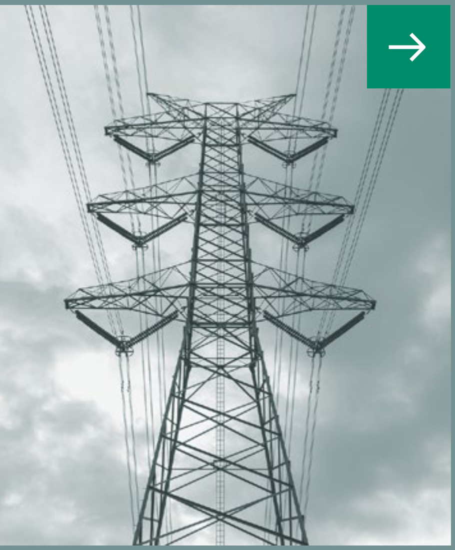
ANNUAL REPORT 2022

ALUMINA LIMITED

ALUMINIUM — METAL FOR THE FUTURE

Increased global demand for aluminium has a vital role to play in the transition to a low-carbon economy.



Aluminium has excellent conductivity, and is ideal for long-spanning overhead transmission lines given that it is corrosion resistant and three times lighter than copper.

85% of solar photovoltaic components are made from Aluminum.

Aluminium is a durable and sustainable building and construction material. This sector consumes ~23mt per annum of aluminium (25% of global demand) and consumption is expected to increase 30% by 2040.

During 2022, the International Aluminium Institute announced the 'top 50 Moments in the history of aluminium". The top two moments are the discoveries of the Hall-Héroult Process in 1886 and the Bayer Process in 1888, which unlocked industrial production of primary aluminium and alumina respectively.

Throughout the past 214 years since its discovery in 1808, aluminium has been able to constantly prove that it is the Metal for the Future, with applications that advance humanity. The Wright Flyer's engine was made of aluminium, later to become the dominant metal in modern aircraft construction as well as critical components of the Apollo 11 mission to the moon in 1969. Aluminium is also a metal for the everyday usage, helping to maintain freshness of food, beverages and medicine.

For the next three decades, we believe that aluminium will play a critical role in decarbonisation, in particular transmission networks and electric vehicles.

The advantages of aluminium remain quite clear. Aluminium is infinitely recyclable, lightweight, resistant to corrosion, and ductile. Aluminium is the Metal for the Future.

