated its commitment to continue to focus on transparency and reporting of its emissions whilst striving to achieve its net zero by 2050 ambition.

This commitment aligns with Alumina Limited's own goals and emphasises that the aluminium industry as a whole understands the importance of transparency and continuing to take meaningful actions to achieve global climate targets.

Directors' Report

The Directors present their report on the consolidated entity consisting of Alumina Limited (the **Company**) and the entities it controlled at the end of, or during, the year ended 31 December 2023 (the **Group**).

Board of Directors

Unless otherwise indicated, the following persons were Directors of the Company during the whole of the financial year and up to the date of this report.

Mr W Peter Day

Chairman and Independent
Non-Executive Director

Qualifications

LLB (Hons), MBA, FCA, FCPA, FAICD

Responsibilities

Mr Day was appointed as a Director of the Company on 1 January 2014 and was appointed Chairman of the Board on 1 April 2018. He is a member of the Nomination, Compensation and Audit & Risk Management Committees and Chair of the Sustainability Committee.

Relevant other directorships

Mr Day is currently Non-Executive Chairman of Australian Unity Investment Real Estate (appointed September 2015), and a former Director of: Ansell (August 2007-August 2021), Boart Longyear (February 2014-September 2017), Federation Centres (October 2009-February 2014), Orbital Corporation (August 2007-February 2014) and SAI Global (August 2008-December 2016).

Career

Mr Day brings extensive experience in the resource, finance and manufacturing sectors, having held a number of senior positions with Bonlac Foods, Rio Tinto, CRA, Comalco and the Australian Securities and Investments Commission. He is a former Chief Financial Officer (CFO) of Amcor. He also supports initiatives in health and disability services, and mentoring.

Mr Chen Zeng

Non-Executive Director

Qualifications

MIF

Responsibilities

Mr Zeng was appointed as a director of the Company on 15 March 2013. He is a member of the Nomination, Compensation, Sustainability and Audit and Risk Management Committees (appointed 7 August 2014).

Relevant other directorships

Mr Zeng is the Chairman and President of CITIC Pacific Limited, the Chairman and Chief Executive Officer of CITIC Pacific Mining Management Pty Ltd and its holding company, CITIC Mining International Ltd. He also serves as the Chairman of CITIC Australia and Dah Chong Hong Holdings Limited.

Career

Mr Zeng joined one of China's largest conglomerates, CITIC Group Corporation in 1989 and has spent over 20 years with CITIC Australia. He has played a pivotal role in CITIC's investments in Macarthur Coal Limited and Alumina Limited. In 2014, Mr Zeng was appointed CEO of CITIC Pacific Mining, the developer and operator of CITIC's Sino Iron project, the largest magnetite mining, processing and export operation in Australia. In 2019, he became Chairman and President of CITIC Pacific Limited.

Before joining CITIC Pacific Mining, Mr Zeng was an Executive Director of Hong Kong-listed CITIC Limited and a Director of CITIC Group, as well as Executive Director, Vice Chairman and Chief Executive Officer of CITIC Resources Holdings Limited. Mr Zeng also served as a Non-executive Director of CITIC Dameng Holdings Limited (now known as South Manganese Investment Limited), Marathon Resources Limited (now known as Leigh Creek Energy Limited) and Macarthur Coal Limited.

Mr Zeng has been working in the Australian resources sector since 1994 across aluminium smelting, iron ore mining and processing and coal mining. He has extensive experience in business management in industries including mining, steel, property, energy and consumer products, as well as a proven track record leading diverse business teams and cross-cultural professionals.

Ms Deborah O'Toole

Independent Non-Executive Director

Qualifications

LLB, MAICD

Responsibilities

Ms O'Toole was appointed as a director on 1 December 2017. She is a member of the Nomination, Sustainability, and Compensation Committees and Chair of the Audit and Risk Management Committee (from 1 April 2018).

Relevant other directorships

Ms O'Toole is a Non-Executive Director of Sims Limited (appointed November 2014). She also serves as Chair of Transurban Queensland, and as an independent director of Credit Union of Australia Ltd (appointed March 2014), Non-Executive Director of Sydney Airport (appointed August 2022) and Pacific National Rail Group. Ms O'Toole is a former Non-Executive Director of Boral Limited (September 2020-October 2021), Boart Longyear Limited (appointed October 2015-September 2017), Wesley Research Institute (appointed March 2013-November 2019), CSIRO, Norfolk Group, various companies in the MIM and Aurizon Groups and Government and private sector advisory boards.

Career

Ms O'Toole has extensive executive experience across a number of sectors including over 20 years in the mining industry and, in transport and logistics which included managerial, operational and financial roles. She has been CFO of three ASX listed companies: MIM Holdings Limited, Queensland Cotton Holdings Limited and Aurizon Holdings Limited.

Mr John A Bevan

Independent Non-Executive Director

Qualifications

BCom

Responsibilities

Mr Bevan was appointed as an independent, Non-Executive Director on 1 January 2018. He is a member of the Audit and Risk Management Committee, the Compensation Committee, the Sustainability Committee and the Chair of the Nomination Committee (from 1 April 2018).

Relevant other directorships

Mr Bevan is currently a Non-Executive Director of Balmoral Iron Pty Ltd (appointed 2022), a former Non-Executive Director and Chairman of Ansell (Non-Executive Director August 2012-October 2023, Chairman from November 2019-October 2023) and BlueScope Steel (Non-Executive Director March 2014-November 2023, Chairman from November 2015-November 2023), and a former director of Nuplex Industries Limited (September 2015-September 2016) and a former Non-Executive Director of the Humpty Dumpty Foundation (2017-December 2022).

Career

Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited (June 2008-December 2013). Prior to his 2008 appointment to Alumina Limited, he spent 29 years in the BOC Group Plc where he was a member of the Board of Directors and held a variety of senior management positions in Australia, Korea, Thailand, Singapore and the United Kingdom. Mr Bevan brings to the Board extensive commercial and operational experience gained through operating joint ventures in many parts of the world, particularly Asia.

Ms Shirley E In't Veld

Independent Non-Executive Director

Qualifications

BCom LLB (Hons)

Responsibilities

Ms In't Veld was appointed as an independent, Non-Executive Director of the Company on 3 August 2020.

Relevant other directorships

Ms In't Veld is currently a Non-Executive Director with APA Group Limited (appointed 19 March 2018), Develop Global Ltd (appointed July 2021) and Canadian listed company, Karora Resources Inc. (appointed December 2021). She was formerly Deputy Chair of CSIRO (term ceased 30 June 2020), a Non-Executive Director of Northern Star Resources Limited (September 2016-June 2021), NBN Limited (December 2015-December 2021), Perth Airport, DUET Group, Asciano Limited and a Council Member of the Chamber of Commerce and Industry of Western Australia.

Career

Ms In't Veld was the Managing Director of Verve Energy (2007-2012) and, before that, she worked for 10 years in senior roles at Alcoa of Australia, WMC Resources Ltd, Bond Corporation and BankWest. In 2014, she was Chairman of the Queensland Government Expert Electricity Panel and a member of the Renewable Energy Target Review Panel for the Department of Prime Minister and Cabinet. Ms In't Veld brings extensive experience in the aluminium industry, energy markets and management of long-life assets, as well as expertise in renewables, research and innovation to the Board.

Ms In't Veld is a member of the Audit and Risk Management Committee, Nomination Committee and Sustainability Committee and Chair of the Compensation Committee (appointed 26 May 2021).

Mr Alistair Field

Independent Non-Executive Director

Qualifications

Mech Eng, MBA

Responsibilities

Mr Field was appointed as an independent, Non-Executive Director on 15 January 2024. He has been appointed a member of the Audit and Risk Management Committee, the Compensation Committee, the Sustainability Committee and the Nomination Committee. Mr Field was appointed Chair of the Sustainability Committee on 20 February 2024.

Relevant other directorships

Mr Field is currently an independent Non-Executive Director of BlueScope Steel (appointed January 2024).

Career

Mr Field has most recently held the position of Chief Executive Officer and Managing Director of Sims Limited. Mr Field has more than 25 years of experience in the mining, metals and manufacturing sectors. Prior to joining Sims Limited, he held a number of senior leadership positions including as Director for Patrick Terminal & Logistics division for Asciano Limited and as Chief Operating Officer of Rio Tinto's Bauxite and Alumina Division. Mr Field is also a member of the Australian Climate Leaders Coalition, Champions of Change Coalition, Manufacturing Australia, and the World Business Council for Sustainable Development.

Mr Mike Ferraro

Managing Director and
Chief Executive Officer

Qualifications

LLB (Hons)

Career

Mr Ferraro is currently the President of the Australian Aluminium Council, a board member of the International Aluminium Institute and a director of Alcoa of Australia.

Prior to his appointment as CEO and Managing Director, Mr Ferraro was a Non-Executive Director of Alumina Ltd from 5 February 2014 to 31 May 2017 and Partner, Client Development-Asia Pacific at Herbert Smith Freehills, a global law firm. He was also formerly global head of the firm's Corporate Group and a member of its executive management team. Mr Ferraro is also a former Non-Executive Director of Helloworld Travel Limited (January 2017-October 2021).

Between 2008 and 2010, Mr Ferraro was Chief Legal Counsel at BHP Billiton Ltd. Mr Ferraro has considerable experience in the resources sector and has over 30 years of experience in joint ventures, mergers and acquisitions, fund raising and regulatory issues across a wide range of sectors and countries. He also has considerable experience in the commercial and financing aspects of large transactions gained from a number of years in investment banking as a corporate adviser.

Ms Katherine Kloeden

General Counsel/
Company Secretary

Qualifications

BCom LLB (Hons), CPA, GAICD

Responsibilities

The role of Company Secretary/General Counsel for Alumina Limited includes:

- providing legal advice to the Board and management as required;
- advising the Board on corporate governance principles;
- generally attending all Board meetings and preparing the minutes;
- monitoring that the Board and Committee policies and procedures are followed;
- facilitating the induction of Directors; and
- managing compliance with regulatory requirements. Ms Kloeden is also responsible for ESG, risk and human resources at Alumina Limited.

Career

Ms Kloeden joined Alumina as General Counsel and Company Secretary in June 2023. She has over 20 years' of legal and commercial experience, including nearly 10 years in the mining industry. Prior to joining Alumina, Ms Kloeden held senior legal roles at BHP Billiton Ltd, Insurance Australia Group Limited and Latitude Financial Services.

Interests of Directors

Particulars of relevant interests in shares in the Company, or in any related body corporate held by the Directors as at the date of this report are set out in the Remuneration Report on page 59 of this report. Particulars of rights or options over shares in the Company, or in any related body corporate, held by the Directors as at the date of this report are set out in the Remuneration Report on page 59 of this report.

Insurance of Officers

During or since the end of the financial year, the Group has paid the premiums in respect of a contract to insure Directors and other officers of the Group against liabilities incurred in the performance of their duties on behalf of the Group. The officers of the Group covered by the insurance policy include any natural person acting in the course of duties for the Group who is or was a Director, secretary or executive officer as well as other employees. The Company is prohibited, under the terms of the insurance contract, from disclosing details of the nature of liability insured against and the amount of the premium.

Indemnity of Officers

Rule 75 of the Company's Constitution requires the Company to indemnify each officer of the Company (and, if the Board of the Company considers it appropriate, any officer of a wholly owned subsidiary of the Company) out of the assets of the Company against any liability incurred by the officer in or arising out of the conduct of the business of the Company or the relevant wholly-owned subsidiary or in or arising out of the discharge of the duties of the officer, where that liability is owed to a person other than the Company or a related body corporate of the Company. This requirement does not apply to the extent that the liability arises out of conduct on the part of the officer which involved a lack of good faith, or to the extent that the Company is otherwise precluded by law from providing an indemnity. It only applies to the extent and for the amount that the officer is not otherwise entitled to be indemnified and is not actually indemnified by another person (such as an insurer under any insurance policy). 'Officer' in this context means: a director, secretary, senior manager or employee; or a person appointed as a trustee by, or acting as a trustee at the request of, the Company or a wholly owned subsidiary of the Company, and includes a former officer. The Constitution also permits the Company, where the Board considers it appropriate, to enter into documentary indemnities in favour of such officers. The Company has entered into such Deeds of Indemnity with each of the Directors and its senior executives, which indemnify them consistently with rule 75 of the Constitution.

ALUMINA LIMITED DIRECTORS' ATTENDANCE AT MEETINGS JANUARY TO DECEMBER 2023

	Board meeting		Audit and Risk Committee meetings		Compensation Committee meetings	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
C Zeng	17	15	7	6	2	1
P Day	17	17	7	7	2	2
M Ferraro[1]	17	17	N/A	N/A	N/A	N/A
D O'Toole	17	17	7	7	2	2
J Bevan	17	16	7	6	2	2
S In't Veld	17	16	7	6	2	2

1. Mr Ferraro is Managing Director and Chief Executive Officer and is not a member of the Committees of the Board however typically attends in his capacity as CEO.

Meetings of Directors

Particulars of the number of meetings of the Company's Directors (including meetings of committees of Directors) during the financial year, and the number of those meetings attended by each Director (as applicable), are detailed in the table above.

Dividends

There were no dividends paid to members of the Company, recommended or declared during the financial year.

Principal activities

The principal activities of the Group relate to its 40 per cent interest in the series of operating entities forming Alcoa World Alumina and Chemicals (AWAC). AWAC has interests in bauxite mining, alumina refining and aluminium smelting. There have been no significant changes in the nature of the principal activities of the Group during the financial year.

Review of operations and results

The financial results for the Group include the 12-month results of AWAC and associated corporate activities. The Group's net loss after tax for the 2023 financial year attributable to members of the Company was US$150.1 million (2022: US$104.0 million net profit after tax). Excluding significant items, there would have been a net loss after tax of US$91.9 million (2022: US$109.3 million net profit after tax). For further information on the operations of the Group during the financial year and the results of these operations refer to the Operating and Financial Review on pages 19 to 41 of this report.

Matters subsequent to the end of the financial year

Other than as reported in Note 15 of the Consolidated Financial Statements (refer to page 93), there are no significant matters, circumstances or events that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in the financial years subsequent to the financial year ended 31 December 2023.

Likely developments

In the opinion of the Directors, it would prejudice the interests of the Group to provide additional information, except as reported in this Directors' Report (including the Operating and Financial Review on pages 19 and 41 of this report), relating to likely developments in the operations of the Group and the expected results of those operations in the financial years subsequent to the financial year ended 31 December 2023.

Nominations Committee meetings		Sustainability Committee meetings	
Eligible to attend	Attended	Eligible to attend	Attended
4	4	4	4
4	4	4	4
N/A	N/A	N/A	N/A
4	4	4	4
4	4	4	4
4	4	4	4

Environmental regulation

AWAC's Australian operations are subject to various Commonwealth and state laws governing the protection of the environment in areas such as air and water quality, waste emission and disposal, environmental impact assessments, mine rehabilitation, and access to and use of ground water. In particular, most operations are required to be licensed to conduct certain activities under the environmental protection legislation of the state in which they operate, and such licences include requirements specific to the subject site. Approvals may also be required under Commonwealth environmental protection legislation.

Alumina Limited is a non-operating joint venture partner that holds a 40 per cent interest in Alcoa World Alumina and Chemicals (AWAC), a global enterprise. Alumina Limited annually reports its equity interest in the greenhouse gas emissions and energy consumption to the CDP and on an AWAC basis in the Company's Sustainability Update (Report).

More information on environmental performance is included in the Company's latest Sustainability Update available online at www.aluminalimited.com.

Rounding of amounts

The Company is of a kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts shown in the Financial Report and this Directors' Report have been rounded off to the nearest hundred thousand dollars, except where otherwise required, in accordance with that legislative instrument.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year.

Auditor

PricewaterhouseCoopers continues in office, in accordance with the *Corporations Act 2001* (Cth) (Corporations Act). A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on page 17 of this report.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided by (or on behalf of) the auditor and its related practices are disclosed in Note 13 of the Notes to the Consolidated Statements in the Financial Report on page 92.

The Board of Directors has considered the position and, in accordance with advice received from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the financial year by (or on behalf of) the auditor and its related practices, is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are satisfied that the provision of those non-audit services did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The fees paid or payable during the financial year for services provided by (or on behalf of) the auditor of the parent entity are disclosed in Note 13 of the Notes to the Consolidated Statements in the Financial Report on page 92.

Corporate Governance Statement

The Company has, for the 2023 reporting year, elected to disclose the Corporate Governance Statement only on the Company's website.

The Corporate Governance Statement can be found at www.aluminalimited.com/about-governance/.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Alumina Limited for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Alumina Limited and the entities it controlled during the period.

Amanda Campbell
Partner PricewaterhouseCoopers

Melbourne
26 March 2024

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CONTENTS

19 1. Strategy and business model
23 2. Principal risks
31 3. Review of AWAC operations
34 4. AWAC Financial Review
37 5. Alumina Limited Financial Review
40 6. Market, Outlook and Guidance

Note regarding non-IFRS financial information

The Operating and Financial Review contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year periods and to assess the operating performance of the business.

Alcoa World Alumina and Chemicals (AWAC) financial information is extracted from audited financial statements prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP).

Operating and financial review

1. Strategy and business model

Business model

Alumina Limited represents a unique investment in globally leading bauxite mines and alumina refineries through its 40% investment in Alcoa World Alumina and Chemicals (AWAC). AWAC also has a 55% interest in the Portland aluminium smelter in Victoria, Australia.

The Company provides a clean look-through to AWAC's underlying performance. This is possible because the financial policies of AWAC ensure there is modest leverage in AWAC and the distribution policies of AWAC require free cash flows to be paid to its shareholders.

AWAC was formed on 1 January 1995 by WMC and Alcoa Inc. combining their respective global bauxite, alumina and alumina-based chemicals business and investments and their respective aluminium smelting operations in Australia. Following the separation of Alcoa Inc. into Alcoa Corporation and Arconic Inc. on 1 November 2016, Alcoa Corporation (Alcoa) replaced Alcoa Inc as Alumina Limited's partner in the AWAC joint venture. Alcoa owns the 60% interest in the joint venture and manages the day-to-day operations.

The Strategic Council is the principal forum for Alcoa and Alumina Limited to provide direction and counsel to the AWAC entities in respect of strategic and policy matters. The Strategic Council has five members, three appointed by Alcoa (of which one is Chairman) and two by Alumina Limited (of which one is the Deputy Chairman). Decisions are made by majority vote except for matters which require a "super-majority" vote, which is a vote of at least 80% of the members appointed to the Strategic Council.

Matters requiring a super-majority vote include:

- change of the scope of AWAC
- change in the dividend policy
- equity calls on behalf of AWAC totalling, in any one year, in excess of $1 billion
- acquisitions, divestitures, expansions and curtailments exceeding 2 million tonnes per annum of bauxite or 0.5 million tonnes per annum of alumina or which have a sale price, acquisition price, or project total capital cost of $50 million or greater[1]
- entry into related party transactions of $50 million or greater
- entry into financial derivatives, hedges and other commodity price or interest rate protection mechanisms
- decision to file for insolvency in respect of any AWAC company.

Under the general direction of the Strategic Council, Alcoa is the "industrial leader" and provides the operating management of AWAC and of all affiliated operating entities within AWAC.

1. In the case of curtailment, super-majority vote only applies to full curtailment and does not apply where there have been two consecutive quarters of loss at the relevant operations.

Map of operations

ATLANTIC

2.1M TONNES
alumina production

7.6M BDT
3rd party bauxite shipments

GLOBAL

10.3M TONNES
alumina production[1]

7.6M BDT
3rd party bauxite shipments

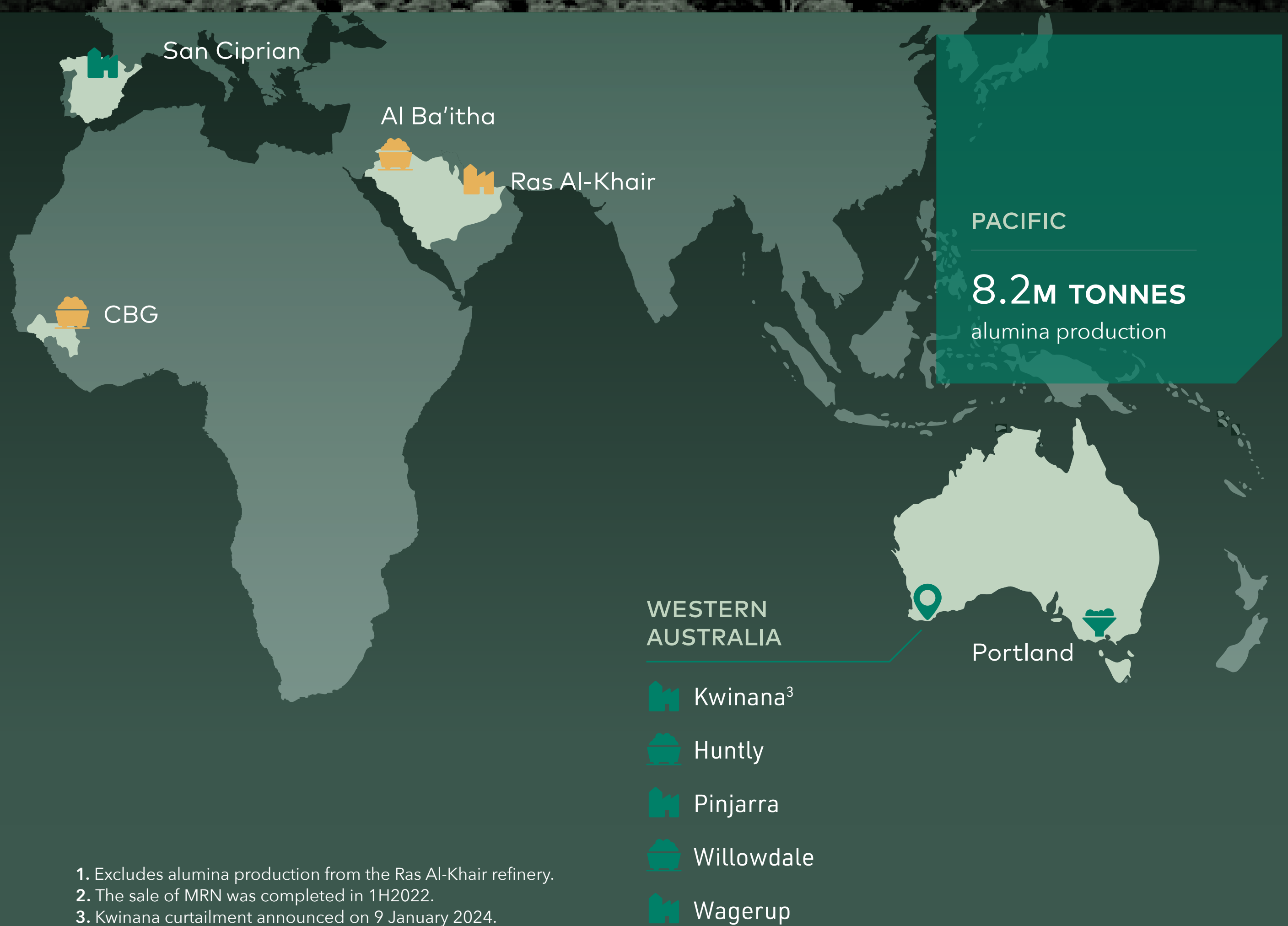
AWAC OPERATED

- Bauxite Mine
- Smelter
- Refinery
- Location

NON-AWAC OPERATED

- Bauxite Mine
- Refinery

Alumina Limited has a 40 per cent joint venture interest in AWAC's long-life alumina refineries.



1. Excludes alumina production from the Ras Al-Khair refinery.
2. The sale of MRN was completed in 1H2022.
3. Kwinana curtailment announced on 9 January 2024.

Alumina Limited is entitled to representation in proportion to its ownership interest on the board of each entity in the AWAC structure and is currently represented on the boards of Alcoa of Australia Ltd (AofA), AWA Saudi Ltda. and Alcoa World Alumina LLC (AWA LLC). In addition to the Strategic Council meetings, Alumina Limited's Management and Board visit and review AWAC's operations, and participate in segment and location meetings.

Subject to the exclusivity provisions of the AWAC agreements, AWAC is the exclusive vehicle for the pursuit of Alumina Limited's and Alcoa's (and their related corporations as defined) interests in the bauxite, alumina and inorganic industrial chemicals businesses, and neither party can compete with AWAC so long as they maintain an ownership interest in AWAC. In addition, Alumina Limited may not compete with the businesses of the integrated operations of AWAC (being the primary aluminium smelting and fabricating facilities and certain ancillary facilities that existed at the formation of AWAC). The exclusivity provisions would terminate immediately on and from a change in control of either Alumina Limited or Alcoa.