Aluminium is

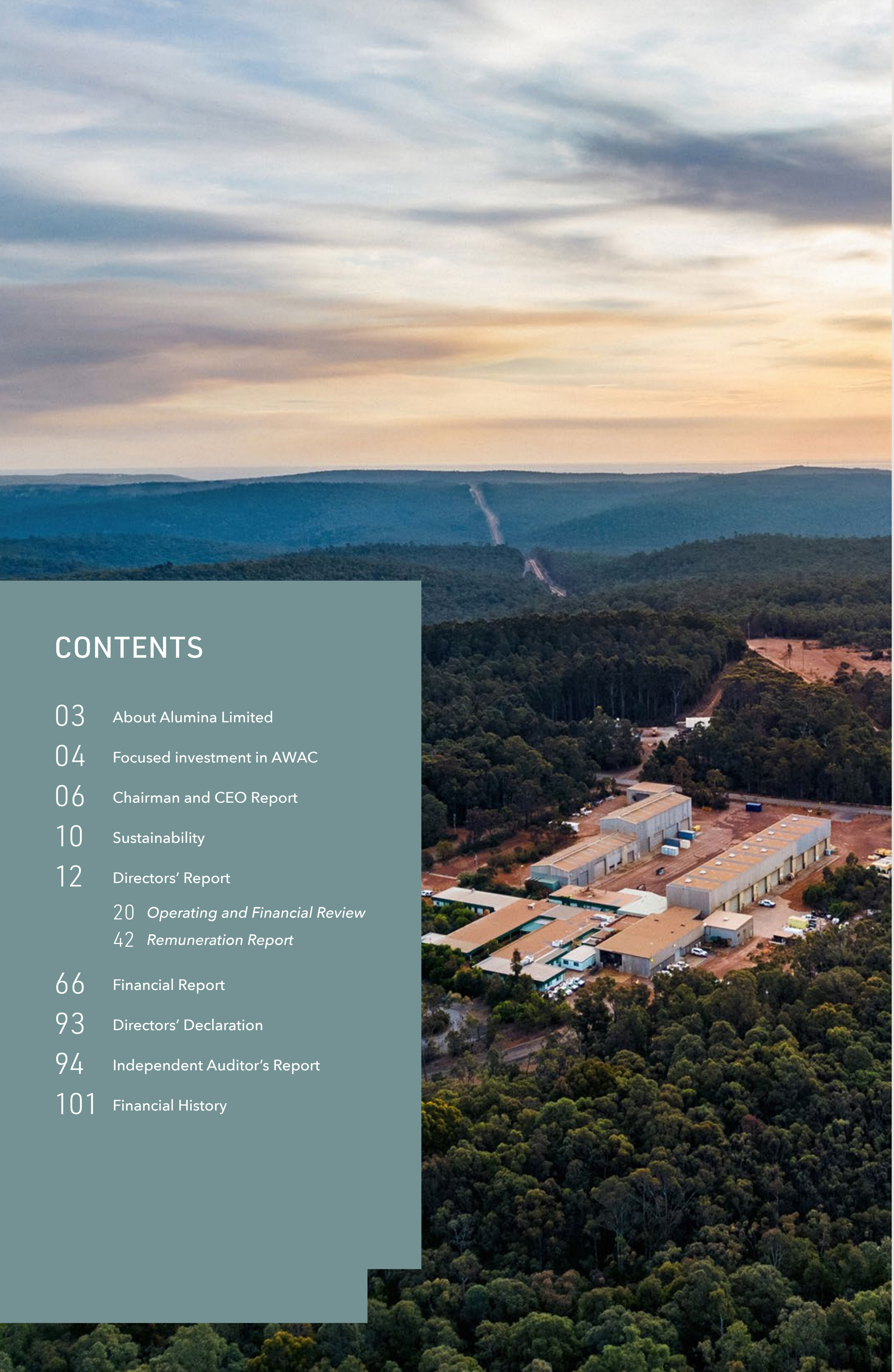
3x

lighter than steel and can be used to lightweight EVs, offsetting the increased weight of battery metals.

The potential end-of-life recycling rate of aluminium beverage cans is estimated to be

~71%

significantly higher than glass (34%) and PET plastic bottles (40%).



CONTENTS

→ *About Alumina Limited*
→ Chairman and CEO Report
→ Sustainability
→ Directors' Report
→ Remuneration Report
→ Financial Report
→ 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 a leading Australian company listed on the Australian Securities Exchange (ASX) and trades on the OTC Market in the US. Alumina Limited is the 40 per cent partner in the AWAC joint venture whose assets comprise globally leading bauxite mines and alumina refineries in Australia, Brazil, Spain, Saudi Arabia and Guinea. 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.

The demerger has enabled investors to benefit directly from the full value of the bauxite, alumina and aluminium business.

FOCUSED INVESTMENT IN AWAC

In 2022 Alumina Limited posted a profit after tax of $104.0 million compared to a net profit after tax of $187.6 million in 2021

Excluding significant items, net profit after tax would have been $109.3 million dollars (2021: $226.0 million). The Company's dividends for the year were 4.2 US cents per share, representing an average dividend yield of 6.5% over the last five years, fully franked.

In 2022, AWAC capitalised on the alumina markets and the high prices in the first half of the year. Prices were relatively subdued in the later part of the year in response to additional alumina supply. As a result, the average realised alumina price in 2022 was higher than the previous year at $371 per tonne (2021: $321).

AWAC's 2022 average cash cost of production increased to $304 per tonne due to higher input costs, particularly caustic and energy, as well as the impact of a lower production rate at the WA refineries. AWAC's margin decreased year on year to $67 per tonne (2021: $85).

Looking forward we expect that aluminium demand will increase in a decarbonising world due to its role in lightweighting and infinite recyclability.

Alumina Limited represents a unique opportunity for a pure investment in AWAC, one of the world's largest bauxite and alumina producers.

ALUMINA LIMITED RESULTS

$104.0M

2022 NET PROFIT AFTER TAX

2021: $187.6 MILLION

4.2¢ PER SHARE

2022 DIVIDENDS

2021: 6.2 CENTS PER SHARE

$166.5M

2022 NET CASH DISTRIBUTIONS FROM AWAC

2021: $193.5 MILLION

$106.2M

2022 NET DEBT

2021: $55.9 MILLION

In 2022, AWAC recorded a net profit after tax of $301.1 million compared to a net profit after tax of $443.8 million in 2021

AWAC's EBITDA for 2022 was $817.1 million (2021: $1,146.2 million) and excluding significant items would have been $814.6 million (2021: $1,205.7 million).

The decrease in AWAC's 2022 net profit is principally attributable to reduced alumina production and higher cash costs of production as a result of increased energy and caustic prices. This was partially offset by a higher realised alumina price and lower charges for significant items.

AWAC RESULTS (USGAAP)

$301.1 M

2022 NET PROFIT AFTER TAX

2021: $443.8 MILLION

$481.5 M

2022 AWAC CASH FROM OPERATIONS

2021: $718.3 MILLION

$371.0 PER TONNE

2022 REALISED ALUMINA PRICE

2021: $321.0 PER TONNE

$814.6 M

2022 AWAC EBITDA EXCL SIGNIFICANT ITEMS

2021: $1,205.7 MILLION

CHAIRMAN AND CEO REPORT

A year ago, we expressed our growing confidence in the future of aluminium, the end product of refined alumina, your joint venture's principal output. This positive view has strengthened as the world has intensified its commitment to decarbonisation.

The unique characteristics of aluminium – its strength, durability and lightweight nature – will be even more in demand. Aluminium will play its part alongside battery metals, and conductors such as copper, in the era of electrified transport, infrastructure and de-carbonised industrial processes.

We have no doubt that aluminium is a metal for the future. Since the beginning of aviation, it has played that special role. We are convinced that aluminium will continue to facilitate whole new industries and economic systems, in a post-carbon world.

Along the way of course each year will be different, with changing and unexpected political, economic and industrial conditions. 2022 was one which demonstrated the volatility of the commodity markets in which the Company operates. The sudden shortages and spikes in markets associated with the global COVID-19 pandemic largely waned. However, northern hemisphere energy and industrial markets suffered historic disruptions as the international economy absorbed the impact of warfare in Europe.

2022 produced markets of turbulence and disruption. Some of this cancelled out, especially as prices stabilised at moderate levels during the year, whereas costs continued to increase.

FINANCIAL AND OPERATING PERFORMANCE

The Company's financial performance in 2022 was excellent in the first half but very subdued in the second half.

The Company reported a profit of $104.0 million and declared a fully franked dividends of 4.2 cents per share. Global supply disruptions resulted in higher realised alumina prices in the first half. However, higher raw material and energy prices (particularly in Europe) coupled with lower alumina prices, meant there was a decline in profitability in the second half.

Mr W Peter Day

Mr Mike Ferraro

Our joint venture, Alcoa World Alumina & Chemicals' (AWAC) long term safety goal is zero fatalities and serious injuries. Pleasingly, in 2022 there were no fatalities or serious injuries. AWAC has maintained fatality free operations since 2017.