Also, effective immediately on and from a change of control of Alcoa or Alumina Limited there is an increased opportunity for development projects and expansions, whereby if either Alumina Limited or Alcoa Corporation wishes to expand an existing AWAC operation, develop a new project on AWAC tenements or pursue a project outside of AWAC, it is entitled to do so on a sole basis after providing 180 days for the other party to explore joint participation in the proposed project.

A partner that avails itself of such an opportunity would pay for all costs related to the project, including for AWAC resources and shared facilities used, and would be entitled to all of the project's resulting off-take.

If there is a change of control of Alumina Limited then:

- Future alumina off-take rights, from a date nominated by Alumina Limited, Alumina Limited or its acquirer will be entitled to buy, subject to its 40% ownership cap:
  - its net short position (calculated as total consumption less total owned production per annum) of alumina at market price

for its internal consumption; plus

  - up to 1 million tonnes per annum alumina off-take, at market prices, which it may market and sell as it sees fit;

in all cases subject to AWAC third party customer contracts being satisfied;

- Future bauxite off-take rights
  - from a date nominated by Alumina Limited, Alumina Limited or its acquirer will be entitled to buy, at market prices, up to its net short position of bauxite for internal consumption, subject to its 40% ownership cap and pre-existing bauxite sales contracts.

Strategy analysis

Alumina Limited is primarily focused on investing in long-life, low-cost bauxite and alumina assets. Alumina Limited does this currently through the AWAC joint venture with its partner, Alcoa.

Alumina Limited and Alcoa are different companies with different shareholders, different governance requirements and different objectives. While AWAC is governed by constitutional documents, in a practical sense, the reconciliation of the differing interests requires challenge, debate and negotiation. To do this well, Alumina Limited needs to have (and has) an independent understanding of the bauxite, alumina and aluminium market and views on the impact of changes in the market, in particular around capacity investment, pricing and the development of the global markets. Through the role of Alumina Limited representatives on the Strategic Council and AWAC entity boards and working with Alcoa, Alumina Limited contributes to the strategic and high-level commercial actions of AWAC.

2. Principal risks

The Group's risk management processes are summarised in the Corporate Governance Statement located on the Company website at www.aluminalimited.com/about-governance.

The Company maintains a formal Risk Management Framework (RMF), which is overseen by the Audit and Risk Management Committee (ARMC). The RMF contains the following elements:

- Risk management policy, which is approved and reviewed annually by the ARMC, as the delegate of the Board of Directors.
- Document describing the risk management process including reporting and escalation procedures.
- Risk management strategy, which explains how Alumina identifies, mitigates, manages, monitors, reports its material risks.
- Risk appetite statement, which contains risk appetite and tolerance statements that are approved and monitored by the ARMC.
- Risk profile, which captures the material risks of Alumina, and for each risk provides a description, an allocated risk owner, appropriate risk management strategy, controls, a forward action plan, and an inherent/residual risk rating based on probability and impact of a risk eventuating.

Set out on pages 23 to 30 are some of the key business risks faced by Alumina Limited that could adversely affect the achievement of financial performance or financial outcomes. There may be other risks not listed on pages 23 to 30 associated with an investment in Alumina Limited. In addition, certain risks have been excluded as they contain confidential information, or disclosure may result in unreasonable prejudice to Alumina Limited.

SUMMARY OF KEY BUSINESS RISKS

Risk Title	Description	Response
Market Risks		
Strategic positioning to market exposure	**Commodity Prices** AWAC's, and hence Alumina Limited's, performance is predominantly affected by the market price of alumina, and to some extent the market prices of bauxite and aluminium. Market prices are affected by numerous factors outside of Alumina Limited's control. These include the overall performance of world economies, the related cyclicality of industries that are significant consumers of aluminium and movement in production disproportionate to demand (whether as a result of changes to production levels at existing facilities or the development of new facilities by competitors). An alumina and/or aluminium market in supply surplus may lead to downward price pressure. Global growth may slow, reducing aluminium consumption, and hence aluminium and alumina demand, which may put downward pressure on bauxite/alumina/aluminium prices. A fall in the market prices of bauxite, alumina and aluminium can adversely affect Alumina Limited's financial performance. In addition, new refineries to be built at low capital and operating cost could increase the supply of alumina globally, which could lead to a fall in the market price of alumina. Emerging competitors, that may be subsidised directly or indirectly by government, entering the alumina market may cause overcapacity in the industry which may result in AWAC losing sales or in depressed prices. A technology breakthrough could lower Chinese alumina production costs, creating a structural change in the alumina and aluminium markets. A sustained increase in freight costs could disadvantage AWAC's competitiveness.	AWAC seeks to identify ways in which to lower costs of production and thus achieve a low position on the cost curve. A low position on the cost curve allows AWAC to remain competitive in the event of unfavourable market movements.

Risk Title	Description	Response
Strategic positioning to market exposure continued	**Foreign exchange** While a significant proportion of AWAC's costs are incurred in Australian dollars, its sales are denominated in US dollars. Accordingly, AWAC and Alumina's Limited's future profitability can be adversely affected by a strengthening of the Australian dollar against the US dollar and a strengthening against the US dollar of other currencies in which operating or capital costs are incurred by AWAC outside Australia, including the Brazilian Real. Also, given that China is a significant part of the world alumina and aluminium markets, fluctuations in the Chinese Renminbi against the US dollar could have some impact on other parts of the industry, for example the cost of bauxite which could affect Chinese refineries cost of production, and the China alumina import parity price.	AWAC and Alumina Limited generally do not undertake hedging activities to manage this risk.
	Customers AWAC's relationships with key customers for the supply of alumina (including Alcoa) are important to AWAC's financial performance. The loss of key customers (including through backward integration) or changes to sales agreements could adversely affect AWAC's and Alumina Limited's financial performance. There is also a risk that AWAC may not be able to fulfil contracted customer alumina volume with AWAC's own alumina production, and any shortfall will need to be sourced from the third-party alumina market.	AWAC mitigates customer risk by having a broad customer base across many countries and regions, and having low-cost refineries. Additionally, remaining at the low end of the alumina greenhouse gas (GHG) emissions curve in the longer-term may make AWAC attractive to customers seeking relatively lower GHG alumina.
	Geopolitical As AWAC operates in a Global environment, the Joint Venture is exposed to geopolitical risks that affect markets and operations, Geopolitical risk includes political instability, coups d'états, civil unrest, strikes and work stoppages, expropriation, nationalization of properties by a government, imposition of sanctions, changes to import or export regulations and fees, renegotiation, revocation or nullification of existing agreements, leases, licenses, and permits, and changes to mining royalty rules or laws.	
Energy security	AWAC's refineries and the Portland smelter are heavy consumers of energy. There is a risk that there may be a lack of availability of energy or cost competitive energy to service AWAC's facilities. This would be a threat to the viability and operation of assets through constrained cash flow, and ultimately reduced dividends to Alumina. Additionally, in the future the requirement for low carbon energy sources is expected to become more important. There is a risk that the availability of low carbon energy sources may be scarce, and hence they may command a high price. It may also be possible that competitors gain access to low carbon energy (or new lower emissions technology) before AWAC, which may disadvantage AWAC from a carbon intensity and cost curve perspective. Additionally, new low emissions technologies may require large amounts of renewable electricity. There is a risk that such energy sources may not be available in sufficient quantity or at a competitive price.	AWAC's energy requirements and contracting is regularly reviewed by Alcoa and Alumina through the Strategic Council, and Strategy and Operation meetings. In Western Australia in particular, AWAC enters into long-term energy contracts, but may consider shorter-term contracts if required. Conversely, the San Ciprian refinery has shorter term energy contracts and a higher proportion of floating arrangements that fluctuate with certain energy price benchmarks. Alumar utilises coal and fuel oil for energy which can fluctuate with market prices. Additionally, Alumina regularly reviews relevant energy markets in order to maintain an independent view. AWAC is also exploring technology changes, through its Refinery of the Future project, aiming to allow the electrification of its refineries. If successful, this would reduce reliance on fossil fuels such as natural gas.

Risk Title	Description	Response
Operational Risks		
Operating costs	AWAC's operations are subject to conditions beyond its control that may increase its costs (including due to foreign exchange rates) or decrease its production, including increases in the cost of key inputs (including energy, raw materials, labour, caustic and freight), the non-availability of key inputs (including secure energy and bauxite), weather and natural disasters, fires or explosions at facilities, unexpected maintenance or technical problems, unplanned operational failure, key equipment failures, disruptions to, or other problems with, infrastructure and supply. In addition, industrial disruptions, work stoppages, refurbishments and accidents at operations may adversely affect profitability. AWAC may also be required from time to time to invest in sustaining capital expenditure projects in order to maintain the production levels of our facilities, asset integrity, and AWAC's position on the relevant cost curve. Significant capital expenditure may reduce distributions to Alumina Limited from AWAC whilst projects are being funded. Examples of such capital expenditure include mine/crusher moves, impoundments (including press filtration), energy generation, or projects to abate AWAC's carbon emissions. Capital expenditure may be greater than planned and expected results, including production rates, may not be achieved. Increases to operating costs reduce the profitability of AWAC, which decrease distributions to Alumina.	Some cost inputs are subject to long-term, fixed price contracts to increase the certainty of input pricing. AWAC and Alumina Limited generally do not undertake hedging activities to manage this risk. AWAC's operating and maintenance systems and business continuity planning seek to minimise the impact of non-availability of key inputs. AWAC's portfolio restructuring and repositioning seeks to ensure that operations as a whole remain competitive. AWAC also invests in capital expenditure projects intended to maintain assets and reduce cash costs over the long-term.
Production	Major operational failures may restrict the output of alumina or aluminium. These may be caused by mechanical or plant failure, an "act of God", supply chain disruptions, pandemics, material decline (or denial of access) in bauxite reserves, industrial relations disputes, regulatory issues, deferral of expenditures, or the loss of key personnel. Such unplanned operational failures may reduce AWAC's current earnings and distributions to Alumina Limited.	AWAC has policies in place to maintain inventory, multiple suppliers, insurance, and long-term maintenance and CAPEX programs.
Regulatory approvals and permits	AWAC's operations (particularly its mining operations) are subject to extensive permitting and approval requirements. These include permits and approvals issued by various government agencies and regulatory bodies at the federal, state, and local levels of governments in the countries in which we operate. The permitting and approval rules are complex, are often subject to interpretations by regulators, which may change over time, and may be impacted by heightened levels of regulatory oversight and stakeholder focus on addressing environmental and social impacts of mining activities. Changing expectations and increased information required by regulators could make AWAC's ability to comply with the applicable requirements more difficult, inhibit or delay our ability to obtain the necessary approvals, if at all, result in approvals being conditioned in a manner that may restrict AWAC's ability to efficiently and economically conduct its activities, require us to adjust our plans, or preclude the continuation of certain ongoing operations or the development of future operations. Failure to obtain, maintain, or renew permits or approvals, or permitting or approval delays, restrictions, or conditions may impact the availability and/or quality of the bauxite AWAC is able to mine and could increase AWAC's costs, potentially having a materially adverse impact on AWAC operations and profitability.	Alumina Limited has representatives on AWAC boards, and has frequent briefings in respect of permits. AWAC entities, such as Alcoa of Australia, have meetings with relevant regulators to discuss mining permits.

Risk Title	Description	Response
Regulatory approvals and permits continued	In addition, the permitting processes, restrictions, and requirements imposed by conditional permits or approvals, and associated costs and liabilities, may be extensive and may delay or prevent commencing or continuing exploration or production operations, which could adversely affect AWAC's mining operations and production, and consequently its refining operations, and could require it to curtail, close, or otherwise modify its production, operations, and sites. Additionally, AWAC's existing permits, approvals and licences may be rescinded or modified, or our mining plans may be adjusted, to mitigate against adverse impacts to sites within or near our mining areas that have environmental, biodiversity, or cultural significance, potentially having a materially adverse impact on AWAC operations and profitability. For example, Alcoa of Australia seeks annual approvals from the Western Australia government for rolling five-year mine plans to maintain operations at the Huntly and Willowdale bauxite mines. This statutory annual mine approvals process for Alcoa of Australia's 2023-2027 Mining and Management Program (MMP) took longer than it had taken historically due to increased requirements and expectations from stakeholders with respect to certain environmental matters. As a result of the prolonged approval process, Alcoa of Australia began mining lower grade bauxite in April 2023, which impacted Alcoa of Australia's refineries by increasing the use of caustic, energy, and bauxite and decreasing alumina output. Alcoa of Australia's 2023-2027 MMP was approved in December 2023, and in connection with such approval, Alcoa of Australia is subject to certain new requirements to address key environmental factors, such as enhanced protections for drinking water, increased distances from reservoirs, biodiversity, and accelerated forest rehabilitation. On 18 December 2023, the Western Australian Environmental Approval Authority ("EPA") announced it is assessing the MMP. Separately, Alcoa of Australia has referred its next major mine move to Myara North and Holyoake to the EPA for assessment. Approvals are also required from the Commonwealth Department of Climate Change, Energy, the Environment and Water ("DCCEEW"). There remains a risk that future annual mine approvals, related forest clearing permits, EPA and/or DCCEEW and/or other required approvals will be delayed or conditioned (if obtained). Any such failure to obtain, maintain, or renew permits; restrictions or conditions imposed through the process or on approvals and permits obtained and/or ongoing delays in approval or permitting processes may further delay, impede or prevent commencing, continuing or expanding mining and/or refining operations and further impact the quality and/or availability of the bauxite AWAC is able to mine, potentially having a materially adverse impact on AWAC.	Alumina Limited has representatives on AWAC boards, and has frequent briefings in respect of permits. AWAC entities, such as Alcoa of Australia, have meetings with relevant regulators to discuss mining permits.
Security & data breach	Loss of technological advantage, operations on site or proprietary data due to organised espionage or breach of IT systems through cyber-attacks.	Alcoa, as the manager of AWAC, maintains a full suite of IT system controls to mitigate against this risk. Similarly, Alumina Limited maintains a suite of controls to mitigate against IT threats.

Risk Title	Description	Response
Safety Risk	AWAC operates mines and industrial facilities in inherently dangerous environments, and operational failures may result in injury or fatality involving AWAC staff, contractors, customers or community. Such an event may lead to fines against AWAC, alterations to licence conditions including shut downs, loss of reputation and licence to operate, and damages payable to parties.	Alcoa, as manager of AWAC, maintains a system of policies, procedures, controls and reporting to identify risks associated with safety and to mitigate against a incident occurring.
Legal, tax & compliance risk		
Legal, tax, & compliance	AWAC and Alumina Limited operate across a broad range of legal, regulatory, disclosure laws and political systems. The profitability of those operations may be adversely impacted by changes in the regulatory regimes. AWAC and Alumina Limited's financial results could be affected by new or increasingly stringent laws, regulatory requirements or interpretations, or outcomes of significant legal proceedings or investigations adverse to AWAC or Alumina Limited. This may include a change in effective tax rates, additional tax liabilities or becoming subject to unexpected or rising costs associated with business operations or provision of health or welfare benefits to employees, regulations or policies. AWAC and Alumina Limited are also subject to a variety of legal compliance risks. These risks include, among other things, potential claims relating to product liability, health and safety, environmental matters, intellectual property rights, government contracts, taxes and compliance with foreign export laws, anti-bribery laws, competition laws and sales and trading practices. Failure to comply with the laws regulating AWAC's businesses may result in sanctions, such as fines, additional tax liabilities or orders requiring positive action by AWAC, which may involve capital expenditure or the removal of licenses and/or the curtailment of operations. This relates particularly to environmental regulations.	Alumina Limited and AWAC undertake a variety of compliance training and governance functions to mitigate these risks. Alcoa, on behalf of AWAC maintains policy and procedural documentation designed to comply with regulations, for example health and safety regulations, and environmental regulations. Additionally, Alumina maintains a tax governance framework, and external tax advisors. Material compliance matters are reviewed at the Strategic Council and other forums. Refer to "Commitments and contingent liabilities for AWAC" on page 93.
Joint venture		
AWAC Structure	AWAC's shareholders, Alumina Limited and Alcoa, are different entities. Whilst Alumina Limited's sole investment is in AWAC, Alcoa is invested in a broader range of activities, hence interests may not be aligned. 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. Additionally, exclusivity provisions within the joint venture agreements may impede growth outside of the AWAC joint venture. There is also a risk that Alumina Limited and Alcoa may have differing priorities.	During 2016, the joint venture agreements were modified to ensure that certain key decisions require Alumina Limited's consent by a super-majority vote.
Alumina Limited is liable for further capital equity calls under the AWAC agreements	AWAC may make equity calls of Alumina and Alcoa Corporation. Alumina Limited approval is only required for equity calls of any AWAC company totalling in any one year more than US$1 billion. Alumina is required to fund its share of calls, subject to the provisions of the AWAC Agreements. If Alumina is unable or unwilling to fund its share of capital requirements, it may ultimately run the risk of its equity interest in AWAC being diluted according to certain formulas within the joint venture agreements.	Alumina Limited regularly engages with Alcoa to understand future cash flow forecasts. Additionally, Alumina Limited regularly reviews its own capital requirements and capital management policies.

Risk Title	Description	Response
Insufficient Cash Generation	There is a risk that as a result of a number of factors including high operating costs, higher than expected sustaining capital expenditure and/or low commodity prices, that AWAC may not generate sufficient cash flow to pay distributions to partners.	Alumina Limited regularly monitors AWAC's cash cost and other measures such as cash cost. Alcoa often executes programs of austerity to respond to downturns in economic cycles, which may involve rationalisation of the portfolio, delaying non-critical CAPEX or other cash saving measures.
Sustainability		
Environmental, Social, Governance (ESG)	AWAC operates facilities in several areas of the globe. AWAC's facilities may be resource intensive, subject to regulatory and community standards, located in environmentally sensitive areas, and/or close to communities. AWAC's operations generate hazardous waste which are contained in tailing facilities, residue storage areas and other impoundments. Unanticipated structural failure or over-topping caused by extreme weather events could result in injury or loss of life, damage to the environment or property. Failure to meet ESG regulations may result in material civil or criminal fines, penalties, loss or restrictions or conditions being imposed on licences and permits and curtailment or closure of facilities, or the loss of AWAC's "social licence to operate". The social licence to operate (SLO) is an understanding/ perception of key stakeholders regarding the company's activities and its delivery of key commitments on a range of issues (e.g. engagement with local communities including mutual benefits, protection of heritage areas, maintenance of biodiversity, interactions with indigenous peoples). Degradation of a SLO could eventually lead to the loss of an operational licence (or other penalties), and damage to reputation which could limit future prospects.	AWAC has extensive policies and systems in respect of ESG matters. Additionally, Alcoa is a member of the International Council on Mining and Metals (ICMM), which is an organisation focused on enhancing mining's contribution to society. Alcoa has also rolled out its Social Management System (SMS, SP360) at all AWAC locations. The SMS incorporates governance resources including corporate policies and standards, governing body oversight matched with defined procedures and assessments. The SMS includes the definition of performance metrics and long-term goals to be accomplished between 2025 and 2030. Alcoa reports instances of environmental non-compliance to Alumina Limited, and any appropriate response. Alumina meets with Alcoa regularly to discuss material issues, and Alumina produces an annual Sustainability Update which involves the review of many key performance metrics in respect of ESG.
Climate change risk	Climate change is a systemic and material risk that will pose challenges in the future management of AWAC operations in regard to energy usage, GHG emissions, carbon pricing policies and regulations and market demand. Climate change results in a number of physical and transitional risks, which affect AWAC in the following manner. **Physical risks include:** Physical risks include increased risks to personnel, business continuity, production and facilities. Climate factors like extreme weather events are likely to have an impact on AWAC's global mining and refining operations. This may include water stress, increased risks relating to residue disposal and production and/or supply chain risks from extreme weather events and changes in rainfall/sea levels.	

Risk Title	Description	Response
Climate change risk continued	**Transitional risks include:** • the increased scrutiny by governments on GHG emissions and the establishment of a carbon pricing, or other government regulation/intervention • substitution from one product to another • changes in consumer preferences, including consumer action/protest against a particular product • cost of emissions abatement and technology • rising cost, or availability of energy. Energy is a significant input in a number of AWAC's operations, making AWAC an emitter of greenhouse gases. The introduction of regulatory change by governments in response to greenhouse gas emissions (e.g. any potential changes to the Australian Government's Safeguard Mechanism) may represent an increased cost to AWAC and may affect Alumina Limited's profitability. Technology risk exposure is the risk of substituting existing products and services with lower-emissions options. If AWAC is unable to remain low on the alumina GHG emissions curve, there is a risk that customers may choose alternate suppliers. Alternatively demand, and consequently the price of alumina may decrease. Though the Joint Venture is investing in technology to reduce the production of greenhouse gases in the manufacture of our products, such as the Refinery of the Future technologies that are designed to limit the production of carbon in alumina refining, in certain aspects of our operations, the Joint Venture's ability to reduce our GHG emissions is also dependent on the actions of third parties, especially energy providers, and the ability to make significant changes in AWAC's GHG emissions. As a result, AWAC could face additional costs associated with any new regulation of GHG emissions, and AWAC's ability to modify our operations to avoid these costs may be limited in the near term. Additionally, AWAC have established strategies and expectations relating to certain environmental, social, and governance considerations, including regarding reducing GHG emissions, reducing water usage, reducing waste, improving safety performance, and managing social risks across our operations. These strategies and expectations reflect our current plans and aspirations, and there is no guarantee that they will be achieved. AWAC's ability to achieve any such strategies or expectations is subject to numerous factors and conditions, some of which are outside of AWAC's control. Examples of such factors include, but are not limited to, evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite suppliers, energy sources, or financing, and changes in carbon markets. Failures or delays (whether actual or perceived) in achieving our strategies or expectations related to climate change and other environmental matters could adversely expose us to potential liabilities, increased costs, reputational harm, and other adverse effects on our business, operations, and reputation, and increase the risk of litigation. Market Risk exposure measures the changes in revenue mix and sources as a result of climate risk. AWAC's customers may be exposed to industries that may be impacted by carbon prices. Additional information in respect of climate change risks, can be located in Alumina Limited 2022 Sustainability report, and Alumina Limited's Climate Change Position Statement. These documents can be found at www.aluminalimited.com/sustainability.	A key mitigation against AWAC's physical and transitional risks is to remain as low as possible on the refining cash cost and emissions intensity curves. Additionally, Alumina Limited and Alcoa have both stated their ambitions to achieve "net zero" by 2050 in respect of CO_2e emissions. In order to do so, AWAC will need to identify alternate energy sources to displace the fossil fuels that it currently relies on, in particular for its refineries. In respect of its refineries, AWAC is investing in R&D through its Refinery of the Future project to look for opportunities to electrify elements of a refinery, reduce energy or emissions, and utilise renewable electricity as opposed to the natural gas, coal and fuel oil that AWAC currently uses. Investment in such technology is important to mitigate against physical and transitional risks. Potential Refinery of the Future technologies could help maintain AWAC's low position on the emissions intensity curve means that AWAC's products remain attractive to end users, reducing the risk of substitution to other metals, or the imposition of a material carbon price.

Risk Title	Description	Response
Other risks		
Closure/ impairment of assets	Alumina Limited may be required to record impairment charges as a result of adverse developments in the recoverable values of its assets. To the extent that the carrying value of an asset is impaired, such impairment may negatively impact Alumina Limited's profitability during the relevant period. Closure, curtailment or sale of any one of AWAC's operations may result in a change in the timing or amount of required remediation activities (and corresponding cash flow) and/or an impairment being incurred as a result of the carrying value of an asset exceeding its recoverable value. Additionally, the conditions of rehabilitating closed assets may increase and the cost of closure may also increase over time. Alumina Limited does not have a contractual right in respect of the closure of loss-making assets, only a veto right in some circumstances.	Closure of an asset may be necessary to ensure the ongoing competitiveness of AWAC operations.
Financial management	Alumina may be unable to access desired or required amounts of capital (either debt – including renewal of existing facilities or new financing, or equity at agreeable terms). Additionally, there is a risk that Alumina Limited's credit rating may change which results in a moderate interest rate increase under existing arrangements and which could increase the cost/availability of future funding requirements.	Alumina Limited maintains capital management policies, regularly monitors commodity markets, actively manages its balance sheet, and also forecasts cash flow. Alumina Limited has a US$500 million syndicated bank facility with tranches maturing: • October 2025 (US$100 million) • January 2026 (US$150 million) • July 2026 (US$150 million) • June 2027 (US$100 million) As at 31 December 2023 there was US$296.0 million drawn against the syndicated facility.
Reliance on AWAC	Alumina Limited relies on information being provided by AWAC and Alcoa to inform its strategy and decision making and prepare its public disclosures. There is a risk of such information being delayed, incomplete or containing errors, leading to potential challenges in managing Alumina's business and potential errors in Alumina's public disclosures.	Alcoa maintains financial controls over the accounts of AWAC, which are also audited. An information protocol exists between Alcoa and Alumina Limited. Similarly, Alumina Limited maintains controls over its financial reporting process, which are also audited.

3. Review of AWAC operations

Alumina Limited is the 40% partner in the AWAC joint venture with a portfolio of assets in Australia, Brazil, Spain, Saudi Arabia and Guinea, including globally leading bauxite mines and alumina refineries.

AWAC also has a 55% interest in the Portland aluminium smelter in Victoria, Australia.

ALUMINA AND THIRD PARTY BAUXITE

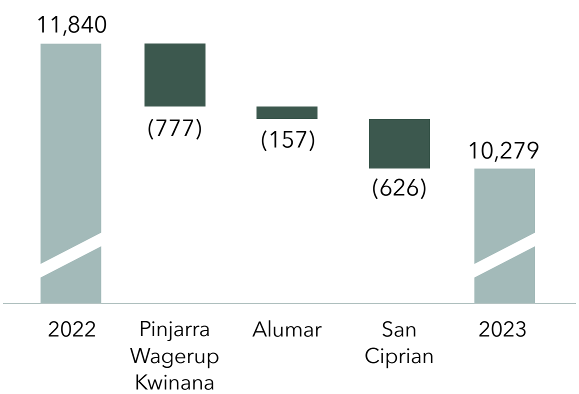
	Full-year ended		Change	Change (%)
	31 Dec 2023	31 Dec 2022		
AWAC Operated Refineries				
Shipments (million tonnes)	12.4	12.4	0	0
Production (million tonnes)	10.3	11.8	(1.5)	(12.7)
Average realised alumina price ($/tonne)	352	371	(19)	(5.1)
Cash cost per tonne of alumina produced	308	304	4	1.3
Margin[1] ($/tonne)	44	67	(23)	(34.3)
Platts FOB Australia – one month lag ($/tonne)	343	364	(21)	(5.8)
Ma'aden Joint Venture				
AWAC's share of alumina production (million tonnes)	0.442	0.444	(0.002)	(0.5)
Third Party Bauxite Sales				
Shipments to third parties (million BDT)[2]	7.6	3.5	4.1	117.1
Total third-party revenue, inclusive of freight[3] ($ million)	464.3	164.9	299.4	181.6

1. Calculated as average realised price less cash cost of production. **2.** Based on the terms of its bauxite supply contracts, AWAC's bauxite purchases from the Mineração Rio do Norte S.A. ("MRN") mine in Brazil, and Compagnie des Bauxites de Guinée (CBG) mine in Guinea, differ from their proportional equity in those mines. The sale of MRN was completed in 1H2022. **3.** Includes freight revenue of $128.4 million for 2023 (2022: $36.7 million).

AWAC operated refineries

Production from AWAC operated refineries in 2023 was 10.3 million tonnes, 1.5 million tonnes lower than 2022.

Alumina production: change by refinery (kt)



As a result of a prolonged annual mine plan approvals process, production at the Pinjarra and Kwinana refineries was impacted by mining lower bauxite grades at the Huntly mine, starting from April 2023. In December 2023, the Western Australia Government approved AWAC's latest five-year mine plan, known as the 2023-2027 Mining and Management Program ("MMP"), for its Huntly and Willowdale bauxite mines. In addition, the WA Government granted an exemption that allows AWAC to continue its mining operations whilst the WA Environmental Protection Authority undertakes a separate environmental impact assessment of the MMP.

Whilst bauxite quality in WA is expected to remain similar to recent lower grades until bauxite can be accessed from new regions at Myara North and Holyoake (no earlier than 2027), the WA Government's announcements provided increased confidence for the AWAC business in WA.

The Kwinana refinery was partly curtailed with one of the five digestors remaining offline since January 2023. In January 2024, plans for refinery's full curtailment were announced.

During 2023 the San Ciprian refinery continued to operate at around 50% of capacity, after production was reduced in the second half of 2022. As announced in December 2023, discussions commenced on the future of San Ciprian refinery.

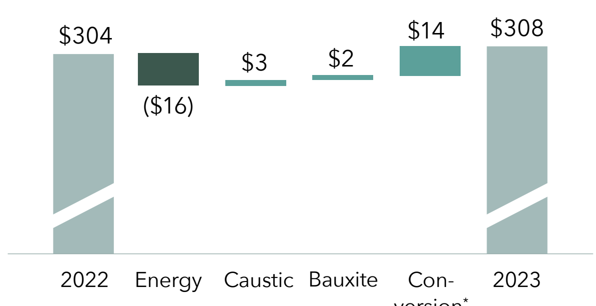
Production at the Alumar refinery was affected by a ship to-shore conveyance system failure, alumina ship loader maintenance as well as country wide power outages.

Across the system there was increased planned and unplanned maintenance activity, carried out in line with the objective of improving system stability and operational performance.

AWAC's average realised price of $352 per tonne, was $19 per tonne or 5% lower compared to the previous year. The average alumina price in 2023 was 6% lower compared to the previous year, however has recently seen an increase in the spot price to around $370/t.

The average cash cost per tonne of Alumina increased by 1% to $308 per tonne.

Cash cost per tonne of alumina produced^

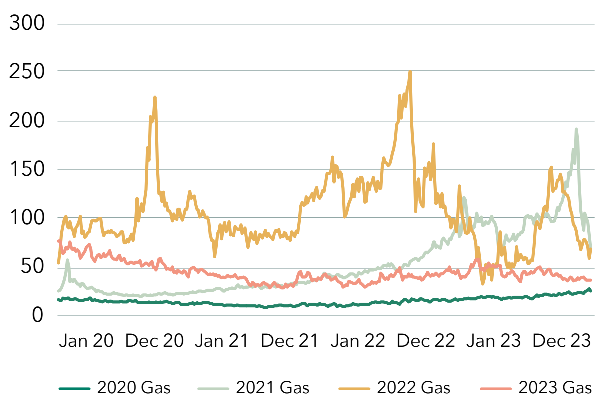


^ Includes the mining business unit at cost
* Conversion includes: employee costs, indirect costs and other raw materials costs

Energy cost continued to move favourably, with Spanish gas prices stabilising to an average of €39 per MWh, down from €99 per MWh average for 2022. However, the price remains elevated from where it was in 2020 before the war in Ukraine impacted European energy markets.

The San Ciprian refinery benefiting from lower prices is the main driver for lower energy costs. Energy costs were also lower in Brazil due to favourable oil prices. This was offset by slightly higher energy costs in WA, mostly as a result of higher usage due to the processing of the lower bauxite grades.

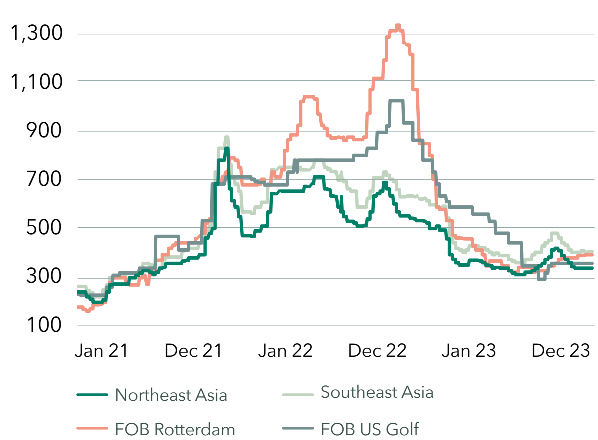
European gas prices: MIBGAS (EUR/MWh)



Source: Bloomberg, January 2024

Caustic costs were slightly higher in 2023 up $3 per tonne of alumina. Caustic soda inventory flow of up to 6 months can delay the effect of market price movements. Costs improved in the second half of 2023 as the benefit of lower market prices were realised (with the benefit continuing into 2024), partly offset by higher usage in WA due the lower bauxite grades.

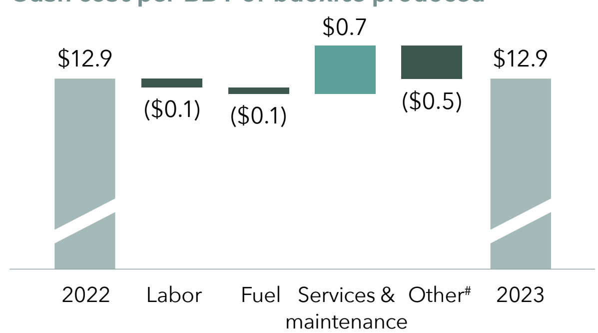
Caustic soda prices (US$/t)



Source: S&P Global Commodity Insights, January 2024

The cash cost per bone dry tonne (**BDT**) of bauxite at AWAC operated mines remained stable at $12.9 per tonne. Bauxite cost per tonne of alumina in 2023 was marginally higher compared with 2022. Bauxite usage per tonne of alumina was higher as a result of the lower bauxite grades in WA, partly offset by reduced San Ciprian production where delivered bauxite costs are higher.

Cash cost per BDT of bauxite produced^



Other includes energy, supplies, PAE, royalties and other
^ AWAC operated mines

Conversion costs which include employee costs, indirect costs and other raw materials were higher by $14 per tonne due to higher maintenance and lower production.

The Australian dollar moved favourably year on year, while the Brazilian Real and Euro movements were unfavourable.

Ma'aden Joint Venture

Ma'aden refinery production attributable to AWAC decreased by 0.5% in 2023 to 0.442 million tonnes of alumina, operating at 98% of nameplate capacity.

The equity accounted loss was $47.5 million during 2023 (2022: $39.5 million equity loss). The result was predominantly driven by a lower realised alumina price.

Third Party Bauxite Sales

AWAC's shipments to third party customers increased by 4.1 million BDT to 7.6 million BDT with the increase mainly from additional sales from CBG.

Third party revenue increased by 182% due to increased shipments and a higher average realised bauxite price.

PORTLAND

	Full-year ended 31 Dec 2023	Full-year ended 31 Dec 2022	Change		Change (%)
AWAC'S 55% Equity Share					
Production (thousand tonnes)	156	159	(3)	▼	(1.9)
EBITDA excluding significant items ($ million)	(9.5)	64.6	(74.1)	▼	(114.7)
Realised price	2,369	2,884	(515)	▼	(17.9)
LME aluminium cash – 15-day lag ($/tonne)	2,258	2,719	(461)	▼	(17.0)

Portland's 2023 aluminium production was marginally lower compared to 2022. Production rates increased in the second half of 2022, running at about 95% of capacity following the restart of additional smelting pots. In March 2023 production rates were reduced to approximately 75% of capacity, due to operational instability and challenges related to production of rodded anodes.

EBITDA was lower in 2023 compared to 2022, primarily as a result of lower aluminium prices. This was partially offset by a decrease in cash costs year on year supported by lower alumina prices.

In August 2023, Portland entered into a nine-year power supply agreement which will secure approximately 50% of the energy required to meet smelter nameplate capacity. The agreement will take effect from 1 July 2026.

4. AWAC Financial Review

AWAC recorded a net loss in the financial year ended 31 December 2023, reflecting lower average alumina and aluminium prices and higher cash costs of production, impacted by processing of the lower quality of bauxite grades in WA and higher maintenance cost in Brazil.

Income tax charge decreased in line with the lower taxable income generated by Australian and Brazilian operations, partially offset by the valuation allowance on deferred tax assets in Brazil.

AWAC Profit and Loss (US GAAP)	US$ Million Year ended 31 Dec 2023	US$ Million Year ended 31 Dec 2022
Net profit/(loss) after tax	(317.8)	301.1
Add back: Income tax charge	170.2	239.8
Add back: Depreciation and amortisation	317.5	295.3
Add back: Net interest expense/(income)	(5.4)	(19.1)
EBITDA	**164.5**	**817.1**
Add back: Significant items (pre-tax)	45.0	(2.5)
EBITDA excluding significant items	**209.5**	**814.6**

AWAC's net profit included the following significant items:

Significant Items (US GAAP)	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Change in the fair value of Portland Energy contracts	(13.0)	39.0
Reversal of derecognised VAT credits in Brazil	–	60.3
Loss on MRN Sale[1]	–	(42.7)
Brazilian ARO refinery adjustment	–	(18.7)
Other[2]	(32.0)	(35.4)
Total significant items (pre-tax)	**(45.0)**	**2.5**
Total significant items (after-tax)[3]	**(145.5)**	**(13.4)**

1. AWAC's interest in the MRN mine was sold to South32 during 1Q 2022. **2.** Other significant items include charges related to restructuring, severance and other payments. **3.** The most significant item, for year ended 31 December 2023, relates to valuation allowance on Brazilian deferred tax asset of $104m.

AWAC Balance Sheet (US GAAP)	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Cash and cash equivalents	353.7	236.1
Receivables	496.2	435.0
Inventories	735.3	868.9
Deferred income taxes	–	96.0
Property, plant & equipment	3,172.7	2,852.7
Other assets	1,685.5	1,695.9
Total Assets	**6,443.4**	**6,184.6**
Borrowings & capital lease obligations	79.1	79.6
Accounts payable	794.6	793.8
Taxes payable and deferred	181.7	321.0
Assets retirement obligations (non-current)	578.7	470.8
Other liabilities	891.4	798.6
Total Liabilities	**2,525.5**	**2,463.8**
Equity	**3,917.9**	**3,720.8**

The movement in the value of assets and liabilities includes the effect of the Australian dollar, Brazilian Real and Euro against the US dollar throughout 2023.

Receivables increased due to the higher alumina realised prices in December 2023 relative to December 2022.

Inventory decreased mainly as a result of lower volume of raw materials purchases due to decreased production levels and lower input prices, particularly for caustic soda.

Taxes payable and deferred decreased due to lower taxable income in Australia and the valuation allowance on deferred tax assets in Brazil.

Estimates for assets retirement obligations (**"ARO"**) related primarily to mine reclamation and closure of bauxite residue areas were increased with corresponding increase recorded in carrying amount of related long-lived assets (Property, plant and equipment).

Other liabilities increased due to higher accrued employee compensation and retirement costs as well as increase in current portion of AROs.

AWAC Cash Flow (US GAAP)	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Cash from operations	(9.9)	481.5
Capital contributions from partners	471.1	535.4
Net movement in borrowings	(1.0)	3.6
Capital expenditure	(278.5)	(273.3)
Other financing and investing activities[1]	2.9	9.8
Effects of exchange rate changes on cash and cash equivalents	8.1	(17.6)
Cash flow before distributions	**192.7**	**739.4**
Distributions paid to partners	(75.1)	(947.1)
Net change in cash and cash equivalents	**117.6**	**(207.7)**

1. Includes proceeds from sales of assets, and other.

Cash from operations in 2023 decreased mainly as a result of lower average realised alumina prices and higher cash costs of production.

Capital contributions from partners decreased by $64.3 million to $471.1 million in order to support working capital and capital expenditure requirements of AWAC entities.

Gross distributions paid to partners decreased to $75.1 million.

Sustaining capital expenditure for the year was approximately $243 million (2022: $246 million) with the most significant expenditure relating to the construction of a residue storage area at Alumar and additional tailing ponds at Juruti.

Growth capital expenditure was approximately $36 million (2022: $28 million) with the most significant expenditure relating to refinery production debottlenecking at Alumar.

5. Alumina Limited Financial Review

Alumina Limited ("Alumina") announced on 12 March 2024 that it has entered into a Scheme Implementation Deed with Alcoa Corporation ("Alcoa") in relation to a proposal for Alcoa to acquire 100% of the fully paid ordinary shares in Alumina by way of a scheme of arrangement ("the Transaction"). Alumina Limited Annual Report for the year ended 31 December 2023 contains an Independent Auditor's report which highlights the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern if the Transaction with Alcoa completes and a Review Event under Alumina's syndicated revolving cash advance facility agreement arises. Notwithstanding this, Alumina Limited Financial report for the year ended 31 December 2023 have been prepared on a going concern basis, which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business. For further information, refer to the section "About this Report" in the Notes to the consolidated financial statements, together with the auditor's report.

Alumina Limited Profit and Loss	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Revenue from continuing operations	0.5	0.7
Share of net profit/(loss) of associates accounted for using the equity method	(119.4)	120.1
General and administrative expenses	(11.6)	(12.5)
Finance costs	(19.8)	(4.4)
Foreign exchange losses, tax and other	0.2	0.1
Profit/(loss) for the year after tax	**(150.1)**	**104.0**
Add back: Significant items (after tax)	58.2	5.3
Net profit/(loss) after tax excluding significant items	**(91.9)**	**109.3**

Significant Items (IFRS, POST-TAX)	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Change in the fair value of Portland Energy contracts	(5.2)	15.6
Reversal of derecognised VAT credits in Brazil	–	15.9
Loss on MRN Sale	–	(16.1)
Brazilian ARO refinery adjustment	–	(7.5)
Valuation allowance on Brazil deferred tax asset	(41.6)	-
Other[1]	(11.4)	(13.2)
Total significant items	**(58.2)**	**(5.3)**

1. Other significant items include charges related to restructuring and holding costs, severance and other payments.

Alumina Limited recorded a net loss after tax of $150.1 million (2022: net profit after tax of $104.0 million).

Excluding significant items, net loss after tax would have been $91.9 million (2022: net profit after tax of $109.3 million).

The decline in the Company's net profit is due to the decrease in the share of net profit of associates reflecting AWAC performance during 2023 relative to the previous year.

General and administrative expenses in 2023 decreased due to the weaker Australian dollar, however, expenses expressed in AUD remained consistent with the previous year.

The Company's finance costs in 2023 were higher than in the previous year, reflecting the higher debt level.

Alumina Limited Balance Sheet	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Cash and cash equivalents	1.7	3.8
Investment in associates	1,729.5	1,656.0
Other assets	4.0	2.9
Total Assets	**1,735.2**	**1,662.7**
Payables	3.1	0.4
Interest bearing liabilities	296.0	110.0
Provisions and other liabilities	2.1	2.9
Total Liabilities	**301.2**	**113.3**
Net Assets	**1,434.0**	**1,549.4**

The increase in investments in associates was principally due to the net capital contributions made by Alumina Limited during the year and foreign currency revaluations.

Alumina Limited's net debt as at 31 December 2023 was $294.3 million (2022: $106.2 million) and gearing was 17% (2022: 6.4%).

Alumina Limited has a US$500 million syndicated bank facility with tranches maturing in October 2025 (US$100 million), January 2026 (US$150 million), July 2026 (US$150 million) and June 2027 (US$100 million).

As at 31 December 2023, there was US$296 million drawn against the syndicated facility (2022: US$110 million).

Alumina Limited Cash Flow	US$ Million	
	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Dividends received	30.0	360.6
Net finance costs paid	(18.7)	(4.1)
Payments to suppliers and employees	(11.3)	(10.5)
GST refund, interest received & other	0.7	1.0
Cash from operations	**0.7**	**347.0**
Receipts – capital returns from associates	–	18.0
Payments – investment in associates	(189.1)	(212.1)
Payment for shares acquired by the Alumina Employee Share Plan	–	–
Effects of exchange rate changes on cash and cash equivalents	0.3	(0.1)
Amount included in the final 2021 dividend	–	(33.8)
Free cash flow available for dividends	**(188.1)**	**119.0**

Net contributions to AWAC totalled $159.1 million (2022: net receipts $166.5 million).

Additional capital contributions into AWAC were required to support working capital and capital expenditure needs of the AWAC entities. It is as a result of lower alumina realised prices and increased costs primarily due to the WA refineries operating with lower grade bauxite.

Alumina Limited's dividend policy is to distribute free cash flow derived from net AWAC distributions less the Company's corporate and finance costs, whilst taking into consideration its capital structure, any capital requirements for AWAC and market conditions.

The Board had considered the above factors and determined not to declare a final dividend in respect of the year ended 31 December 2023.

6. Market, Outlook and Guidance

Aluminium

Global primary aluminium consumption in 2023 grew by 1.1%, mainly supported by China's 4.9% growth in consumption. This was primarily driven by strong demand from solar panels and electric vehicles which more than offset weakness in China's property sector. Demand in the rest of the world (**"RoW"**) dropped by 4.2% as it was impacted by high interest rates and stubborn inflation. Looking ahead to 2024, demand is expected to be supported by an improving macroeconomy and a shift back towards the metal intensive manufacturing sectors. The industrial destocking process which depressed demand for aluminium in 2023 is also expected to end in 2024.

In the medium to longer term, global demand for aluminium is expected to be strong, underpinned by structural strength in China's green economy and marked growth in renewable energy and electric vehicles. Over the next decade, global primary aluminium consumption is expected to grow by 14% or about 10 million tonnes.

Primary aluminium production in the world excluding China was 29 million tonnes in 2023, representing an 1.6% increase from the previous year. Production in RoW is expected to increase by about 2% over 2024.

LME aluminium prices peaked at around $2,600/t in January 2023 as improved sentiment from China's post-covid reopening along with US dollar weakness both contributed to the rally. However, poorer than market anticipated demand quickly caused a retracement in price and the fear of widespread recession after central banks increased interest rates resulted in prices trading sideways for most of 2023. Low carbon aluminium premiums are developing and as decarbonisation trends advance, these premiums are expected to rise.

At the end of 2023, China's primary aluminium capacity was estimated to be 44.8 million tonnes per annum, with a utilisation rate of 94%. New primary capacity rollout is forecast to be limited as China approaches the 45 million tonnes per annum cap.

Alumina

RoW metallurgical alumina production decreased by 1% in 2023, as supply disruptions in Australia, Europe and Brazil more than offset expansions in Indonesia and India. Non-metallurgical production of alumina in RoW contracted by 20% driven primarily by disruptions/curtailments in Europe and North America. The RoW metallurgical alumina market was tightly balanced in 2023, with a marginal deficit representing around 0.1% of the global supply. The Alumina Price Index spiked to a high of $371/t in February following the news of supply disruptions in Australia. Prices averaged $343/t for the year, a 5% decrease year on year and tracking with historical average.

No new RoW greenfield metallurgical alumina projects are expected in 2024. Brownfield expansions and production ramp-ups are likely to be somewhat offset by supply disruptions in Australia. With steady demand growth from primary aluminium smelters, the RoW metallurgical alumina market in 2024 is forecast to be in further deficit compared to 2023.

In China, metallurgical alumina production grew by 5%, despite supply disruptions at inland refineries due to environmental audits and domestic bauxite supply concerns. This was driven by new projects and expansions at coastal refineries.

China's net alumina imports stood at 563 kt for 2023, down 44% from the year before. China is expected to produce alumina to only meet its internal demand and export excess tonnes to Russia.

RoW refining costs averaged $288/t in 2023, down 8% compared with 2022. This was driven primarily by easing of fuel and caustic costs. In China, average production costs also fell by 8% in 2023 to reach $320/t, driven by lower caustic soda and energy prices. Chinese refineries process lower quality domestic bauxite, and higher priced seaborne bauxite, which offset some of the cost savings.

In China, alumina futures were introduced to the Shanghai Futures Exchange in June 2023, adding both liquidity and volatility to the Chinese market.

In the Atlantic regions, notable transactions included Glencore's acquisition of 30% equity stake of Alunorte refinery and Century's acquisition of 55% share of Jamalco. Elsewhere, UC Rusal acquired 30% of Hebei Wenfeng New Materials in China, amounted to 1.4 Mt of alumina capacity per year.

Bauxite

The first half of 2023 saw the ban of Indonesian bauxite exports. Guinea more than compensated for Indonesia's ban as China imported 99 Mt of Guinean bauxite in 2023, up 41% y/y. In 2023, Guinea accounted for 70% of China's bauxite imports, compared with 56% in 2022. Total bauxite imports in China for 2023 stood at 142 Mt, representing a 13% increase y/y. This stems from both strict environmental policies and depleting bauxite reserve in China that necessitated the sourcing of seaborne bauxite.

The surge in demand for Guinean bauxite led to an uptick in prices, with Guinea bauxite trading at $70.5/t on a CIF China basis at the end of 2023. This represents an increase of about $30/t since the start of 2021. In the near to medium term, China's demand for imported bauxite is likely to grow as domestic bauxite reserves deplete further both in volume and grades. Guinea is expected to be the main supplier of bauxite to China, followed by Australia. Despite a few bauxite beneficiation technologies being trialled in China, they have proven to be uneconomic or limited to only a small scale.

In 2023, bauxite cost was around $167 per tonne of alumina in China, representing over 50% of refining costs. In contrast, RoW bauxite cost was around $76/t per tonne of alumina, or roughly 27% of refining costs.

AWAC Guidance

The following 2024 guidance is provided to assist the understanding of the sensitivity of AWAC results to key external factors. The guidance cannot be expected to be predictive of exact results; rather it provides direction and approximate quantum of the impact on AWAC results. Sensitivity of each element of the guidance has been considered in isolation and no correlation with movements in other elements within the guidance has been made.

Refer to Forward Looking Statements on page 105 for further information.

Item	2024 Guidance
Production – alumina	Approximately 9.4 million tonnes
Shipments – alumina	Approximately 12.4-12.7 million tonnes
Production – aluminium	Approximately 161,000 tonnes
Third party bauxite shipments	Approximately 7.0 million BD tonnes
AWAC capital expenditure	Approximately $360 million
AWAC Environmental, ARO & Other Restructuring Related Items[1]	Approximately $160 million

1. Ongoing costs will be recognised in future financial years relating to the curtailments and closures.

Sensitivity	2024 Guidance
Alumina Price Index[1]: +$10/t	Approximately +$90 million EBITDA
Australian $[2]: + 1¢ AUD/USD	Approximately -$25 million EBITDA
Brazilian R$: + 10¢ USD/BRL	Approximately +$6 million EBITDA
Caustic price[3]: +$10/dry metric tonne	Approximately -$8-9 million EBITDA

1. Excludes equity accounted income/losses for the Ma'aden joint venture. **2.** Upon full curtailment of the Kwinana refinery, sensitivity will be adjusted. **3.** Caustic inventory flow is 5-6 months.

Remuneration Report

THE REMUNERATION REPORT IS PRESENTED IN THE FOLLOWING SECTIONS:

1. Remuneration framework

43 1.1 Persons covered by this Report
44 1.2 Remuneration in business context
45 1.3 Remuneration governance framework
45 1.4 Remuneration strategy, components and mix

2. Company performance and executive remuneration outcomes

49 2.1 Company performance
51 2.2 Remuneration decisions and outcomes for 2023
52 2.3 Actual "take home" 2023 remuneration of continuing Executive KMP
54 2.4 Executive KMP performance under the LTI plan
56 2.5 CEO and Key Executives statutory remuneration

3. Non-Executive Directors remuneration

58 3.1 2023 Non-Executive Directors Remuneration
59 3.2 Non-Executive Directors share holdings

4. Additional disclosures

60 4.1 Reconciliation of Conditional Rights held by Executive KMP
62 4.2 Reconciliation of Performance Rights held by Executive KMP
63 4.3 Reconciliation of ordinary shares held by Executive KMP
64 4.4 Executive KMP service agreements
65 4.5 Cessation of employment
65 4.6 Change of control
65 4.7 Clawback policy
65 4.8 Share trading and hedge prohibition

1. Remuneration framework

1.1. Persons covered by this Report

This Report sets out remuneration information for Key Management Personnel ("KMP") which includes Non-Executive Directors ("NED"), the Executive Director (the Chief Executive Officer ("CEO")) and those key executives who have the authority and responsibility for planning, directing and controlling the activities of the group, either directly or indirectly (together with the Executive Director, here in referred to as "Executive KMP").

Name	Role	
Non-Executive Directors		
Peter Day	Non-Executive Chairman	Appointed Chairman 1 April 2018 Director since 1 January 2014
Chen Zeng	Non-Executive Director	Appointed 15 March 2013
Deborah O'Toole	Non-Executive Director	Appointed 1 December 2017
John Bevan	Non-Executive Director	Appointed 1 January 2018
Shirley In't Veld	Non-Executive Director	Appointed 3 August 2020
Executive KMP		
Mike Ferraro	Managing Director and CEO	Appointed 1 June 2017
Galina Kraeva	Chief Financial Officer (CFO)	Appointed 1 July 2022 Interim CFO from 1 January 2022 to 30 June 2022
Stephen Foster	General Counsel/Company Secretary	Appointed 4 December 2002 Retired 1 July 2023

Changes since the end of the reporting period

Mr. Alistair Field was appointed as a non-executive director effective from 15 January 2024.

1.2. Remuneration in business context

Alumina Limited's remuneration strategy and policy has been developed in recognition of the unique nature of the Company, the complexities of managing a significant but non-controlling interest in a global joint venture and the significance of external factors' influence on the sector and the Company's performance.

Alumina Limited owns a 40 per cent interest in the multibillion-dollar global enterprise, AWAC, one of the world's largest bauxite and alumina producers. AWAC is a large capital intensive business operating in a number of jurisdictions with some in remote locations. Alumina Limited's executives are responsible for protecting and advancing the interests of its approximately 52,000 shareholders in the management of AWAC. Consistent with the governing joint venture agreements, Alumina executives are responsible for providing strategic input and advice into the joint venture.

This, in turn, draws on their abilities to persuade and influence our joint venture partner. To do so, they must have a clear position on the bauxite, alumina and aluminium markets to allow detailed and substantive discussion with our joint venture partner and our shareholders on portfolio management, investment opportunities, sustainability and disruptive threats.

At the Board's direction, the CEO and key executives are required to aim to maintain Alumina Limited's financial metrics consistent with an investment grade rating, maximise cash flow from AWAC and support the joint venture in its efforts to improve its relative cost position and strategic options.

Alumina Limited's goal is to be an active, informed and engaged joint venture partner and therefore it requires and must retain, high calibre people with strong skills sets and commercial experience to ensure the Company and its investment are managed well. Hence, Alumina Limited's remuneration needs to be competitive, valued and relevant.

REMUNERATION PRINCIPLES

/

Alignment

Our remuneration is designed to aid alignment of Company, Executive, Board and Stakeholders interests.

/

Relevance

Appropriate mix of fixed and at-risk components, short and long-term elements reflecting a balance of financial and non-financial objectives relevant to target the non-operating nature of the Company and specific executive roles.

1.3. Remuneration governance framework

The Board of Directors

Reviews and approves the Charter of the Compensation Committee. The Board approves the remuneration philosophy, policies and practices.

Compensation Committee

Delegated authority to:

- Take advice from management and where relevant, independent advisors.
- Devise a remuneration framework, strategy, policies and practices.
- Oversee the implementation of the remuneration strategy and policy.
- Establish appropriate performance objectives and measures.
- Monitor performance against objectives and recommend incentive awards.
- Approve remuneration outcomes.

The Compensation Committee is solely formed of Non-Executive Directors and is chaired by Ms In't Veld.

External consultants

- Provide independent advice on remuneration trends and practices.
- Provide benchmarking data and analysis.
- Support the Compensation Committee in relation to changes to remuneration policy, employment contracts, structures and practices etc.
- Provide governance and legal advice on remuneration related matters.

Management

Provides the Compensation Committee with information to assist in its remuneration decisions including remuneration recommendations.

1.4. Remuneration strategy, components and mix

Remuneration strategy

Alumina Limited's remuneration strategy is based on the following principles, which determine remuneration components, their mix and way of delivery.

/

Sustainability

Remuneration that is market competitive, that attracts and retains executives with capabilities and expertise to deliver our strategy.

/

Transparency

Remuneration outcomes that are based on a set of clear objectives and expectations linked to Company strategy.

Executive KMP remuneration components and pay mix

The table below sets out the different components of remuneration for Alumina's Executive KMP, the performance measures used to determine the amount of remuneration executives will receive and how they are aligned with Alumina Limited's remuneration strategy.

Executive remuneration components	Fixed remuneration ("FAR")	Deferred equity remuneration	Long-term incentive ("LTI")[1]
Strategic intent	Attract and retain executives with the capability and experience to deliver our strategy.	Align performance focus with the long-term business strategy and shareholder experience.	Align performance focus with the long-term business strategy and shareholders experience.
Performance measure	FAR is set based on market relativities, reflecting responsibilities, qualifications, experience and effectiveness.	There is a three-year trading restriction on the shares from grant date. The value of the equity remains subject to performance of the Company's share price.	LTI vesting is subject to service and performance tested three years from the grant date. The testing criteria is three-year Company TSR equal to or outperforming the median of the two (one local, one international) comparator groups (50% of the LTI is attributable to each comparator group).
Delivery	Cash payment (part of the CFO's annual remuneration is provided as a lump sum at the end of the financial year. The same applied to Stephen Foster in 2023).	Conditional Rights	Performance Rights

1. More detail on the LTI remuneration components and the link to company performance is included in section 2 of this report.

CEO

The design of the CEO's remuneration package reflects the requirements of this critical leadership role to create long term shareholder value, the responsibility for the relationship with our joint venture partner and influence on the strategic direction of joint venture development and growth whilst advocating for the interests of shareholders.

The CEO's remuneration package includes a restricted equity grant to better reflect the primarily influence-based (rather than operational) nature of the role and align with Alumina Limited's remuneration strategy.

This design focuses on the value creation activities, whilst eliminating potential prioritisation of short-term goals over longer-term strategic objectives. It also ensures that through increased exposure to an equity-based component, the CEO's remuneration reflects shareholders' experience and is not excessively affected by swings in the commodity cycle.

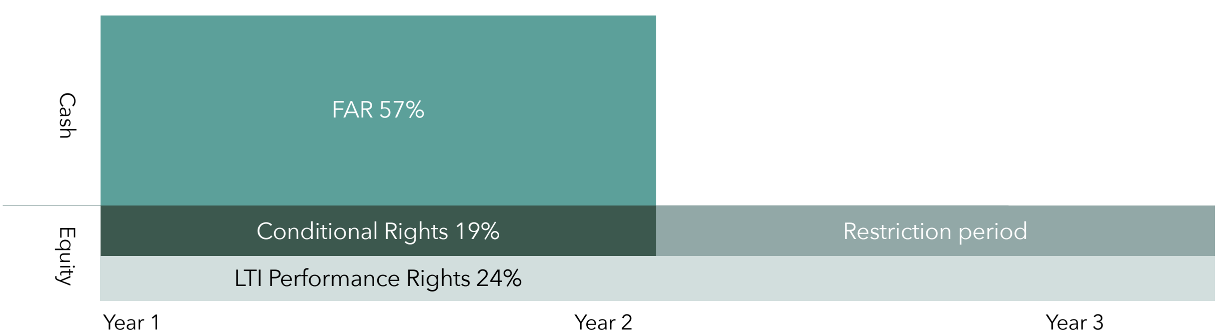
The Board continues to set specific annual objectives for the CEO, some will relate to the year ahead, whereas others may take longer to achieve.

Progress is reviewed formally quarterly and at the end of the year. This process provides the Board with a basis to assess and discuss CEO performance in the short term. Also, and importantly, it provides a basis to ensure that the Board and CEO are aligned on priorities that will underpin long-term shareholder value creation and go to the heart of the role as Alumina's CEO.

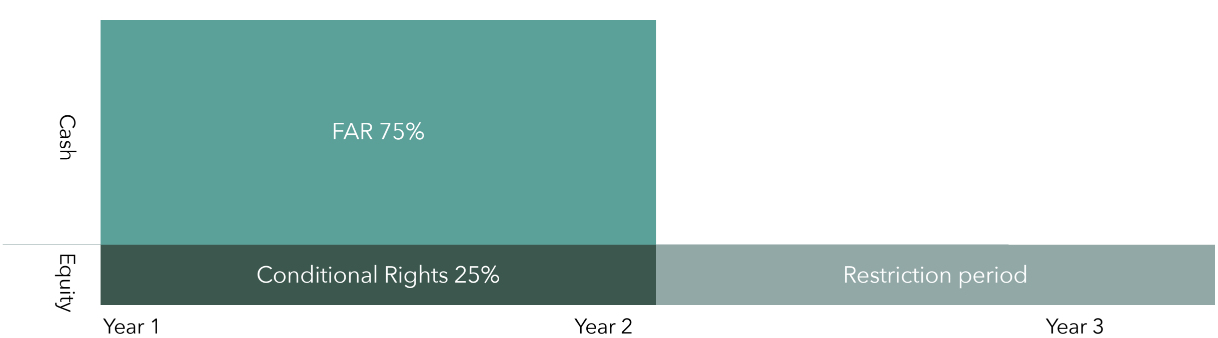
It is Alumina's philosophy to position the total CEO reward opportunity in the lower quartile of market peers (the ASX 51 – 100 and ASX 76 – 125 Rank comparator groups). These are the same peer groups that have been used to benchmark the CEO's remuneration for a number of years. The Board considers these peers appropriate to set remuneration to attract and retain a CEO of appropriate skills and experience through the cycle.

The CEO's 2023 remuneration package was comprised of a FAR component of $1,488,400, an equity component delivered via Conditional Rights and Performance Rights equal to $489,300 and $621,000 respectively at the time of the grant. The actual remuneration awarded during the year is comprised of the same components, however their values will differ from the potential total remuneration, specifically in relation to the value of the equity components at the time of their vesting.

% of potential total remuneration



% of 2023 total actual remuneration



The actual remuneration received by CEO in 2023 is comprised of a FAR component of $1,488,400, a Conditional Rights grant of $489,300 and zero Performance Rights at the time of testing and vesting under the 2021 LTI plan.

The realised remuneration of the CEO remains strongly aligned to the shareholder experience. There has been no vesting of LTI grants in the past three years.

At the same time, the embedded value of the CEO's existing share interests and Conditional Rights fluctuates in line with movements in Alumina Limited's share price. The impact on the value of Conditional Rights granted to the CEO (and other KMPs) can be seen in the table below.

The Company requires the CEO to build and maintain a holding of Alumina Limited's securities equal to 100% of his fixed remuneration. Mr Ferraro has not sold any shares acquired on vesting of rights (Conditional or Performance) since his appointment as CEO in 2017.

For the 2024 remuneration, the Board has considered the market outlook, inflation rate and changes in superannuation guarantee contribution rates and resolved to award a 4% increase of the CEO's total reward opportunity by equally increasing each of the remuneration components – FAR, Conditional Rights and LTI. The CEO's total remuneration remains in the bottom quartile of the ASX 76-125 based on benchmarking data.

VALUE CHANGE OVER TIME OF THE CONDITIONAL RIGHTS

Executive KMP	Year	Number of rights[1,2,5]	Value of rights				
			At the grant date[1,2] (A$)	As at vesting date[3] (A$)	As at 31 December 2023[4] (A$)	Decrease in value as at 31 December 2023[4] (A$)	Decrease in value as at 31 December 2023[4] (%)
Mike Ferraro	**2023**	**319,800**	**489,300**	**–**	**289,419**	**(199,881)**	**(41)**
	2022	248,843	472,800	425,522	378,241	(94,558)	(20)
	Total	**568,643**	**962,100**	**425,522**	**667,660**	**(294,439)**	**(31)**
Galina Kraeva	**2023**	**58,800**	**90,000**	**–**	**53,214**	**(36,786)**	**(41)**
	2022	39,474	75,000	67,501	60,000	(14,999)	(20)
	Total	**98,274**	**165,000**	**67,501**	**113,214**	**(51,785)**	**(31)**
Stephen Foster[5]	**2023**	**47,700**	**72,981**	**66,065**	**–**	**–**	**–**
	Total	**47,700**	**72,981**	**66,065**	**–**	**–**	**–**

1. The number of CEO's Conditional Rights is determined by dividing the set value of $489,300 (2022: $472,800) by a VWAP of $1.53 (2022: $1.90). **2.** The number of CFO's Conditional Rights is determined by dividing the set value of $90,000 (2022: $75,000) by VWAP of $1.53 (2022: $1.90). **3.** The value of Conditional Rights vested is determined by the number of vested Rights multiplied by the market price at the vesting date. **4.** The value of Conditional Rights as at 31 December 2023 is determined by the number of vested Rights multiplied by the market price at that date. **5.** Mr Foster retired on 1 July 2023. The number of Conditional Rights granted was determined by dividing the set value of $146,000 by VWAP of $1.53 and pro-rated for the period of service. The value vested is determined using the share price of $1.38 on 30 June 2023. Given that Mr Foster ceased to be a KMP during the year, his vested Conditional Rights as at 31 December 2023 are not disclosed. Refer section 4.5 for details on the cessation of employment.

2. Company performance and executive remuneration outcomes

2.1. Company performance

Alumina Limited recorded a net loss after tax of $150.1 million dollars. The Company did not declare dividends for the year ended 31 December 2023.

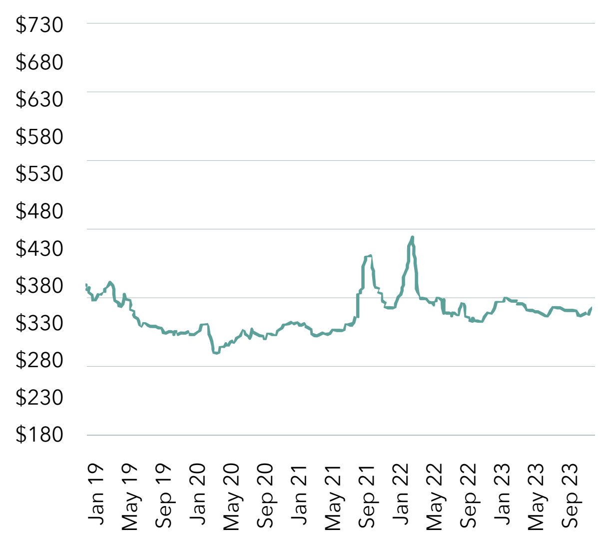
In 2023, AWAC experienced delays with approvals for bauxite mining in Western Australia, which negatively affected production from the Australian refineries and the overall alumina production costs at the combined AWAC Level. The Kwinana refinery was partly curtailed from January 2023 and in January 2024 plans for the full curtailment of the refinery were announced, beginning in the second quarter of 2024.

Production from other AWAC operated refineries decreased too. The San Ciprian refinery continued to operate at around 50% of its capacity and the Alumar refinery was affected by the maintenance events related to the ship-to-shore conveyance system failure and alumina ship loader. As announced in December 2023, engagement with the stakeholders in Spain was initiated in relation to the future of the San Ciprian operations. Overall, across the business production of alumina decreased by 12.5% in 2023.

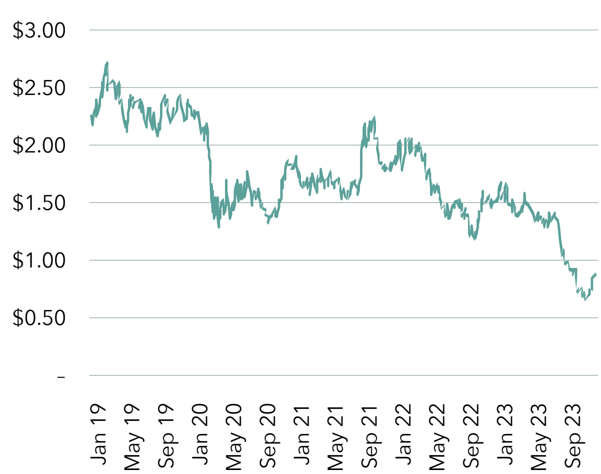
The realised alumina price in 2023 was $352 per tonne, 5.1% down compared to the prior year. At the same time, AWAC's production costs increased to $308 per tonne due to lower bauxite grades used by the Pinjarra and Kwinana refineries as well as costs associated with the unplanned maintenance events in Brazil. As a consequence, AWAC's margin decreased, year on year to $44 per tonne. For the year ended 31 December 2023, AWAC recorded a net loss after tax of $317.8 million and its EBITDA has decreased to $164.5 million.

In the context of the regulatory and operating challenges faced by the AWAC during the last year, Alumina Limited's share price declined in the second half of 2023. However, the AWC share price has remained highly correlated to the price of alumina through the commodity cycle:

Five years Platts Alumina Price (US$/t)



Five years Alumina Limited share price (A$)



For more information on the Company's business model and 2023 results, see pages 18 to 41 of the operating and financial review.

Subsequent to year end, Alumina Limited and Alcoa Corporation have entered into a Scheme Implementation Deed in relation to a proposal for Alcoa to acquire 100% of the fully paid ordinary shares of Alumina Limited. For more information about the potential transaction, see page 93 of the Financial Report.

Historical company performance

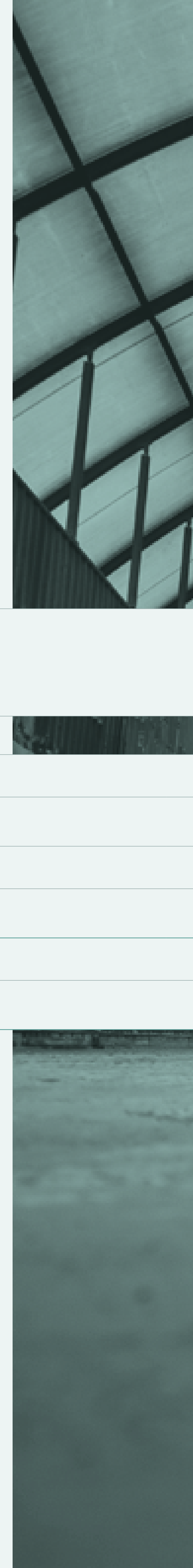
The table below shows the Company's financial performance over the last five years as required by the *Corporations Act 2001*.

	2023	2022	2021	2020	2019
Net (Loss)/Profit after tax (US$ million)	(150.1)	104.0	187.6	146.6	214.0
Net (Loss)/Profit after tax (excluding significant items) (US$ million)	(91.9)	109.3	226.0	146.5	326.6
Dividend declared (US cents per share)	–	4.2	6.2	5.7	8.0
Share price at the end of the period (AUD per share)	0.905	1.520	1.865	1.835	2.30
Total shareholder return – including franking credits (%)	(40.5)	(11.3)	9.0	(14.2)	15.5
Total shareholder return – excluding franking credits (%)	(40.5)	(13.5)	6.8	(16.0)	10.8

2.2 Remuneration decisions and outcomes for 2023

	2023 outcomes
Fixed remuneration	With consideration to the market outlook, inflation factors and changes in the superannuation guarantee contribution rates, the CEO's total reward in 2023 was increased by 3.5% by equally increasing each of the remuneration components, being FAR, Conditional Rights and LTI. In 2023, fixed remuneration for Ms Kraeva and Mr Foster increased by 4.2% and 3.5% respectively. From 2024, fixed remuneration for the CEO increased by 4%, in line with the increases applied to the broader staff of the Company. CFO fixed remuneration increased by 10.5% to $690,600 to address the market competitiveness of her fixed remuneration.
Deferred equity remuneration[1]	The annual deferred equity grant was made to key executives. In the case of the Company Secretary, his outcome was pro-rated for the part of the year he was employed.
Long-term incentive	The FY21 LTI was tested in 2023 (testing period December 2020 to December 2023) and Alumina Limited's performance against the ASX and International Comparator Groups fell below the minimum required vesting threshold of 50th percentile ranking and therefore zero per cent of the potential entitlement vested. This outcome reflects the shareholder experience during the testing period and illustrates the LTI functioning as intended.

1. The Board evaluates performance of the CEO and CFO against a range of individual and non-financial objectives. Performance as having met expectations has been taken into account in setting up the level of remuneration for 2024.



2.3 Actual "take home" 2023 remuneration of continuing[1] Executive KMP

The information below includes the actual 'take home' remuneration for continuing executives and does not include each Executive KMP from the statutory remuneration table (See section 2.5 on page 56).

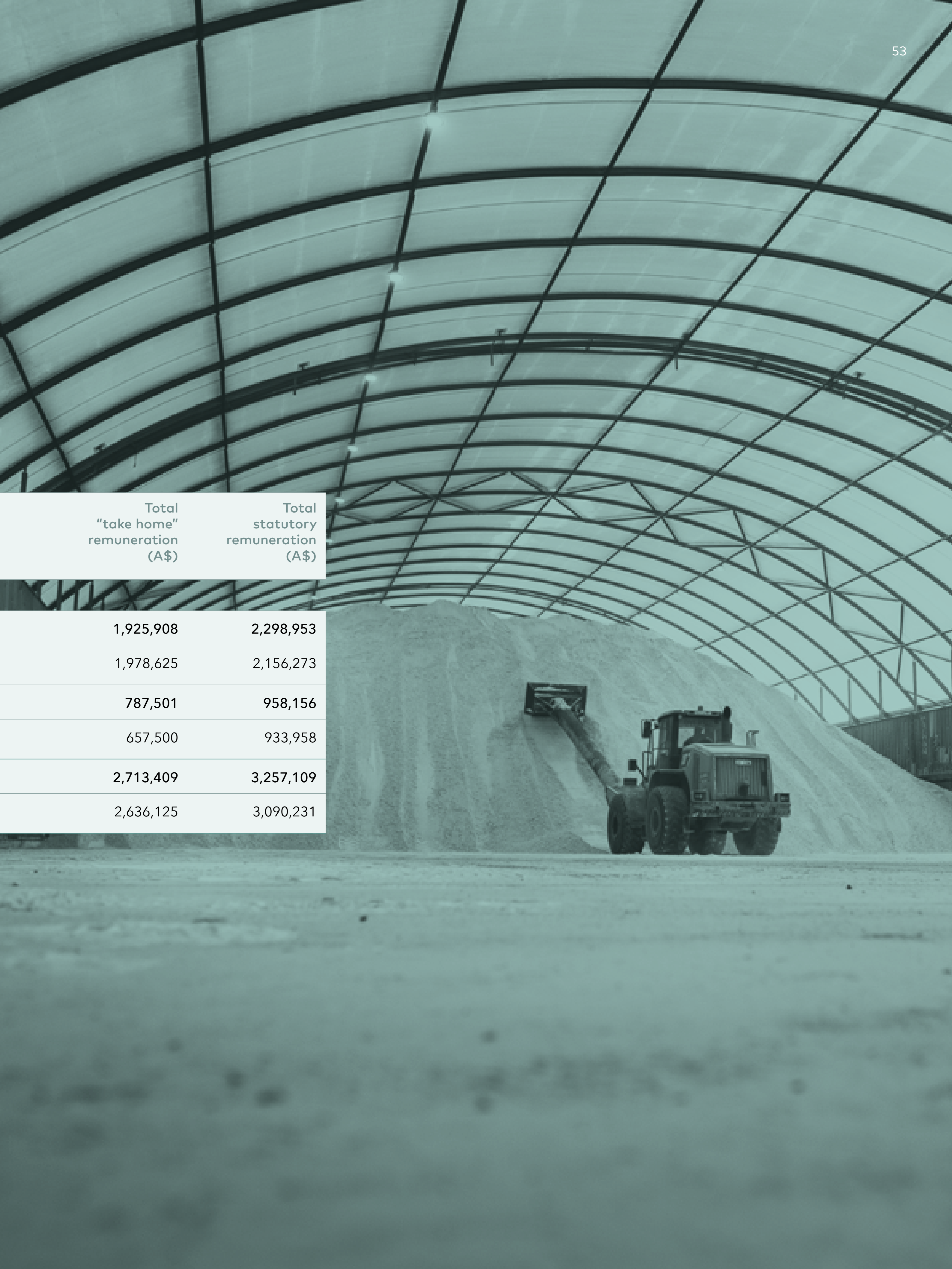
The actual remuneration awarded during the year comprises the following elements:

- Cash salary including superannuation benefits, leave entitlements and any salary sacrifice arrangements and other agreed annual cash payments, but excluding termination payments;
- Other short-term benefits comprised of the personal financial advice allowance and travel allowance;
- Conditional Rights vested (being the number of Conditional Rights that vested multiplied by the market price at the vesting date); and
- LTI vested and exercised (being the number of Performance Rights that vested and exercised multiplied by the market price at the exercise date).

These values differ from the executive statutory remuneration table and have not been prepared in accordance with statutory requirements and Australian Accounting Standards. The directors believe that the 'take home' remuneration is more relevant to users as the statutory remuneration shows benefits before they are received by executives, even though certain benefits, such as LTI awards, may fail to vest.

	Year	Short-term benefits (A$)			Share based payments (A$)		
		FAR including superannuation	Other	Total	Conditional Rights	Performance Rights	Total
Executive KMP							
Mike Ferraro	**2023**	**1,488,400**	**11,986**	**1,500,386**	**425,522**	**–**	**425,522**
	2022	1,438,100	13,763	1,451,863	526,762	–	526,762
Galina Kraeva	**2023**	**720,000**	**–**	**720,000**	**67,501**	**–**	**67,501**
	2022	657,500	–	657,500	–	–	–
Total	**2023**	**2,208,400**	**11,986**	**2,220,386**	**493,023**	**–**	**493,023**
	2022	2,095,600	13,763	2,109,363	526,762	–	526,762

1. Mr Foster retired on 1 July 2023.



Total "take home" remuneration (A$)	Total statutory remuneration (A$)
1,925,908	**2,298,953**
1,978,625	2,156,273
787,501	**958,156**
657,500	933,958
2,713,409	**3,257,109**
2,636,125	3,090,231

2.4 Executive KMP performance under the LTI plan

2023	Key features of the LTI Plan
Description	The LTI is delivered in the form of Performance Rights that are tested over a three-year performance period. Each Performance Right that vests delivers to the holder an ordinary share in Alumina Limited upon exercise of the Right.
Performance period	Three years
Performance hurdles	Alumina Limited's performance is tested using relative TSR compared against two comparator groups. Relative TSR was chosen as an appropriate means of measuring Company performance as it incorporates both capital growth and dividends. The two comparator groups against which Alumina Limited's performance were tested are: • ASX Comparator Group (Test 1 – 50% weighting): Australian listed entities in S&P/ASX 100 Index, excluding property trusts, the top 20 companies by market capitalisation and Alumina Limited. • International Comparator Group (Test 2 – 50% weighting): reflecting the Company's direct competitors in the market comprising nine selected companies in the alumina and/or aluminium industries that are listed in Australia or overseas, excluding the Company. The following companies were included in the group: Alcoa Corporation, Aluminium Corporation of China, Century Aluminium Company, Hidalco Industries, Norsk Hydro ASA, Shandong Nanshan Aluminium Co., South32, United Company Rusal (HKG) and Yunnan Aluminium Co.
Performance assessment	Performance hurdles are independently measured by Deloitte Financial Advisory at the conclusion of the relevant performance period. Alumina Limited's TSR is ranked against the TSR of companies in each of the comparator groups.

Alumina Limited's TSR percentile rank	Percentage of vesting in (applies individually to each comparator group)
Below 50^{th}	0%
Equal to 50^{th}	50%
Between 50^{th} and 75^{th} (ASX Comparator Group)[1]	An additional 2% of award for each percentile increase
Equal to or greater than 75^{th}	100%

Following testing, any Performance Rights that have not vested will lapse.

Entitlements	The participant is only entitled to proportionally receive dividends and other distributions, bonus issues or other benefits if the performance conditions applicable to Performance Rights are satisfied (or waived) and the Performance Rights vest and are exercised. Shares relating to Performance Rights, are not automatically allocated upon vesting. Instead, participants are entitled to exercise each relevant Performance Right at any time during the applicable exercise period (Exercise Period) after vesting. The Exercise Period will generally end seven years after vesting of the relevant Performance Rights. However, the Exercise Period may be shortened in certain circumstances such as cessation of employment or a change of control event. Performance Rights that do not vest as at the end of the vesting period will lapse. In 2023 the Board exercised its discretion to determine, that upon key management personnel (KMP), including Mr Ferraro, ceasing employment with the Company as a result of genuine retirement (and being considered a good leaver under the ESP rules), the ESP rule providing for pro rata lapsing should not apply to all of the relevant KMP member's unvested Performance Rights that existed as at 31 December 2023. The Board exercised its discretion to encourage retention of KMP and having regard to the Company's best interests. This exercise of discretion does not apply to future Performance Rights that are issued such as those offered in January 2024. However, the Board could in the future determine to exercise that discretion for the Performance Rights offered in January 2024.

2023	Key features of the LTI Plan (continued)	
Opportunity levels[2,3]	Percentage of FAR (%)	
	CEO	CFO
	Approx 42	Approx 25

1. If the Company's TSR performance is equal to that of any entity (or security) between the 50th percentile and the 75th percentile of the International Comparator Group ranked by TSR performance, the number of Performance Rights in the relevant half of the LTI award that vest will be equal to the vesting percentage assigned by the Board to that entity (or security). If the Company's TSR performance is between that of any two such entities (or securities) in the International Comparator Group, the number of Performance Rights in the relevant half of the LTI award that vest will be determined on a pro rata basis relative to the vesting percentages assigned by the Board to those entities (or securities). **2.** To determine the number of Performance Rights to be offered, the LTI opportunity is allocated using a face value allocation methodology being the annual dollar value of the LTI grant divided by the average Company share price over the 20 trading days leading up to the time that the Board determined to make offers of Performance Rights under the LTI plan for the relevant year. **3.** The former Company Secretary/General Counsel had an LTI opportunity equal to 40% of his fixed annual remuneration. He retired on 1 July 2023.

Alumina Limited's performance resulted in zero per cent of the total potential entitlement in relation to the FY21 LTI vesting in December 2023. The table below summarises Alumina Limited's TSR performance against each of the comparator groups. Full reconciliation of number of rights at the beginning and the end of the financial year provided in section 4.2 of this report.

LTI – FY21 (tested in 2023)

Description	ASX comparator group	International comparator group
Currency	AUD	USD[1]
Performance period	14 December 2020 to 13 December 2023	
Alumina Limited's TSR	(53.9%)	
Alumina Limited's TSR percentile rank	4.9%	0.0%
Comparator group median TSR	11.5%	41.1%
Comparator group TSR range	(32.1%) to 118.7%	(28.6%) to 123.3%

1. TSR for the International comparator group is calculated using prices and dividends converted to US dollars on a daily basis.

LTI – performance rights vesting in future years

Performance rights yet to vest from prior years were offered to the CEO and key executives in 2022 and 2023 and have the following grant date fair values:

Tranche No	CEO[1]	Executive KMP[2]
FY22	$0.86	$1.10
FY23	$0.74	$0.88

1. CEO's performance rights grant is subject to shareholder approval. Therefore, the grant date is deemed to be the date of AGM.
2. Performance Rights to key executives were granted on 3 February 2022 and 19 January 2023.

2.5 CEO and Key Executives statutory remuneration

The following table shows details of the remuneration expense recognised for the Group's Executive KMP for the current and previous financial years measured in accordance with the requirements of the Australian Accounting Standards. Amounts shown under share-based payments reflect the accounting expense recorded during the year with respect to awards that have or are yet to vest.

	Year	Short-term benefits (A$)				
		FAR[1]	STI	Non-monetary[2]	Annual leave[3]	Other[4]
Executive KMP						
Mike Ferraro	**2023**	**1,462,054**	**–**	**–**	**1,369**	**11,986**
	2022	1,416,882	–	–	(21,945)	13,763
Galina Kraeva	**2023**	**598,654**	**95,000**	**8,729**	**35,914**	**–**
	2022	550,570	82,500	8,404	63,173	–
Stephen Foster[9]	**2023**	**296,400**	**66,365**	**4,364**	**(26,566)**	**–**
	2022	567,854	266,000	8,404	(22,333)	–
Andrew Wood[10]	2022	313,768	–	–	2,154	–
Total Executive Remuneration	**2023**	**2,357,108**	**161,365**	**13,093**	**10,717**	**11,986**
	2022	2,849,074	348,500	16,808	21,049	13,763

1. FAR is the total cash cost of salary and short-term compensated absences, exclusive of superannuation. **2.** Non-monetary benefits represent the value of the car park. **3.** The amounts disclosed in this column represent the movement in the annual leave provision year on year. **4.** Other short-term benefits include travel allowance. **5.** Superannuation and termination reflect the compulsory SGC contributions for all Executive KMP and termination payment for Mr Wood in 2022. **6.** The CEO's remuneration package and STI for key executives include a Conditional Rights component. In accordance with AASB 2, the value attributed to the Conditional Rights represents the amortisation for the reporting period of the value at grant date of all previously granted Conditional Rights that have neither vested nor lapsed.

Long-term benefits (A$)	Post employment benefits (A$)	Share based payments (A$)		Total remuneration (A$)
Long-service leave	Superannuation and termination[5]	Conditional Rights[6]	Performance Rights[7,8]	
44,110	**26,346**	**489,300**	**263,788**	**2,298,953**
43,682	21,218	472,800	209,873	2,156,273
21,971	**26,346**	**90,000**	**81,542**	**958,156**
58,776	24,430	75,000	71,105	933,958
14,391	**19,496**	**72,981**	**161,270**	**608,701**
(20,111)	25,146	–	125,345	950,305
13,924	725,096	–	56,216	1,111,158
80,472	**72,188**	**652,281**	**506,600**	**3,865,810**
96,271	795,890	547,800	462,539	5,151,694

7. In accordance with AASB 2, the value attributed to Performance Rights represents the amortisation for the reporting period of the value at grant date of all previously granted Performance Rights that have neither vested nor lapsed. The value at grant date is amortised over a three-year period. **8.** The award of performance rights to the CEO is approved by shareholders at the AGM on 29 May 2023. **9.** Mr Foster retired, effective from 1 July 2023. Refer section 4.5 for details on the retirement payment. **10.** Mr Wood's employment with Alumina Limited ceased on 30 September 2022.

3. Non-Executive Directors remuneration

3.1 2023 Non-Executive Directors remuneration

The maximum remuneration for Non-Executive Directors is determined by resolution of shareholders. At the 2023 AGM, shareholders approved a maximum aggregate remuneration of $1,700,000 per annum for Non-Executive Directors. A total of $1,171,026 (inclusive of superannuation) was paid in Non-Executive Director fees in 2023.

Other than the Chairman, who receives a single base fee of $410,000 (inclusive superannuation), Non-Executive Directors receive a base fee plus additional fees for membership of Board Committees and superannuation contribution (the exception being Mr Chen Zeng, who has elected to forgo all Board fees effective from 1 July 2023). Non-Executive Directors do not participate in incentive plans or receive any retirement benefits other than statutory superannuation contributions.

The remuneration packages for Non-Executive Directors are set out below. Superannuation contributions made by the Company on behalf of Non-Executive Directors are included in the fees amounts presented in the table on the right.

There will be no increase in the Non-Executive Directors fee pool, base fee, member fee or committee chair fee (other than the Sustainability Committee Chair fee) in 2024. The Sustainability Committee Chair fee in 2024 will be $38,325. From 1 July 2024, the SGC rate will rise to 11.5%, director fees will not be changed as a result of the rate increase.

All Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. The table below provides summary of the actual remuneration received by each Non-Executive Director and is prepared in accordance with statutory requirements and relevant accounting standards.

	2023[1] A$
Base fee	164,250
Compensation Committee – Chair	38,325
Compensation Committee – Member	10,950
Audit and Risk Management Committee – Chair	38,325
Audit and Risk Management Committee – Member	10,950
Sustainability Committee – Chair	–
Sustainability Committee – Member	10,950
Nomination Committee – Chair	16,425
Nomination Committee – Member	–

1. From 1 July 2023, the SGC rate increased from 10.5% to 11%. Director fees (inclusive of superannuation) have not changed as a result of the rate change.

Non-Executive Director	Year	Fees (A$)	Superannuation (A$)	Total remuneration (A$)
Peter Day	**2023**	**383,654**	**26,346**	**410,000**
	2022	385,570	24,430	410,000
Deborah O'Toole	**2023**	**202,687**	**21,788**	**224,475**
	2022	203,606	20,869	224,475

Non-Executive Director	Year	Fees (A$)	Superannuation (A$)	Total remuneration (A$)
Chen Zeng[1]	**2023**	**89,186**	**9,365**	**98,550**
	2022	178,776	18,324	197,100
John Bevan	**2023**	**192,800**	**20,725**	**213,525**
	2022	193,674	19,851	213,525
Shirley In't Veld	**2023**	**202,687**	**21,788**	**224,475**
	2022	203,606	20,869	224,475
Total Non-Executive Director remuneration	**2023**	**1,071,014**	**100,012**	**1,171,026**
	2022	1,165,232	104,343	1,269,575

1. Mr Zeng elected to forgo Board and Board Committee fees effective from 1 July 2023.

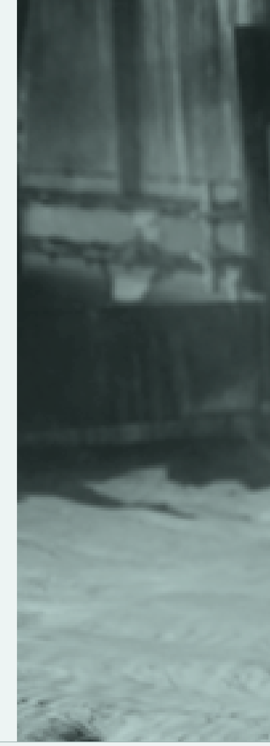
3.2 Non-Executive Directors share holdings

Each Non-Executive Director is required to hold shares in the Company having a value at least equal to 50 per cent of their annual fees (based on the date of purchase of shares) within five years from their appointment as a Director. Provided the minimum shareholding requirement is satisfied when shares are acquired or by the expiry of the five year term, should a decline in the Company's share price mean the value of the shareholding does not equal 50% of the amount of base annual fees, directors are not required to acquire shares to increase their level of shareholding to equal the amount of 50% of the base annual fees.

Subject to the Company's Securities Dealing Policy, it is the Director's decision at what time the required shareholding is acquired.

Non-Executive Director	Year	Number of shares as at 1 January[1]	Number of shares acquired during the year	Number of shares as at 31 December[1]	Date on which policy compliance
Peter Day	**2023**	**148,770**	**-**	**148,770**	**03/11/2014**
	2022	148,770	-	148,770	
Deborah O'Toole	**2023**	**70,000**	**-**	**70,000**	**20/12/2021**
	2022	70,000	-	70,000	
Chen Zeng[1]	**2023**	**4,804**	**-**	**4,804**	**n/a-[2]**
	2022	4,804	-	4,804	
John Bevan	**2023**	**300,054**	**-**	**300,154**	**01/01/2018**
	2022	300,154	-	300,154	
Shirley In't Veld	**2023**	**152,563**	**-**	**152,563**	**03/08/2020**
	2022	102,563	50,000[3]	152,563	

1. Number of shares held at 1 January and 31 December of the respective years include directly held shares, nominally held shares, and shares held by personally related entities. **2.** Mr Zeng is a nominee of CITIC and CITIC holds 548,959,208 ordinary fully paid shares in Alumina Limited. **3.** 50,000 purchase on 30 June 2022.

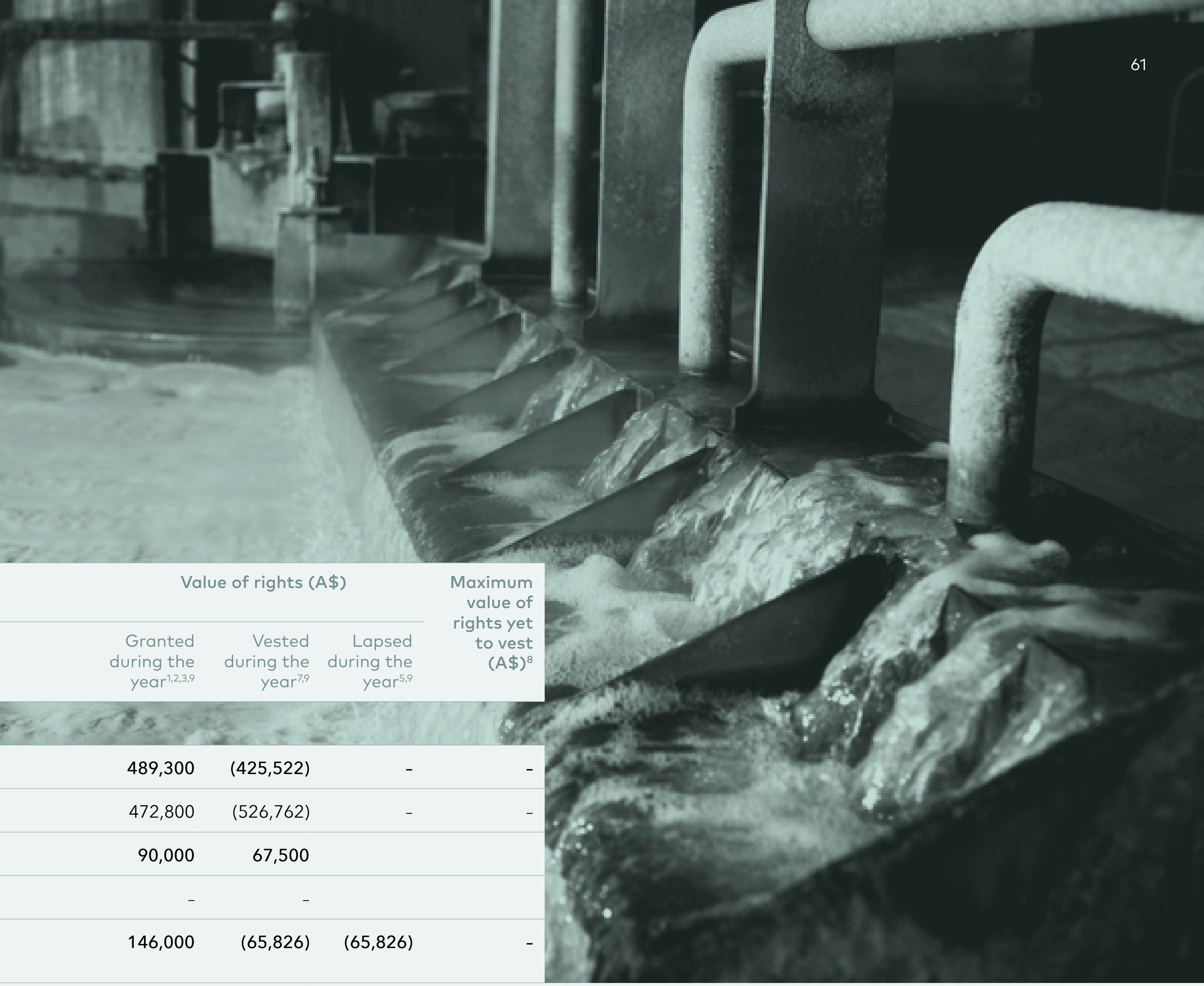


4. Additional disclosures

4.1 Reconciliation of Conditional Rights held by Executive KMP

	Year	Number of ordinary shares				
		Total as at 1 January	Granted during the year[1,2,3,8]	Vested during the year[4,8]	Lapsed during the year[5]	Total as at 31 December[6]
Executive KMP						
Mike Ferraro	2023	248,843	319,800	(248,843)	–	319,800
	2022	256,957	248,843	(256,957)	–	248,843
Galina Kraeva	2023	39,474	58,800	(39,474)	–	58,800
	2022	–	39,474	–	–	39,474
Stephen Foster	2023	–	95,400	(47,700)	(47,700)	–

1. Mr Ferraro receives Conditional Rights as an element of remuneration. 2023 includes Conditional Rights granted on 12 January 2023 (2022: 3 February 2022). The number of Conditional Rights is determined by dividing the set value of $489,300 (2022: $472,800) by a Volume Weighted Average Price (VWAP) of $1.53 (2022: $1.90). **2.** Ms Kraeva receives Conditional Rights as an element of remuneration. Conditional Rights were granted on 12 January 2023 (2022: 3 February 2022). The number of Conditional Rights is determined by dividing the set value of $90,000 (2022: $75,000) by a VWAP of $1.53 (2022: $1.90). **3.** Conditional Rights to Mr Foster were granted on 12 January 2023.The number of Conditional Rights was determined by dividing the set value of $146,000 by a VWAP of $1.53. **4.** On vesting, each Conditional Right automatically converts into an ordinary share in Alumina Limited. The terms of Conditional Rights granted were not altered during 2023. The number of Conditional Rights vested is the number granted in the prior years, following the completion of the required service period. There is a three-year trading restriction on the shares from grant date as long as Executive KMP remain employed by the Company. **5.** Mr Foster retired on 1 July 2023 and received a pro-rata allocation of Conditional Rights for the period of employment. The remaining rights have lapsed. **6.** Number of Conditional Rights yet to meet the required condition and have not lapsed. **7.** Value vested is equal to the number of Conditional Rights that have satisfied the required conditions multiplied by the share price at the time of vesting. In 2023, for Mr Ferraro, it was 248,843 Conditional Rights by the share price of $1.71 on 3 February 2023 (2022: 256,957 Conditional Rights by the share price of $2.05 on 14 January 2022). For Ms Kraeva, it was 39,474 Conditional Rights by the share price of $1.71 on 3 February 2022. For Mr Foster, the value vested is determined using the share price of $1.38 on 1 July 2023. **8.** The maximum value of the Conditional Rights is based on the number of rights that vest and are released at the expiration of the conditional period, multiplied by the share price on the date of release. **9.** The value of the equity remains subject to performance of the Company's share price.



Value of rights (A$)			Maximum value of rights yet to vest (A$)[8]
Granted during the year[1,2,3,9]	Vested during the year[7,9]	Lapsed during the year[5,9]	
489,300	(425,522)	–	–
472,800	(526,762)	–	–
90,000	67,500		
–	–		
146,000	(65,826)	(65,826)	–

4.2 Reconciliation of Performance Rights held by Executive KMP

	Year[1]	Number of Performance Rights						
		Total as at 1 Jan[2]	Granted during the year[3]	Exercised during the year[4,5]	Lapsed during the year[6]	Total as at 31 Dec[7]	Yet to be exercised as at 31 Dec	Yet to vest as at 31 Dec
Executive KMP								
Mike Ferraro	**2023**	**617,900**	**400,600**	**–**	**(291,800)**	**726,700**	**–**	**726,700**
	2022	516,300	326,100	–	(224,500)	617,900	–	617,900
Galina Kraeva	**2023**	**149,800**	**101,600**	**–**	**(68,300)**	**183,100**	**–**	**183,100**
	2022	118,600	81,500	–	(50,300)	149,800	–	149,800
Stephen Foster[8]	**2023**	**255,600**	**158,400**	**–**	**(255,328)**	**–**	**–**	**–**
	2022	224,200	128,900	–	(97,500)	255,600	–	255,600
Andrew Wood[9]	2022	125,500	72,100	–	(135,754)	61,846	–	61,846

1. 2023 include Performance Rights granted on 19 January 2023 (2022: 3 February 2022) for the three-year performance test period concluding 7 December 2025 (2022: 9 December 2024). The award of performance rights to the CEO was approved by shareholders at the AGM on 29 May 2023 (2022: 25 May 2022). **2.** Includes the number of Performance Rights granted that were subject to testing in 2023. **3.** The terms of Performance Rights granted were not altered during 2023. Number of Performance Rights granted calculated as the annual dollar value of the LTI grant divided by the average Company share price over the 20 trading days leading up to the time that the Board determined to make offers under the LTI plan for the relevant year. **4.** 2023 include the number of Performance Rights that, due to testing of the relevant period, were vested and exercised in 2023. It also includes Performance Rights vested in previous years that were exercised in 2023. **5.** Performance Rights vest on satisfaction of the performance criteria. The eligible participant then enters an exercise period that concludes at 5:00pm (Melbourne time) on the date that is seven years after vesting. Vested ESP entitlements that are not exercised by the end of the Exercise Period will lapse (and consequently no Shares will be allocated, and no Cash Settlement Amounts will be paid, in respect of those vested ESP entitlements). However, if any of eligible participants vested ESP entitlements would otherwise lapse at the end of the Exercise Period because of this rule, and they have not previously notified Alumina Limited that they do not wish those vested ESP entitlements to be exercised, then they will be deemed to be exercised by the eligible participant. **6.** The number of the Performance Rights that did not meet the criteria for vesting and therefore lapsed. As disclosed in section 2.4, zero per cent of Performance Rights vested in 2023 due to testing of Tranche 21. **7.** Includes number of Performance Rights granted subject to future testing (yet to vest) and number of Performance Rights vested but yet to be exercised. **8.** Mr Foster's unvested Performance Rights lapsed proportional to the amount of the testing period that had not yet elapsed at the time of retirement. More detail on his unvested Performance Rights is included in section 4.5 of this Report. Since Mr Foster is no longer employed by the Company, the number of his performance rights at year end is not disclosed. **9.** Mr Wood ceased to be a KMP on 30 September 2022.

	Year[1]	Value of Performance Rights (A$)					
		Granted during the year[1]	Exercised during the year[2]	Lapsed during the year[1]	Yet to be exercised[1]	Minimum value of grants yet to vest[3]	Maximum value of grant yet to vest[1]
Executive KMP							
Mike Ferraro	**2023**	**296,444**	**–**	**(215,932)**	**–**	**–**	**576,890**
	2022	280,446	–	(134,700)	–	–	494,919
Galina Kraeva	**2023**	**89,408**	**–**	**(65,568)**	**–**	**–**	**179,058**
	2022	89,650	–	(58,097)	–	–	155,218
Stephen Foster	**2023**	**139,392**	**–**	**(121,632)**	**–**	**–**	**167,989**
	2022	141,790	–	(112,613)	–	–	263,422
Andrew Wood	2022	79,310	–	(148,353)	–	–	62,084

1. Calculated by multiplying the number of Performance Rights granted by the fair value as at the date of the grant, independently calculated by Deloitte Financial Advisory (2022: Mercer Consulting (Australia)), using the assumptions underlying the Black-Scholes methodology to produce a Monte Carlo simulation model that accommodates features associated with Alumina Limited's ESP such as exercise, lapse and performance hurdles. **2.** The value of Performance Rights exercised is determined by the number of Rights multiplied by the market price at the exercise date. **3.** The minimum value of the Performance Rights for any given year is zero.

4.3 Reconciliation of ordinary shares held by Executive KMP

	Year[1]	Value of Performance Rights (A$)					
		Total as at 1 Jan[1]	Acquired during the year under LTI[2]	Acquired during the year under Conditional Rights	Other shares acquired during the year	Sold during the year	Total as at 31 Dec
Executive KMP							
Mike Ferraro	**2023**	**1,225,584**	**–**	**248,843**	**–**	**–**	**1,474,427**
	2022	968,627	–	256,957	–	–	1,225,584
Galina Kraeva	**2023**	**126,357**	**–**	**39,474**	**–**	**–**	**165,831**
	2022	126,357	–	–	–	–	126,357
Stephen Foster[3]	**2023**	**1,130,199**	**–**	**–**	**–**	**–**	**–**
	2022	1,130,199	–	–	–	–	1,130,199
Andrew Wood	2022	382,283	–	–	–	–	–

1. Number of shares held at 1 January and 31 December of the respective years include directly held, and nominally held shares, and shares held by personally related entities. For Ms Kraeva, the prior year opening balance reflects the number of shares held when she commenced as ICFO/CFO. **2.** December 2023 testing of 2021 Performance Rights resulted in zero per cent vesting of total potential entitlement. In 2022, 2020 Performance Rights that were tested in December 2022 resulted in zero percent vesting. **3.** Mr Foster retired during the year and therefore his shareholding as at 31 December 2023 was not disclosed.

4.4 Executive KMP service agreements

Remuneration and other terms of employment for executives are formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below.

Termination benefits are within the limits set by the *Corporations Act 2001* (Cth).

Term of agreement and notice period	Termination payments[1]
Mike Ferraro	
• No fixed term. • 12 month written notice from either party. • Mr Ferraro's employment may be terminated immediately for any conduct that would justify summary dismissal.	• Alumina Limited may, at its discretion, make a payment in lieu of some or all of the notice period. • Any payment to be made to Mr Ferraro in lieu of notice shall be calculated based on his Fixed Annual Reward. He would also receive any statutory entitlements. • Number of shares equal to the granted Conditional Rights that would have vested during notice period. • In addition to the above, Mr Ferraro may terminate his employment by giving notice to Alumina Limited (effective immediately or up to six months later) in the event of a Significant Change. In that case Mr Ferraro will be entitled to receive a payment equal to 12 months' Fixed Annual Reward less the amount received during any period of notice served. He will also be entitled to payment in lieu of accrued annual and long service leave entitlements.
Galina Kraeva and Stephen Foster[2]	
• No fixed term. • Six month notice from the Company, four month notice from Ms Kraeva.	A payment in lieu of accrued annual and long service leave entitlements and an additional payment which is the greater of: • A payment equivalent to six months Base Remuneration; or • A payment comprising: – notice payment (the greater of 12 weeks or notice provided within employment contract), – severance payment of 2.5 weeks per complete year of service, pro-rated for completed months of service; and – nine weeks ex gratia payment.

1. Payable upon termination with notice for reasons other than unsatisfactory performance and suitable alternative employment is not offered by the Company or if they do not accept other employment, or in the event of a significant change (which is defined to be if Alumina Limited ceases to be listed on the ASX or if there is a significant change to the executive's status and/or responsibilities that is detrimental to the executive). Calculated according to the "Base Remuneration", which is defined as FAR for Mr Ferraro and Ms Kraeva; and FAR + STI at target for Mr Foster. The above termination entitlements are subject to any restrictions imposed by the *Corporations Act 2001*.

4.5 Cessation of employment

Mr Foster retired from the position of the Company Secretary on 1 July 2023. In accordance with the terms of his employment contract, on departure, Mr Foster was paid FAR of $296,400, a pro rata amount of his FY23 STI of $66,365 assessed at the time of his retirement and compensation for unused annual and long service leave of $225,346. Mr Foster also received Conditional Rights issued for the amount of $73,000.

Prior to cessation of employment, Mr Foster had three tranches of Performance Rights due for testing in December 2023, 2024 and 2025, in total 414,000 Performance Rights.

In general and subject to Board discretion, where an executive ceases employment during the performance period as a good leaver any unvested incentives will be pro-rated to time and left-on foot to be tested in accordance with the original terms of the LTI.

In 2022, the Board determined that, upon cessation of employment with the Company as a result of genuine retirement by KMP and being a 'good leaver', unvested Performance Rights would remain on foot to be tested and vest in the ordinary course of the plan. Mr Foster's unvested incentives were treated as follows:

- The 2021 Performance Rights were tested in December 2023 and resulted in zero percent vesting
- The 2022 Performance Rights are retained subject to future testing
- The 2023 Performance Rights are retained on a pro-rata basis, with 29,772 rights retained and 128,628 rights lapsed (on the basis he was only employed for 6 months of the relevant performance period).

4.6 Change of control

In the event of a change in control, the Board may bring forward the testing date for the LTI performance conditions, or waive those conditions, and/or shorten the exercise period for Performance Rights that have already vested or that vest subsequently. The Board may also, in its discretion, determine that cash settlement amounts will be paid in respect of any vested Performance Rights.[1]

4.7 Clawback policy

Alumina Limited has a Clawback Policy that provides scope for the Board to recoup incentive remuneration paid to the CEO and senior executives where:

- material misrepresentation or material restatement of Alumina Limited's financial statements occurred as a result of fraud or misconduct by the CEO or any senior executives; and
- the CEO or senior executives received incentive remuneration in excess of that which should have been received if the Alumina Limited financial statements had been correctly reported.

The Board also may seek to recover gains from the sale or disposition of vested shares and determine to cancel unvested equity awards.

4.8 Share trading and hedge prohibition

Conditional Rights granted to Executive KMP and Performance Rights granted under Alumina Limited's LTI plan must remain at risk until fully vested. This is consistent with Alumina Limited's Share Trading Policy that prohibits Directors and employees from engaging in:

- short-term trading of any Alumina Limited securities
- buying or selling Alumina Limited securities if they possess unpublished, price-sensitive information; or
- trading in derivative products over the Company's securities, or entering into transactions in products that limit the economic risk of their security holdings in the Company.

This report is made in accordance with a resolution of the Directors.

W Peter Day
Chairman

26 March 2024

1. In relation to the CEO, where a change of control occurs, the performance conditions for unvested Performance Rights will be automatically waived and the Performance Rights will therefore vest, unless the Board determines otherwise. The Board may also shorten the Exercise Period for Performance Rights that vest or have already vested.

Financial Report

The Financial Report covers the consolidated entity consisting of Alumina Limited (the Company or parent entity) and its subsidiaries (together the Group). The financial report is presented in US dollars, unless otherwise specified.

Alumina Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is: Alumina Limited, Level 36, 2 Southbank Boulevard, Southbank Victoria 3006.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Operating and Financial Review on pages 18-41 of the Annual Report. The Operating and Financial Review is not part of this Financial Report.

The financial report was authorised for issue by the Directors on 26 March 2024.

All press releases, financial reports and other information are available at our Investor Centre on our website www.aluminalimited.com.

Consolidated Financial Statements

67 Consolidated statement of profit or loss and other comprehensive income
68 Consolidated balance sheet
69 Consolidated statement of changes in equity
70 Consolidated statement of cash flows

Notes to the Consolidated Financial Statements for the year ended 31 December 2023

71 About this report

Group structure and AWAC performance

72 1. Segment information
73 2. Investment in associates
78 3. Investments in controlled entities

Financial and Capital Risk

78 4. Financial assets and liabilities
80 5. Financial risk management
83 6. Capital management

Key Numbers

85 7. Expenses
85 8. Income tax expense
88 9. Equity
89 10. Cash flow information

Additional Disclosures

90 11. Related party transactions
91 12. Share-based payments
92 13. Remuneration of auditors
93 14. Commitments and contingencies
93 15. Events occurring after the reporting period
93 16. Parent entity financial information
95 17. Deed of cross guarantee
97 18. New accounting standards and interpretations

Signed Reports

97 Directors' declaration
98 Independent auditor's report to the members of Alumina Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	US$ Million	
		2023	2022
Revenue from continuing operations		0.5	0.7
Share of net profit/(loss) of associates accounted for using the equity method	2(c)	(119.4)	120.1
General and administrative expenses	7(a)	(11.6)	(12.5)
Foreign exchange gains/(losses)		0.2	0.1
Finance costs	7(b)	(19.8)	(4.4)
Profit/(loss) before income tax		**(150.1)**	**104.0**
Income tax expense	8	–	–
Profit/(loss) for the year attributable to the owners of Alumina Limited		**(150.1)**	**104.0**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Share of reserve movements accounted for using the equity method		(0.8)	2.3
Foreign exchange translation difference	9(b)	49.3	(56.0)
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations accounted for using the equity method		(14.7)	15.8
Other comprehensive income/(loss) for the period, net of tax		**33.8**	**(37.9)**
Total comprehensive income/(loss) for the year attributable to the owners of Alumina Limited		**(116.3)**	**66.1**

Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:

		US Cents	
Basic earnings per share	9(a)	(5.2)	3.6
Diluted earnings per share	9(a)	(5.2)	3.6

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

	Notes	US$ Million 2023	US$ Million 2022
Current assets			
Cash and cash equivalents	4(a)	1.7	3.8
Other assets		2.4	1.0
Total current assets		**4.1**	**4.8**
Non-current assets			
Right of use asset		1.6	1.9
Investment in associates	2(c)	1,729.5	1,656.0
Total non-current assets		**1,731.1**	**1,657.9**
Total assets		**1,735.2**	**1,662.7**
Current liabilities			
Payables		3.1	0.4
Provisions and other liabilities		0.5	0.9
Total current liabilities		**3.6**	**1.3**
Non-current liabilities			
Borrowings	4(b)	296.0	110.0
Lease liability		1.0	1.3
Provisions		0.6	0.7
Total non-current liabilities		**297.6**	**112.0**
Total liabilities		**301.2**	**113.3**
Net assets		**1,434.0**	**1,549.4**
Equity			
Contributed equity	9(a)	2,706.7	2,706.7
Treasury shares	9(a)	(0.4)	(0.8)
Reserves		(1,401.1)	(1,450.1)
Retained earnings		128.8	293.6
Total equity		**1,434.0**	**1,549.4**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	US$ Million			
		Contributed and other equity[1]	Reserves	Retained earnings	Total
Balance as at 1 January 2022		**2,705.5**	**(1,396.8)**	**376.9**	**1,685.6**
Profit for the year		–	–	104.0	104.0
Other comprehensive income/(loss) for the period		–	(53.7)	15.8	(37.9)
Transactions with owners in their capacity as owners:					
Dividends paid		–	–	(203.1)	(203.1)
Movement in treasury shares	9(a)	0.4	–	–	0.4
Movement in share-based payments reserve		–	0.4	–	0.4
Balance as at 31 December 2022		**2,705.9**	**(1,450.1)**	**293.6**	**1,549.4**
Balance as at 1 January 2023		**2,705.9**	**(1,450.1)**	**293.6**	**1,549.4**
Profit/(Loss) for the year		–	–	(150.1)	(150.1)
Other comprehensive income/(loss) for the period			48.5	(14.7)	33.8
Transactions with owners in their capacity as owners:					
Dividends paid		–	–	–	–
Movement in treasury shares	9(a)	0.4	–	–	0.4
Movement in share-based payments reserve		–	0.5	–	0.5
Balance as at 31 December 2023		**2,706.3**	**(1,401.1)**	**128.8**	**1,434.0**

1. Comprises contributed equity and treasury shares.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	US$ Million	
		2023	2022
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of goods and services tax)		(11.3)	(10.5)
GST refund received		0.4	0.5
Dividends received from associates		30.0	360.6
Finance costs paid		(18.7)	(4.1)
Other		0.3	0.5
Net cash inflow/(outflow) from operating activities	10(a)	**0.7**	**347.0**
Cash flows from investing activities			
Payments for investments in associates		(189.1)	(212.1)
Proceeds from return of invested capital		–	18.0
Net cash inflow/(outflow) from investing activities	2(c)	**(189.1)**	**(194.1)**
Cash flows from financing activities			
Proceeds from borrowings		204.0	164.0
Repayment of borrowings		(18.0)	(119.0)
Dividends paid		–	(203.1)
Net cash inflow/(outflow) from financing activities		**186.0**	**(158.1)**
Net increase/(decrease) in cash and cash equivalents		**(2.4)**	**(5.2)**
Cash and cash equivalents at the beginning of the financial year		3.8	9.1
Effects of exchange rate changes on cash and cash equivalents		0.3	(0.1)
Cash and cash equivalents at the end of the financial year	4(a)	**1.7**	**3.8**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

About this report

Alumina Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial report of the Group for the year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 26 March 2024.

The consolidated financial report is a general purpose financial report which:

- incorporates assets, liabilities and results of operations of all Alumina Limited's subsidiaries and equity accounts its associates. For the list of the Company's associates and subsidiaries refer Notes 2(a) and 3 respectively.
- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB). Alumina Limited is a for profit entity for the purpose of preparing the financial statements.
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.
- has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.
- the Company is of a kind referred to in the Australian Securities and Investments Commission Corporations Instrument 2016/191, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Legislative Instrument to the nearest hundred thousand dollars, and presented in US dollars, except where otherwise required.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are effective for the annual reporting period beginning 1 January 2023.
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective.
- presents reclassified comparative information where required for consistency with the current year's presentation.

Basis of preparation – going concern

These financial statements have been prepared on a going concern basis, which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

As outlined in note 15, Alumina Limited ("Alumina") announced on 12 March 2024 that it has entered into a Scheme Implementation Deed with Alcoa Corporation ("Alcoa") in relation to a proposal for Alcoa to acquire 100% of the fully paid ordinary shares in Alumina by way of a scheme of arrangement ("the Transaction"). In the event that the Transaction proceeds with the required approvals, Alumina would form part of Alcoa and future decisions in relation to the Group's ongoing operations and financing would be the responsibility of Alcoa. As is typical for transactions of this nature, completion of the Transaction will give rise to a Review Event under Alumina's syndicated revolving cash advance facility agreement ("Facility").

Should a Review Event arise Alumina may be required by the lenders to repay without penalty (other than Break Costs) all outstanding loans together with accrued interest and other amounts within 90 business days.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the paragraph above, the Transaction is not subject to any financing conditions and Alumina expects that Alcoa will address the Review Event in the course of implementation of the Transaction, which may include through a refinancing with the lenders or repayment under the facility, as is customary for transactions of this nature. Accordingly, Directors have determined that the financial reports should be prepared on a going concern basis.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature,
- it is important for the understanding of the results of the Group, or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- **Group structure and Alcoa World Alumina and Chemicals ("AWAC") performance:** explains the group structure and information about AWAC's financial position and performance and its impact on the Group.
- **Financial and capital risk:** provides information about the Group's financial assets and liabilities and discusses the Group's exposure to various financial risks and explains how these affect the Group's financial position and performance and what the Group does to manage these risks. It also describes capital management objectives and practices of the Group.
- **Key numbers:** provides a breakdown of individual line items in the financial statements that the Directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items.
- **Additional disclosures:** provides information on items, which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements. However, they are not considered critical in understanding the financial performance of the Group and are not immediately related to the individual line items in the financial statements.

Accounting policies, critical accounting estimates and judgements

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements, as well as critical accounting estimates and judgements are provided throughout the notes to the financial statements.

Foreign currency translation

The consolidated financial statements are presented in US dollars, which is Alumina Limited's presentation and functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of these transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when they are deferred in other equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

The results and financial position of the Group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- all resulting exchange differences are recognised in other comprehensive income.
- on consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, its share of such exchange differences is reclassified to the profit or loss, as part of the gain or loss on sale.

Group structure and AWAC performance

1. SEGMENT INFORMATION

Alumina Limited's sole business undertaking is in the global bauxite, alumina and aluminium industry, which it conducts primarily through bauxite mining and alumina refining. All of those business activities are conducted through its 40% investments in AWAC. Alumina Limited's equity interest in AWAC forms one reportable segment. A full description of Alumina Limited's business model is included in the Operating and Financial Review on pages 18-41 of the Annual Report.

The Group's interest in AWAC and the assets and liabilities of Alumina Limited are presented below by geographical location for information purposes.

Year ended 31 December 2023	US$ Million				
	Australia	Brazil	Spain	Other	Total
Investments in associates	1,038.1	452.0	93.6	145.8	1,729.5
Assets	5.5	0.2	–	–	5.7
Liabilities	(301.0)	–	–	(0.2)	(301.2)
Consolidated net assets	**742.6**	**452.2**	**93.6**	**145.6**	**1,434.0**

Year ended 31 December 2022	US$ Million				
	Australia	Brazil	Spain	Other	Total
Investments in associates	1,000.8	468.6	102.1	84.5	1,656.0
Assets	6.5	0.2	–	–	6.7
Liabilities	(113.3)	–	–	–	(113.3)
Consolidated net assets	**894.0**	**468.8**	**102.1**	**84.5**	**1,549.4**

2. INVESTMENT IN ASSOCIATES

a) Alcoa World Alumina and Chemicals

Alumina Limited has an interest in the following entities forming AWAC:

Name	Principal activities	Country of incorporation	Percentage ownership	
			2023	2022
Alcoa of Australia Limited	Bauxite, alumina & aluminium production	Australia	40	40
Alcoa World Alumina LLC	Bauxite and alumina trading & production	USA	40	40
Alumina Espanola S.A.	Alumina production	Spain	40	40
Alcoa World Alumina Brasil Ltda.	Bauxite and alumina production	Brazil	40	40
AWA Saudi Ltda.	Bauxite and alumina production	Hong Kong	40	40

2. INVESTMENT IN ASSOCIATES (continued)

The audited combined financial statements of the entities forming AWAC are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (US GAAP). Alcoa of Australia Limited (AWAC entity) further issues audited financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AAS) and interpretations issued by Australian Accounting Standards Board.

For the remaining AWAC entities, adjustments are made to convert the accounting policies under US GAAP to AAS. The principal adjustments are to create an additional asset retirement obligation for dismantling, removal and restoration of certain refineries, differences in the recognition of actuarial gains and losses on certain defined pension plans and the reversal of certain fixed asset uplifts included in Alcoa World Alumina Brasil Ltda.

In arriving at the value of these GAAP adjustments, Management is required to use accounting estimates and exercise judgement in applying the Group's accounting policies. The note below provides an overview of the areas that involved a higher degree of judgement or complexity.

b) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Retirement benefit obligations

The Group recognises a net liability for retirement benefit obligations under the defined benefit superannuation arrangements through its investment in AWAC. All plans are valued in accordance with AASB 119 Employee Benefits. These valuations require actuarial assumptions to be made. All re-measurements are recognised in other comprehensive income.

Asset retirement obligations

The estimated costs of rehabilitating mined areas and restoring operating sites are reviewed annually and fully provided at the present value. The amount of obligations recognised under US GAAP by AWAC is adjusted to be in compliance with AAS. This requires judgemental assumptions regarding the reclamation activities, plant and site closure and discount rates to determine the present value of these cash flows.

Carrying value of investments in associates

The Group assesses at each reporting period whether there is objective evidence that the investment in associates might be impaired by:

- Reviewing whether there are any potential indicators of impairment such as a significant decline in the market capitalisation, significant deterioration in expected future commodity prices, any material increases in production costs, adverse movements in exchange rates, production cut backs, increases in interest rates that might affect the discount rate used in calculating the recoverable amount and some others. The effect of climate related risks and opportunities is also considered when performing a test for impairment indicators;
- If indicators of impairment exist, calculating the recoverable amount of the investment in AWAC using a value in use model ("VIU model"). VIU value is determined by using a discounted cash flow method; and
- Comparing the resulting value to the carrying value.

The key assumptions used in the VIU model to estimate future cash flows are those relating to future alumina and aluminium prices, exchange rates, energy prices and other input prices. Key assumptions are determined with reference to industry participants and brokers' forecasts, commodity and currency forward curves and industry consultant views.

These assumptions are used to estimate future cash flows in the VIU model. The estimated cash flows are then discounted to net present value using the weighted average cost of capital (WACC) of 10.0% (2022: 9.5%).

Furthermore, the following sensitivity analyses (stress testing) are performed over the value in use calculation:

- Commodities, including aluminium, alumina, caustic, coal, oil and gas price fluctuations (plus or minus 10%). AWAC's future cash flows are most sensitive to alumina price fluctuations.
- Currency rate fluctuation (plus or minus 10%).
- Increased WACC.

As a final check, the carrying value of the investment in associates is compared to Alumina Limited's market capitalisation and to major analysts' valuations.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In the year ended 31 December 2023, a potential impairment trigger was identified and, accordingly, management estimated the recoverable value for the Group's investment in AWAC.

The recoverable amount of the investment in AWAC exceeds its carrying value and, therefore, no impairment loss was recognised in the year ended 31 December 2023 (2022: nil).

c) Summarised financial information for AWAC

The information disclosed in the tables below reflects the amounts presented in the AWAC financial statements amended to reflect adjustments made by Alumina Limited when using the equity method, including adjustments for differences in accounting policies.

Summarised Balance Sheet	US$ Million	
	2023	2022
Current assets	1,713.9	1,661.2
Non-current assets	4,970.6	4,815.6
Current liabilities	(1,356.1)	(1,442.2)
Non-current liabilities	(1,598.4)	(1,491.9)
Net assets	**3,730.0**	**3,542.7**
Reconciliation to investment in associates balance:		
Group Share as a percentage	40%	40%
Group Share in dollars	1,492.0	1,417.1
Goodwill	175.8	175.8
Net value of mineral rights and bauxite assets	92.1	94.2
Deferred tax liability (DTL) on mineral rights and bauxite assets	(30.4)	(31.1)
Carrying value	**1,729.5**	**1,656.0**
Reconciliation of carrying amount:		
Opening carrying value 1 January	1,656.0	1,741.8
Net additional (return)/funding in AWAC entities	189.1	194.1
(Loss)/profit for the year	(119.4)	120.1
Other comprehensive (loss)/income for the year	33.8	(39.4)
Dividends and distributions paid	(30.0)	(360.6)
Closing carrying value	**1,729.5**	**1,656.0**

2. INVESTMENT IN ASSOCIATES (continued)

Summarised statement of profit or loss and other comprehensive income	US$ Million	
	2023	2022
Revenues	5,396.3	5,714.5
(Loss)/profit from continuing operations	(294.8)	304.0
(Loss)/profit for the year	**(294.8)**	**304.0**
Other comprehensive (loss)/income for the year	84.6	(98.4)
Total comprehensive (loss)/income for the year	**(210.2)**	**205.6**

Reconciliation to share of net profit of associates:

Group Share of (loss)/profit for the year as a percentage	40%	40%
Group Share of (loss)/profit for the year in dollars	(117.9)	121.6
Mineral rights and bauxite amortisation	(2.1)	(2.1)
Movement in deferred tax liability on mineral rights and bauxite assets	0.6	0.6
Share of net (loss)/profit of associates accounted for using equity method	**(119.4)**	**120.1**

d) Commitments and contingent liabilities for AWAC

Contingent liabilities – claims

There are potential obligations due to the various lawsuits and claims and proceedings which have been, or may be, instituted or asserted against entities within AWAC, including those pertaining to environmental, safety and health and tax matters. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that existed at balance date. Therefore, it is possible that the results of operations or liquidity in a particular period could be materially affected by certain contingencies.

Pursuant to the terms of the AWAC Formation Agreement, Arconic Inc, Alcoa Corporation and Alumina Limited have agreed to remain liable for Extraordinary Liabilities (as defined in the agreement) as well as for certain other pre-formation liabilities, such as environmental conditions, to the extent of their pre-formation ownership of the AWAC entity or asset with which the liability is associated.

As previously reported, the Australian Taxation Office (ATO) has undertaken a transfer pricing examination in respect of certain historical third-party alumina sales made by Alcoa of Australia Limited (AoA) over a 20-year period. As a result of that examination, the ATO had issued a statement of audit position (SOAP) to AoA. The SOAP was the subject of an internal review process within the ATO.

The ATO completed that process, and on 7 July 2020 issued AoA with Notices of Assessment (the Notices) in respect of this matter. The Notices assert claims for additional income tax payable by AoA of approximately A$214 million. The Notices also include claims for compounded interest on the primary tax amount totalling approximately A$707 million.

In accordance with the ATO's dispute resolution practices, on 30 July 2020, AoA paid 50% of the assessed primary income tax amount (exclusive of interest and any penalties), being approximately A$107 million, out of cash flows. In exchange, the ATO will not seek further payment prior to final resolution of the matter.

On 17 September 2020, the ATO issued a position paper with its preliminary view on the imposition of administrative penalties related to the tax assessment issued to AoA. This paper proposed penalties of approximately A$128 million.

AoA disagreed with the Notices and with the ATO's proposed position on penalties. In September 2020, AoA lodged formal objections to the Notices. In the fourth quarter of 2020, AoA provided a submission on the ATO's imposition of interest, and also submitted a response to the ATO's position paper on penalties. AoA submissions propose that the interest amount should be remitted (i.e. should not be fully payable) and no penalties should be payable. After the ATO completes its review of AoA's response to the penalties position paper, the ATO could issue a penalty assessment.

On 1 February 2022, AoA submitted statutory notices to the ATO requiring the ATO to make decisions on AoA's objections within a 60-day period. On 1 April 2022, the ATO issued its decision disallowing the Company's objections related to the income tax assessment, while the position on penalties and interest remains outstanding.

On 29 April 2022, AoA filed proceedings in the Australian Administrative Appeals Tribunal (AAT) against the ATO to contest the Notices, a process which could last several years. The AAT held the first directions hearing on 25 July 2022 ordering AoA to file its evidence and related materials by 4 November 2022, ATO to file its materials by 14 April 2023 and AoA to file reply materials by 26 May 2023. AoA filed its evidence and related materials on 4 November 2022. The ATO filed its evidence on 13 November 2023, after seeking and being granted a series of extensions. AoA filed reply evidence on 15 March 2024. The matter is listed for hearing before the AAT on 3 to 28 June 2024.

AoA's obligation to make any further payment of the primary tax amount, or payment of any penalty or interest amount, will be determined through the objection and court processes available to AoA. If AoA is ultimately fully successful, the 50%-part payment to the ATO would be refunded. Further interest on the unpaid amounts will continue to accrue during the dispute.

The Company understands that AoA will defend its position in respect of the ATO's Notices and any penalties imposed.

St. Croix Proceedings – Abednego and Abraham cases.

In January 2010, Alcoa Corporation was served with a multi-plaintiff action complaint involving several thousand individual persons claiming to be residents of St. Croix alleging personal injury or property damage from Hurricane Georges or winds blowing material from the St. Croix Alumina, L.L.C. (SCA) facility on the island of St. Croix (U.S. Virgin Islands). This complaint, Abednego, et al. v. Alcoa, et al., which added the then current owners of the facility to a February 1999 action, was filed in the Superior Court of the Virgin Islands, St. Croix Division.

In 2012, Alcoa was served with a separate multi-plaintiff action alleging claims essentially identical to those set forth in the Abednego v. Alcoa complaint. In 2015, the Superior Court dismissed all plaintiffs' complaints without prejudice, permitting the plaintiffs to re-file the complaints individually. In 2017, the court issued an order that consolidated all timely complaints into the Red Dust Claims docket (Master Case No.: SX-15-CV-620). Following this order, a total of approximately 430 complaints were filed and accepted by the court, which included claims of approximately 1,360 individuals. In November 2018, the Red Dust Claims docket was transferred to the Complex Litigation Division within the Superior Court of the Virgin Islands. At such time, the Alcoa was unable to reasonably predict an outcome or to estimate a range of reasonably possible loss, and thereafter the Red Dust Claims docket became inactive for several years. The Court issued an amended case management order dividing the complaints filed in the Red Dust docket into groups of 50 complaints, designated Groups A though I in March 2022. The parties selected 10 complaints from Group A to proceed to trial as the Group A lead cases. In November 2023, the Court issued an amended case management order with regard to the Group A lead cases scheduling trials to begin in July 2024. Trials with regard to the Group A lead cases will continue through March 2025. Concurrently, the Court is considering discovery issues with respect to other group cases. Alcoa remains unable to reasonably predict an outcome or to estimate the range of reasonably possible loss in the Red Dust Claims docket cases.

Commitments

AWAC has outstanding bank guarantees and letters of credit primarily related to environmental and leasing obligations, legal matters, and customs duties, among others. The total amount committed under these instruments, which automatically renew or expire at various dates, between 2024 and 2025, was $128.0 million at 31 December 2023.

AWAC has outstanding surety bonds primarily related to customs duties. The total amount committed under these bonds, which automatically renew or expire at various dates, between 2026 and 2028, was $22.7 million at 31 December 2023.

3. INVESTMENT IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alumina Limited as at 31 December 2023 and the results of their operations for the year then ended. The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares held by the Alumina Employee Share Plan Trust are disclosed as treasury shares and deducted from contributed equity. The Group's subsidiaries at 31 December 2023 are set out below.

Name	Notes	Place of incorporation	Percentage ownership	
			2023	2022
Alumina Employee Share Plan Pty Ltd	A	VIC, Australia	100	100
Alumina Finance Pty Ltd.	A	VIC, Australia	100	100
Alumina Holdings (USA) Inc.	B	Delaware, USA	100	100
Alumina International Holdings Pty. Ltd.	C	VIC, Australia	100	100
Alumina Brazil Holdings Pty Ltd	A	VIC, Australia	100	100
Alumina Limited Do Brasil SA	D	Brazil	100	100
Alumina (U.S.A.) Inc.	B	Delaware, USA	100	100
Butia Participaçoes SA	D	Brazil	100	100
Westminer Acquisition (U.K.) Limited	D	UK	100	100

A. A small proprietary company, which is not required to prepare a financial report.
B. A company that has not prepared audited accounts as it is non-operating or audited accounts is not required in its country of incorporation. Appropriate books and records are maintained for the company.
C. The company has been granted relief from the necessity to prepare accounts pursuant to Australian Securities and Investment Commission (ASIC) Class Order 2016/785. For further information refer Note 17.
D. A company that prepares separate audited accounts in the country of incorporation.

Financial and capital risk

4. FINANCIAL ASSETS AND LIABILITIES

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group.
- specific information about each type of financial instrument.
- accounting policies.
- information about determining the fair value of the instruments.

	At fair value through profit or loss	At amortised cost	Total
2023		US$ Million	
Cash and cash equivalents – *Note 4(a)*	–	1.7	1.7
Total financial assets	**-**	**1.7**	**1.7**
Payables	–	(3.1)	(3.1)
Borrowings – *Note 4 (b)*	–	(296.0)	(296.0)
Lease liability	–	(1.3)	(1.3)
Total financial liabilities	**-**	**(300.4)**	**(300.4)**
Net financial (liabilities)/assets	**-**	**(298.7)**	**(298.7)**
2022		US$ Million	
Cash and cash equivalents – *Note 4(a)*	–	3.8	3.8
Total financial assets	**-**	**3.8**	**3.8**
Payables	–	(0.4)	(0.4)
Borrowings – *Note 4 (b)*	–	(110.0)	(110.0)
Lease liability	–	(1.6)	(1.6)
Total financial liabilities	**-**	**(112.0)**	**(112.0)**
Net financial (liabilities)/assets	**-**	**(108.2)**	**(108.2)**

The Group's exposure to various risks associated with the financial instruments is disclosed in Note 5. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above. The carrying amounts of financial assets and liabilities approximate their fair values.

a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

	US$ Million	
	2023	2022
Cash on hand and at bank	1.7	3.8
Total cash and cash equivalents as per the Statement of Cash Flows	**1.7**	**3.8**

4. FINANCIAL ASSETS AND LIABILITIES (continued)

b) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on establishment of loan facilities are recognised as transaction costs to the extent that it is probable that some or all of a facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of a facility will be drawn down, the fee is capitalised as a prepayment for the liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Refer to note 5(c).

	US$ Million	
	2023	2022
Bank loans	296.0	110.0
Total borrowings	**296.0**	**110.0**

Bank loans

Alumina Limited has a US$500 million syndicated bank facility with tranches maturing in October 2025 (US$100 million), January 2026 (US$150 million), July 2026 (US$150 million) and June 2027 (US$100 million).

As at 31 December 2023, there was US$296 million drawn against the syndicated facility (2022: US$110 million).

5. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk: foreign currency	Financial assets and liabilities denominated in a currency other than US$	Cash flow forecasting & sensitivity analysis	Cross-currency interest rate swaps Foreign currency forwards
Market risk: interest rate	Long-term borrowings at fixed rates	Sensitivity analysis	Cross-currency interest rate swaps
Credit risk	Cash and cash equivalents, and derivative financial instruments	Credit ratings	Credit limits, letters of credit, approved counterparties list
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed borrowing facilities

Financial risk management is carried out by the Treasury Committee which is responsible for developing and monitoring risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

a) Market risk

Foreign exchange risk

Foreign exchange risk for the Group arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

Except as described above, the Group generally does not hedge its foreign currency exposures except through the near-term purchase of currency to meet operating requirements.

The Group's exposure to foreign currency risk at the end of the reporting period, as expressed in US$, was as follows:

	USD	AUD	Other	Total
2023		US$ Million		
Cash and cash equivalents	1.2	0.4	0.1	1.7
Total non-derivative financial assets	**1.2**	**0.4**	**0.1**	**1.7**
Payables	–	(3.1)	–	(3.1)
Borrowings	(296.0)	–	–	(296.0)
Total non-derivative financial liabilities	**(296.0)**	**(3.1)**	**-**	**(299.1)**
Net non-derivative financial assets/(liabilities)	**(294.8)**	**(2.7)**	**0.1**	**(297.4)**
Net financial assets/(liabilities)	**(294.8)**	**(2.7)**	**0.1**	**(297.4)**
2022		US$ Million		
Cash and cash equivalents	2.8	0.6	0.4	3.8
Total non-derivative financial assets	**2.8**	**0.6**	**0.4**	**3.8**
Payables	–	(0.4)	–	(0.4)
Borrowings	(110.0)	–	–	(110.0)
Total non-derivative financial liabilities	**(110.0)**	**(0.4)**	**-**	**(110.4)**
Net non-derivative financial assets/(liabilities)	**(107.2)**	**0.2**	**0.4**	**(106.6)**
Net financial assets/(liabilities)	**(107.2)**	**0.2**	**0.4**	**(106.6)**

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from its borrowings.

Borrowings by the Group at variable rates expose it to cash flow interest rate risk. Borrowings at fixed rates would expose the Group to fair value interest rate risk. When managing interest rate risk the Group seeks to reduce the overall cost of funds. Group policy is to generally borrow at floating rates subject to availability of attractive fixed rate deals.

5. FINANCIAL RISK MANAGEMENT (continued)

The consolidated entity's exposure to interest rate risk and the effective weighted interest rate after the effect of derivative instruments is set out below:

	Floating interest	Fixed interest	Non-interest bearing	Total
2023	US$ Million			
Cash and cash equivalents	1.7	–	–	1.7
Total non-derivative financial assets	**1.7**	**-**	**-**	**1.7**
Payables	–	–	(3.1)	(3.1)
Borrowings	(296.0)	–	–	(296.0)
Total non-derivative financial liabilities	**(296.0)**	**-**	**(3.1)**	**(299.1)**
Net non-derivative financial assets/(liabilities)	**(294.3)**	**-**	**(3.1)**	**(297.4)**
Weighted average interest rate	7.13%			
2022	US$ Million			
Cash and cash equivalents	3.8	–	–	3.8
Total non-derivative financial assets	**3.8**	**-**	**-**	**3.8**
Payables	–	–	(0.4)	(0.4)
Borrowings	(110.0)	–	-	(110.0)
Total non-derivative financial liabilities	**(110.0)**	**-**	**(0.4)**	**(110.4)**
Net non-derivative financial assets/(liabilities)	**(106.2)**	**-**	**(0.4)**	**(106.6)**
Weighted average interest rate	3.91%	–	–	–

Had interest rates on floating rate debt during 2023 been one percentage point higher/lower than the average, with all other variables held constant, pre-tax profit for the year would have been US$2.3 million lower/higher (2022: US$0.5 million lower/higher).

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A-'are accepted, and exposure limits are assigned based on actual independent rating under Board approved guidelines.

Credit risk further arises in relation to cross guarantees given to wholly owned subsidiaries (see Note 17 for details). Such guarantees are only provided in exceptional circumstances and are subject to Board approval. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represent the Group's maximum exposure to credit risk.

c) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and credit facilities to ensure the Group's commitments and plans can be met. This is managed by maintaining committed undrawn credit facilities to cover reasonably expected forward cash requirements. Management monitors rolling forecasts of the Group's liquidity, including undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows.

The Group had the following undrawn borrowing facilities at the end of the reporting period:

	US$ Million	
	2023	2022
Expiring beyond one year	204.0	240.0
Total undrawn borrowing facilities	**204.0**	**240.0**

The table below details the Group's remaining contractual maturity for its financial liabilities.

	Less than 6 months	6-12 months	1-2 years	2-5 years	Total
2023			US$ Million		
Payables	3.1	–	–	–	3.1
Borrowings	–	–	100.0	196.0	296.0
Lease liability	0.2	0.1	0.3	0.7	1.3
Total non-derivative financial liabilities	**3.3**	**0.1**	**100.3**	**196.7**	**300.4**
2022			US$ Million		
Payables	0.4	–	–	–	0.4
Borrowings	–	–	–	110.0	110.0
Lease liability	0.2	0.1	0.3	1.0	1.6
Total non-derivative financial liabilities	**0.6**	**0.1**	**0.3**	**111.0**	**112.0**

6. CAPITAL MANAGEMENT

a) Risk management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group calculates the gearing ratio as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus debt.

6. CAPITAL MANAGEMENT (continued)

The gearing ratios at 31 December 2023 and 31 December 2022 were as follows:

	US$ Million	
	2023	2022
Total borrowings	296.0	110.0
Less: cash and cash equivalents	(1.7)	(3.8)
Net debt	**294.3**	**106.2**
Total borrowings	296.0	110.0
Total equity	1,434.0	1,549.4
Total capital	**1,730.0**	**1,659.4**
Gearing ratio	**17.0%**	**6.4%**

b) Dividends

	US$ Million	
	2023	2022
No interim dividend declared (2022: US4.2 cents fully franked at 30% per fully paid share declared 23 August 2022 and paid on 15 September 2022)	–	121.9
No final dividend declared (2022: US2.8 cents fully franked at 30% per fully paid share declared 28 February 2022 and paid on 17 March 2022)	–	81.2
Total dividends	**-**	**203.1**

No final dividend was declared for the financial year ended 31 December 2023 (2022: no final dividend was declared for the financial year ended 31 December 2022).

c) Franked dividends

	A$ Million	
	2023	2022
Franking credits available for subsequent financial years, based on a tax rate of 30% (2022: 30%)	493.4	474.2

The above amounts are calculated from the balance of the franking credits as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities and receivables for income tax and dividends after the end of the year.

	US$ Million	
	2023	2022
Fully franked dividends received from AWAC in the financial year	30.0	360.6

Key numbers

7. EXPENSES

a) Employee benefits expense

Liabilities for salaries and annual leave are recognised in current provisions (i.e. short-term employee benefits), and are measured as the amount unpaid at the reporting date at expected pay rates in respect of employees' services up to that date, including related on-costs.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

All employees of Alumina Limited are entitled to benefits upon retirement, disability or death from the Group's superannuation plan. Alumina Limited's employees are members of the Alumina Limited Super Plan managed by MLC MasterKey Super, except for employees who elected to contribute to an alternate fund. The plan is an accumulation category plan which offers a minimum Company contribution of 11 percent (10.5 percent prior 1 July 2023) of basic salary to each member's account. Members also have the option to make voluntary contributions to their account. Employer contributions to these funds are recognised as an expense.

	US$ Million	
	2023	2022
Profit/(loss) before income tax included the following specific expenses:		
Defined contribution superannuation expense	0.3	0.3
Other employee benefits expense	4.5	5.5
Total employee benefits expense	**4.8**	**5.8**

b) Finance costs

Finance costs comprise interest payable on borrowings using the effective interest rate method, commitment fees and amortisation of capitalised facility fees.

	US$ Million	
	2023	2022
Finance costs:		
Interest expense	16.9	1.5
Commitment and upfront fees	2.6	2.6
Amortisation of capitalised upfront fees	0.3	0.3
Total finance costs	**19.8**	**4.4**

8. INCOME TAX EXPENSE

a) Income tax expense and deferred taxes

The income tax expense/benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income.

8. INCOME TAX EXPENSE (continued)

	US$ Million	
	2023	2022
Current tax	–	–
Deferred tax	–	–
Aggregate income tax expense	**–**	**–**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Alumina Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

The Group's deferred tax assets and liabilities are attributable to the following:

	US$ Million	
	2023	2022
Deferred tax liabilities		
Right of use asset	(0.5)	(0.5)
Total deferred tax liabilities	**(0.5)**	**(0.5)**
Deferred tax assets		
Employee benefits	1.1	0.9
Lease liability	0.4	0.5
Other	0.4	0.6
Total deferred tax assets other than tax losses	**1.9**	**2.0**
Net deferred tax assets/(liabilities) before tax losses	**1.4**	**1.5**
Deductible temporary differences and tax losses not recognised	**(1.4)**	**(1.5)**
Net deferred tax assets/(liabilities)	**–**	**–**

Deferred tax assets are recognised only to the extent of deferred tax liabilities existing at the reporting date. Remaining deferred tax assets are not recognised as it is not probable that future taxable amounts will be available to utilise those temporary differences and losses.

b) Numerical reconciliation of income tax expense to prima facie tax payable

	US$ Million	
	2023	2022
Profit/(loss) before income tax	(150.1)	104.0
Prima facie tax income/(expense) for the period at the rate of 30%	**45.0**	**(31.2)**
The following items caused the total charge for income tax to vary from the above:		
Share of equity accounted profit not assessable for tax	119.4	(120.1)
Foreign income subject to accruals tax	1.8	4.8
Tax losses not recognised	28.0	10.7
Non-deductible expenses	0.9	0.6
Net movement	**150.1**	**(104.0)**
Tax Effect of the above adjustments at 30% (2022:30%)	**(45.0)**	**31.2**
Aggregate income tax expense	**-**	**-**

c) Tax expense relating to items of comprehensive income

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity.

	US$ Million	
	2023	2022
Cash flow hedges	(0.3)	1.0
Actuarial gains on retirement benefit obligations	7.1	8.2
Total tax (credit)/expense relating to items of other comprehensive income	**6.8**	**9.2**

d) Tax losses not recognised

	US$ Million	
	2023	2022
Tax losses – revenue	1,274.6	1,230.8
Tax losses – capital	1,142.0	1,142.0
Total unused tax losses	**2,416.6**	**2,372.8**
Potential tax benefit – revenue	307.3	295.0
Potential tax benefit – capital	342.6	342.6
Total potential tax benefit	**649.9**	**637.6**

9. EQUITY

a) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Movement in share capital	Number of shares		US$ Million	
	2023	2022	2023	2022
Balance brought forward	2,901,681,417	2,901,681,417	2,706.7	2,706.7
Movement for the year[1]	–	–	–	–
Total issued capital	**2,901,681,417**	**2,901,681,417**	**2,706.7**	**2,706.7**

1. Movement for the year represents shares issued under the Dividend Reinvestment Plan.

Treasury shares

Treasury shares are Alumina Limited shares held by the Alumina Employee Share Plan Trust for the purpose of issuing shares under the Alumina Employee Share Plan.

Movement in share capital	Number of shares		US$ Million	
	2023	2022	2023	2022
Balance brought forward	605,042	993,630	788,114	1,198,836
There were no shares acquired by Alumina Employee Share Plan Pty Ltd during the (2022: Nil)	–	–	–	–
Employee performance rights vested	(288,317)	(388,588)	(381,378)	(410,722)
Total treasury shares	**316,725**	**605,042**	**406,736**	**788,114**

The weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share is calculated as the weighted average number of ordinary shares outstanding during the financial year, adjusted for treasury shares issued.

	Number of shares	
	2023	2022
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share	2,901,337,835	2,901,064,664

b) Other reserves

Other Reserves include assets revaluation reserve, capital reserve, option premium on convertible bonds reserve, share-based payments reserve, cash-flow hedge reserve and foreign currency translation reserve.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising on the translation of non-US dollar functional currency operations within the Group into US dollars.

	US$ Million	
	2023	2022
Balance at the beginning of the financial year	(1,517.6)	(1,461.6)
Currency translation differences arising during the year	49.3	(56.0)
Balance at the end of the financial year	**(1,468.3)**	**(1,517.6)**

10. CASH FLOW INFORMATION

a) Reconciliation of profit after income tax to net cash inflow from operating activities

	US$ Million	
	2023	2022
(Loss)/profit from continuing operations after income tax	(150.1)	104.0
Share of net profit/(loss) of associates accounted for using the equity method	119.4	(120.1)
Dividends and distributions received from associates	30.0	360.6
Share based payments	1.0	1.0
Other non-cash items (depreciation, net exchange differences, other)	(0.4)	1.4
Sub-total	**(0.1)**	**346.9**
Change in assets and liabilities		
(Decrease)/increase in payables	2.7	0.1
(Decrease)/increase in other liabilities	(0.3)	(0.4)
(Decrease)/increase in provisions	(0.5)	(0.5)
Decrease/(increase) in other assets	(1.1)	0.9
Net cash inflow from operating activities	**0.7**	**347.0**

b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year ended 31 December 2023.

10. CASH FLOW INFORMATION (continued)

c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	US$ Million	
	2023	2022
Cash and cash equivalents	1.7	3.8
Borrowings – repayable after one year	(296.0)	(110.0)
Net debt	**(294.3)**	**(106.2)**
Cash and liquid investments	1.7	3.8
Gross debt – fixed interest rates	(296.0)	(110.0)
Net debt	**(294.3)**	**(106.2)**

	US$ Million			
	Cash/bank overdraft	Borrowings due within 1 year	Borrowings due after 1 year	Total
Net debt as at 1 January 2022	**9.1**	**-**	**(65.0)**	**(55.9)**
Cash flows	(5.2)	–	(45.0)	(50.2)
Foreign exchange adjustments	(0.1)	–	–	(0.1)
Other non-cash movements	–	–	–	–
Net debt as at 31 December 2022	**3.8**	**-**	**(110.0)**	**(106.2)**
Cash flows	(2.4)	–	(186.0)	(188.4)
Foreign exchange adjustments	0.3	–	–	0.3
Other non-cash movement	–	–	–	–
Net debt as at 31 December 2023	**1.7**	**-**	**(296.0)**	**(294.3)**

Additional disclosure

11. RELATED PARTY TRANSACTIONS

The parent entity within the Group is Alumina Limited. Balances and transactions between the parent entity and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

a) Ownership interests in related parties

Interests held in the following classes of related parties are set out in the following notes:

- associates – Note 2.
- controlled entities – Note 3.

b) Compensation of key management personnel

Detailed remuneration disclosures for the key management personnel, defined as Group Directors, CEO and Senior Executives, are provided in the remuneration report on pages 42 to 65 of this annual report.

The remuneration report has been presented in Australian dollars, whilst the financial report has been presented in US dollars. The average exchange rate for 2023 of 0.6643 (2022: 0.6945) has been used for conversion.

	US$ 000's	
	2023	2022
Short-term employee benefits	2,408	3,064
Post-employment and termination benefits	114	888
Share based payments	770	702
Total	**3,292**	**4,654**

c) Other transactions and balances with related parties

There have been no other related party transactions made during the year or balances outstanding as at 31 December 2023, between the Group, its related parties, the Directors or key management personnel (2022: Nil)

12. SHARE-BASED PAYMENTS

The Group provides benefits to employees (including the CEO and Senior Executives) through share-based incentives. Employees are incentivised for their performance in part through participation in the grant of conditional entitlement to fully paid ordinary shares (a Performance Right) via the Alumina Limited Employee Share Plan (ESP).

For further details on key features of the ESP refer to the remuneration report on pages 42 to 65 of this annual report.

Set out below are summaries of performance rights granted under the ESP.

Grant date	Expiry date	Balance at start of the year number	Granted during the year number	Vested During the year number	Lapsed During the year number	Balance at end of the year number	Yet to be exercised at the end of the year number	Yet to vest at the end of the year number
2023								
25/01/2021	13/12/2023	666,575	–	–	(666,575)	–	–	–
03/02/2022	9/12/2024	638,119	–	–	(11,973)	626,146	–	626,146
19/01/2023	7/12/2025	–	824,400	–	(153,801)	670,599	–	670,599
Total		**1,304,694**	**824,400**	**-**	**(832,349)**	**1,296,745**	**-**	**1,296,745**
2022								
20/01/2020	12/12/2022	549,800	–	–	(549,800)	–	–	–
25/01/2021	13/12/2023	790,700	–	–	(124,125)	666,575	–	666,575
03/02/2022	9/12/2024	–	711,800	–	(73,681)	638,119	–	638,119
Total		**1,340,500**	**711,800**	**-**	**(747,606)**	**1,304,694**	**-**	**1,304,694**

12. SHARE-BASED PAYMENTS (continued)

The weighted average remaining contractual life of performance rights outstanding at the end of the period was 1.5 years (2022: 1.4 years).

In addition to the ESP, the share-based payments remuneration for certain executive employees includes an annual share right component. This component is conditional on a minimum of 12 months service and subject to three years trading restriction from the date of the grant.

For further details refer to the remuneration report on page 46 of this Annual Report.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	US$ 000's	
	2023	2022
Performance rights granted under the Alumina Employee Share Plan	392	384
CEO annual conditional share rights grant	325	328
CFO annual conditional share rights grant	60	52
Annual conditional rights granted to other employees	112	-
Total	**889**	**764**

13. REMUNERATION OF AUDITORS

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, and its related practices and non-related audit firms:

	US$ 000's	
	2023	2022
PricewaterhouseCoopers Australia:		
Audit and review of the financial reports	471	473
Other assurance services	3	3
Related practices of PricewaterhouseCoopers Australia:		
Audit and review of financial reports	40	30
Overseas taxation services	40	30
Total	**554**	**536**

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important provided such arrangements do not compromise audit independence. These assignments are principally tax advice or where PricewaterhouseCoopers is awarded assignments on a competitive basis.

14. COMMITMENTS AND CONTINGENCIES

Capital commitments

There are no contractual capital commitments at reporting date but there could be future equity calls by AWAC entities in relation to working capital support. However, this is subject to market conditions.

Contingent liabilities

There are no contingent liabilities of the Group as at 31 December 2023 and 31 December 2022, other than as disclosed in Note 2(d) and Note 16(c).

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Curtailment of Kwinana Alumina Refinery

On 8 January 2024, Alcoa Corporation announced plans to fully curtail the Kwinana refinery in Western Australia ("WA"), beginning in the second quarter of 2024. The decision to curtail the refinery came in response to losses incurred at the refinery together with its age, scale, high costs of operation and current bauxite grades. Since the start of 2023, the refinery had been operating at approximately 80 per cent of its annual capacity.

The Kwinana refinery and associated residue storage areas will continue to be actively managed by Alcoa. Alcoa's facilities in the Port of Kwinana will also continue to operate to import raw materials and export alumina produced at the Pinjarra refinery. Production at the Pinjarra and Wagerup refineries is not expected to be impacted by the curtailment at Kwinana.

A Scheme Implementation Deed with Alcoa Corporation

Alumina Limited ("Alumina") announced on 12 March 2024 that it has entered into a Scheme Implementation Deed ("SID") with Alcoa Corporation ("Alcoa") in relation to a proposal for Alcoa to acquire 100% of the fully paid ordinary shares in Alumina by way of a scheme of arrangement ("the Transaction").

Under the terms of the SID, eligible Alumina shareholders will be entitled to receive 0.02854 shares of Alcoa common stock (in the form of ASX-listed Alcoa CHESS Depositary Interests (CDIs)) for each Alumina share held.

The Independent Non-executive Directors and Managing Director and CEO of Alumina recommend that Alumina shareholders vote in favour of the Transaction, in the absence of a superior proposal for Alumina and subject to the independent expert concluding (and continuing to conclude) that the Transaction is in the best interests of Alumina shareholders. The Non-Independent Non-executive Director of Alumina abstained from making a recommendation.

The SID is subject to customary deal protections for both Alcoa and Alumina, including no shop, no talk, no due diligence and notification obligations. Alumina is also bound by other customary provisions, including a matching right for Alcoa in the event of a competing proposal for Alumina. The Transaction is subject to a number of conditions, including approval of Alumina shareholders at a scheme meeting.

16. PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Alumina Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Intercompany loans

Loans granted by the parent entity to its subsidiaries are classified as non-current assets.

Tax consolidation legislation

Alumina Limited and its wholly-owned Australian controlled entities have implemented tax consolidation legislation. The head entity, Alumina Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, Alumina Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

16. PARENT ENTITY FINANCIAL INFORMATION (continued)

a) Summarised financial information

	US$ Million	
	2023	2022
Balance sheet		
Current assets	3.9	4.5
Total assets	4,133.8	3,945.6
Current liabilities	3.4	0.9
Total liabilities	307.8	119.7
Shareholders' equity		
Issued capital	2,706.7	2,706.7
Reserves	237.7	237.2
Retained earnings	881.6	882.0
Total shareholders' equity	**3,826.0**	**3,825.9**
Profit for the year	**(0.4)**	**344.8**
Total comprehensive income for the year	**(0.4)**	**344.8**

b) Guarantees entered into by the parent entity

The parent entity has provided guarantees in relation to the performance of contracts by various AWAC companies.

Guarantees relating to Alumina Espanola SA ('Espanola')

Alumina Limited has proportionally (40%) guaranteed the payment of the obligations of Espanola in relation to certain financial services provided by a bank. The maximum amount payable under the guarantee is EUR10.0 million and the guarantee expires on 15th October 2024.

Alumina Limited has agreed to guarantee the proportional share of Espanola's obligations (40%) for the purchase of natural gas for alumina refining operations at the San Ciprian refinery. The maximum amount guaranteed by Alumina Limited shall not exceed EUR8.0 million. The guarantee by Alumina Limited has expired on 29 February 2024. However, Alumina Espanola's gas contract is renewed as a periodic agreement and, accordingly, the proportional guarantee issued by Alumina Limited is expected to be extended.

Alumina, at the request of Alcoa of Australia has also entered into a guarantee for the performance of Espanola through an intercompany short-term loan agreement if required. This will expire on the 27th September 2025.

In addition, the parent entity has entered into a Deed of Cross Guarantee with the effect that it guarantees the debts of its wholly-owned subsidiaries. Further details of the Deed of Cross Guarantee are disclosed in Note 17.

No liability was recognised by the parent entity of the group in relation to the above mentioned guarantees, as the fair values of the guarantees are immaterial.

c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2023 or 31 December 2022. For information about guarantees given by the parent entity refer above.

d) Contractual commitments for the acquisition of property, plant and equipment

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at 31 December 2023.

17. DEED OF CROSS GUARANTEE

Alumina Limited and Alumina International Holdings Pty. Ltd. are parties to a cross guarantee under which each of these companies guarantees the debts of the other. By entering into the deed, wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission. The above companies represent a "closed group" as defined in the Class Order, and there are no other parties to the deed of cross guarantee that are controlled by Alumina Limited, they also represent the "extended closed group".

a) Consolidated statement of profit or loss and other comprehensive income and summary movements in consolidated retained earnings

Consolidated statement of profit or loss and other comprehensive income	US$ Million	
	2023	2022
Dividends and distributions	30.0	360.6
Other income	0.5	0.7
General and administrative expenses	(11.3)	(12.1)
Foreign exchange losses	0.2	-
Finance costs	(19.8)	(4.4)
Profit from ordinary activities before income tax	**(0.4)**	**344.8**
Income tax expense	–	-
Net profit for the year	**(0.4)**	**344.8**
Other comprehensive income net of tax	–	-
Total comprehensive income for the year	**(0.4)**	**344.8**
Movement in consolidated retained earnings		
Retained profits at the beginning of the financial year	**749.2**	**607.5**
Net profit for the year	(0.4)	344.8
Dividend provided for or paid	–	(203.1)
Retained profits at the end of the financial year	**748.8**	**749.2**

17. DEED OF CROSS GUARANTEE (continued)

b) Consolidated balance sheet

	US$ Million	
	2023	2022
Current assets		
Cash and cash equivalents	1.5	3.7
Receivables	632.4	480.7
Other assets	2.4	0.8
Total current assets	**636.3**	**485.2**
Non-current assets		
Right of use asset	1.6	2.5
Investment in associates	1,631.8	1,631.4
Other financial assets	1,730.6	1,693.9
Total non-current assets	**3,364.0**	**3,327.8**
Total assets	**4,000.3**	**3,813.0**
Current liabilities		
Payables	2.6	0.3
Provisions and other liabilities	0.9	0.9
Total current liabilities	**3.5**	**1.2**
Non-current liabilities		
Borrowings	301.9	115.9
Other financial liabilities	1.0	1.9
Provisions	0.5	0.7
Total non-current liabilities	**303.4**	**118.5**
Total liabilities	**306.9**	**119.7**
Net assets	**3,693.4**	**3,693.3**
Equity		
Contributed equity	2,706.7	2,706.7
Reserves	237.9	237.4
Retained profits	748.8	749.2
Total equity	**3,693.4**	**3,693.3**

18. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

i) Adopted by the Group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- AASB 17 Insurance Contracts
- AASB 2023-2 Amendments to Australian Accounting Standards – Definition of Accounting Estimates International Tax Reform – Pillar Two Model Rules AASB 112
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction AASB 112
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ii) Not yet adopted by the Group

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting period and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 66 to 97 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 3 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 17.

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporation Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

W Peter Day
Chairman

26 March 2024

Independent Auditor's Report

To the members of Alumina Limited

Report on the Audit of the Financial Report

Our opinion

In our opinion:

The accompanying financial report of Alumina Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2023
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to the section "Basis of preparation – going concern" in the Notes to the consolidated financial statements which describes that Alumina Limited has entered into a Scheme Implementation Deed with Alcoa Corporation and completion of the transaction will give rise to a Review Event under Alumina's syndicated revolving cash advance facility agreement. These conditions, along with other matters set forth in the section "Basis of preparation – going concern", indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group's sole business undertaking is investing globally in bauxite mining and alumina refining with some minor alumina-based chemical businesses and aluminium smelting operations. All of these business activities are conducted through the Group's 40% investment in several entities (including Alcoa of Australia Limited) which collectively form Alcoa World Alumina and Chemicals (AWAC). Alcoa Corporation owns the remaining 60% of AWAC and is the manager of these business activities. The Group's equity interest in AWAC forms one reportable segment. The Group participates in AWAC through the Strategic Council, which consists of three members appointed by Alcoa Corporation and two members appointed by the Group. As the Group does not control or operate the AWAC assets, its role involves strategic investment management on behalf of its shareholders. Accordingly, this investment has been determined to be in an associate and is accounted for under the equity method.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group engagement team directed the involvement of the component audit teams, which performed an audit of the financial information of Alcoa of Australia and AWAC.
- The Group engagement team determined and undertook an appropriate level of involvement in the work performed by the component audit teams, in order for us to be satisfied that sufficient audit evidence had been obtained to support our opinion on the Group financial report as a whole. We had regular communication with the component audit teams throughout the year and performed a review of their audit working papers.
- We audited the equity accounting for Alumina's 40% investment in AWAC. This process included auditing certain adjustments made by Alumina to convert the AWAC results (which are prepared under US GAAP), to comply with Australian Accounting Standards (AAS).

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Equity accounting for Alumina Limited's investment in AWAC (Refer to note 2) Alumina Limited's equity accounted investment in AWAC is carried at US$1,729.5 million and its current year share of the net loss of AWAC, accounted for using the equity accounting method, is US$119.4 million. The equity accounting method requires consistent accounting standards to be applied by the investing company and its associates. Alcoa of Australia Limited, a component of AWAC, already prepares financial information under Australian Accounting Standards (AAS), therefore no conversion is required. The financial information of AWAC entities other than Alcoa of Australia Limited is prepared under US Generally Accepted Accounting Principles (US GAAP), therefore adjustments are required to convert certain amounts to comply with AAS. We determined equity accounting for Alumina Limited's investment in AWAC to be a key audit matter because of the magnitude of the investment in associates balance and the complexity and significance of, and judgement involved, in preparing the adjustments required by the Group to convert amounts accounted for under US GAAP to AAS. Judgement is involved in determining the differences in the accounting for areas such as the asset retirement obligation provisions, removal and restoration of certain refineries, defined pension plans, and the reversal of fixed asset uplifts included in Alcoa World Alumina Brasil Ltda.	To assess the equity accounting for the Group's 40% investment in AWAC, we performed a number of procedures, including the following: • Assessed the appropriateness of the Group's equity accounting method in accordance with AASB 128 Investments in Associates and Joint Ventures; • Agreed the financial information of Alcoa of Australia Limited accounted for under AAS to the equity accounting schedule prepared by the Group; • Agreed the financial information of AWAC accounted for under US GAAP to the equity accounting schedule prepared by the Group; • Considered adjustments required to convert amounts accounted for under US GAAP to comply with AAS. To do this we: – Tested on a sample basis US GAAP to AAS adjustments by agreeing the adjustments to supporting schedules and documentation, considering the appropriateness of any judgements made; and – Considered the completeness of the US GAAP to AAS adjustments • Reconciled the opening equity accounted investment balance to the final balance reflected in the financial report. To do this we: – Recalculated the share of net loss and other comprehensive income of AWAC by examining the schedule prepared by the Group and recalculating Alumina's 40% share; and, – On a sample basis, tested dividends received and additional investments made through cash calls to the relevant declaration documents and bank statements. • We assessed the reasonableness of the disclosures made in the financial report in accordance with the requirements of Australian Accounting Standards.
Impairment testing of Alumina Limited's equity accounted investment in AWAC (Refer to note 2) The carrying value of Alumina's equity accounted investment in AWAC is US$1,729.5 million. In accordance with Australian Accounting Standards, the Group concluded that indicators of impairment exist as at 31 December 2023 and prepared a calculation to estimate the recoverable amount of the investment. The Group concluded that the recoverable amount of the investment exceeded the carrying value, and therefore no impairment charge has been recorded. The recoverable amount was estimated using the Value in Use ("VIU") methodology, which requires the estimation of future cash flows to prepare a discounted cash flow model. The model prepared by the Group contains a number of significant assumptions including future alumina and aluminium prices, exchange rates, energy prices, other input prices and discount rate. Changes in these assumptions can have a significant impact on the headroom available in the impairment assessment. The assessment was considered to be a key audit matter because of the level of judgement applied by the Group in the estimating the recoverable amount of the investment.	To evaluate the Group's assessment of the recoverable amount of the AWAC investment we performed a number of procedures, including the following: • Evaluated the methodology adopted in the Group's discounted cash flow model; • Assessed the mathematical accuracy of the discounted cash flow model; • Assessed the reasonableness of certain historical assumptions to actual results; • Assessed the appropriateness of certain assumptions in the model, including consideration of available external evidence; • With the support of our valuation experts, we assessed the VIU model and discount rates, amongst other assumptions; and • Evaluated the reasonableness of the disclosures made in Note 2 (b) of the financial report, including those regarding methodology and key assumptions in light of the requirements of the Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2023.

In our opinion, the remuneration report of Alumina Limited for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Amanda Campbell
Partner PricewaterhouseCoopers

Melbourne
26 March 2024

Details of shareholdings and shareholders

Listed Securities – 20 February 2024

Alumina Limited has 2,901,681,417 issued fully paid ordinary shares.

RANGE OF UNITS AS OF 20/02/2024

Range	Total holders	Units	% of Issued Capital
1-1,000	18,335	8,454,943	0.29
1,001-5,000	18,028	45,872,848	1.58
5,001-10,000	6,524	49,645,399	1.71
10,001-100,000	8,385	226,616,317	7.81
100,001 over	511	2,571,091,910	88.61
Rounding			0.00
Total	51,783	2,901,681,417	100.00

Of these, 10,029 shareholders held less than a marketable parcel of $500 worth of shares (472) a total of 2,352,438 shares. In accordance with ASX Business Rules, the last sale price on the Company's shares on the ASX on 20 February 2023 ($1.06 per share) was used to determine the number of shares in a marketable parcel.

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUST)	669,761,542	23.08
2	CITICORP NOMINEES PTY LTD	499,358,815	17.21
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	372,368,445	12.83
4	CITIC RESOURCES AUSTRALIA PTY LTD	219,617,657	7.57
5	BESTBUY OVERSEAS CO LTD	154,114,590	5.31
6	NATIONAL NOMINEES	116,208,236	4.00
7	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	114,217,974	3.94
8	BESTBUY OVERSEAS CO LTD	76,145,410	2.62
9	BNP PARIBAS NOMS PTY LTD	69,534,634	2.40
10	CITIC RESOURCES AUSTRALIA PTY LTD	59,282,343	2.04
11	CITIC AUSTRALIA PTY LTD	39,799,208	1.37

Rank	Name	Units	% Units
12	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	14,306,157	0.49
13	ARGO INVESTMENTS LIMITED	12,429,285	0.43
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	11,937,736	0.41
15	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,150,266	0.14
16	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	3,601,033	0.12
17	BNP PARIBAS NOMS (NZ) LTD	3,135,803	0.11
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,742,835	0.09
19	MCNEIL NOMINEES PTY LIMITED	2,500,000	0.09
20	UBS NOMINEES PTY LTD	2,322,289	0.08
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**2,447,534,258**	**84.35**
Total Remaining Holders Balance		**454,147,159**	**15.65**

Each ordinary shareholder is entitled on a show of hands to vote and on a poll one vote for each share held.

The Company does not have a current on market buy–back of its shares. There are no restricted securities or securities subject to voluntary escrow.

During the reporting period, no Alumina Limited fully paid ordinary shares were purchased on market by the Alumina Employee Share Plan.

Substantial shareholding as at 20 February 2024	Shareholding
Allan Gray Australia Pty. Ltd.[1]	567,273,961
CITIC Resources Australia Pty. Ltd.	547,459,208
Schroder Investment Management Australia Limited	218,055,821
State Street Corporation	144,997,963

1. Refer to the "Becoming a substantial holder" announcement on 26 February 2024, for details in respect of the relevant interest of Alcoa Corporation.

FINANCIAL HISTORY

Alumina Limited and Controlled Entities as at 31 December

	US$ Million				
	2023	2022	2021	2020	2019
Revenue from continuing operations	**0.5**	0.7	–	0.1	2.5
Share of net profit of associates accounted for using the equity method	**(119.4)**	120.1	204.6	164.6	232.0
General and administrative expenses	**(11.6)**	(12.5)	(13.3)	(12.6)	(12.1)
Change in fair value of derivatives/ foreign exchange losses	**0.2**	0.1	–	0.2	(1.0)
Finance costs	**(19.8)**	(4.4)	(3.7)	(5.2)	(7.3)
Income tax (expense)/benefit from continuing operations	**-**	–	–	(0.5)	(0.1)
Net profit/(loss) attributable to owners of Alumina Limited	**(150.1)**	104.0	187.6	146.6	214.0
Total assets	**1,735.2**	1,662.7	1,754.7	1,796.7	1,853.8
Total liabilities	**301.2**	113.3	69.1	62.1	71.7
Net assets	**1,434.0**	1,549.4	1,685.6	1,734.6	1,782.1
Shareholders' funds	**1,434.0**	1,549.4	1,685.6	1,734.6	1,782.1
Dividends paid	**-**	203.1	182.8	184.3	532.8
Dividends received from AWAC	**30.0**	360.6	191.1	171.4	381.7
Statistics					
Dividends declared per ordinary share	**-**	US4.2c	US6.2c	US5.7c	US8.0c
Dividend payout ratio	**-**	195.3%	97.4%	125.7%	249.0%
Return on equity[1]	**-10.5%**	6.7%	11.2%	8.9%	11.0%
Gearing (net debt to equity)	**17.0%**	6.4%	3.2%	2.8%	3.0%
Net tangible assets backing per share	**$0.41**	$0.45	$0.50	$0.51	$0.53
Basic EPS (US cents)	**-5.2**	3.6	6.5	5.1	7.4
End of year share price (AUD)	**0.905**	1.52	1.865	1.835	2.30
Franking of dividends	**100%**	100%	100%	100%	100%
Total shareholder return (including franking credits)	**(40.5%)**	(11.3%)	9.0%	(14.2%)	15.5%
Total shareholder return (excluding franking credits)	**(40.5%)**	(13.5%)	6.8%	(16.0%)	10.8%

1. Based on net profit/(loss) attributable to owners of Alumina Limited.

Alumina Limited

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Telephone (for non-US callers)
+1 201-680-6825

Website www-us.computershare.com/investor

Email shrrelations@cpushareownerservices.com

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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, policies or regulatory decision making; (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 2023. 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. Past performance is no guarantee or indication of future performance.

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