AWAC's alumina production of 11.8 million tonnes in 2022 was a decline of 0.8 million tonnes compared to the previous year. The San Ciprian refinery reduced production due to high gas prices and the Western Australia operations were affected by maintenance, ore grade and unplanned outages. The overall production and operating performance in 2022 was disappointing.

AWAC's cash costs of alumina production increased by 29% to $304 per tonne. The Russia/Ukraine conflict pushed up energy prices. In particular the San Ciprian refinery was impacted by the spike in European gas prices.

In the first half of 2022 there was a series of global alumina supply disruptions and API prices averaged $396 per tonne. These were chiefly triggered by the Ukraine war as refining capacity closed. In addition, Chinese output was impacted by Covid policies and industrial output restrictions timed for the Winter Olympics. Lower second half alumina prices resulted in average API prices of $362 for the year. This fall in price also reflected lower smelting demand as energy price volatility triggered reductions in metal production.

AWAC's alumina margins in 2022 averaged $67 per tonne of alumina, a decline from the $85 per tonne margin in 2021.

AWAC increased its spending on capital projects in 2022 to 273.3 million. The most significant projects were the Juruti mine move and residue storage and tailings dam projects.

The Company's results and AWAC's operating performance are discussed in more detail in the Directors' Report and the Operating and Financial Review.

ALUMINA MARKET

Commodity markets in 2022 experienced a high degree of price volatility and the alumina market was no exception. Alumina supply disruptions in late 2021 continued in 2022. Alumina prices were approximately $390 prior to the Russia/Ukraine conflict – which then saw alumina prices spike to over $500 per tonne.

The global alumina market has experienced over half a dozen major disruptive events over the last 5 years. These have produced quick and significant price impacts, reflecting the nature of the alumina market and the take-up of index pricing throughout the industry. This has resulted in quick and transparent price responses to market forces.

AWAC's output is highly exposed to alumina price index (API) pricing and benefited from high prices in the first half of 2022.

In March 2022, the Australian Government banned alumina exports to Russia, creating an excess of alumina in the Pacific. Separately, China later increased its alumina production and exported alumina to Russia. With these developments, API prices declined significantly in the second half of 2022.

The alumina market has reflected some favourable market fundamentals in early 2023, with prices moving in a positive direction. The reopening of China, recent refinery curtailments and smelter restarts in Europe and the Americas have all provided support for alumina prices in early 2023.

DECARBONISATION

The world is undergoing a transition to a lower carbon economy. This transition has increased in its momentum during 2022. Aluminium will be a vital metal in that transition due to its lightweight, recyclable and durable nature. Increasingly, we expect to see the role of aluminium move to the forefront of de-carbonisation discussion.

Those characteristics means aluminium is expected to be increasingly needed for electric vehicles, electricity transmission and solar and wind generation. The important role of aluminium in the production of decarbonisation technologies and infrastructure makes it part of the solution in achieving the goal of lower carbon emissions.

AWAC itself has a low carbon position relative to its competitors and has reduced its carbon emissions by 44% since 2010. Alumina Limited will, through working with the AWAC joint venture, strive for AWAC to reduce its direct and indirect emissions (Scope 1 and 2) by 45% by 2030 (from a 2010 baseline), and to net zero by 2050.

Looking ahead, AWAC's decarbonisation strategy involves pursuing research and development on mechanical vapour recompression (MVR) and electric calcination. This R&D work will take some years to prove up and if successful, in reducing emissions, will itself require significant amounts of renewable energy.

It is critical that there continues to be reliable and competitive sources of energy as the energy markets transition. The success of Australia's world class alumina industry has been based on the availability of competitively priced and reliable energy. A transition to renewable energy must be on the basis that the energy supply is competitively priced, firm and reliable.

There is no simple solution here if the Australian Government wants to ensure Australia continues to add value to its enormous resource endowment and support complex manufacturing, such as alumina refining. The beneficiaries of value-adding are Australian workers and taxpayers as well as the general public represented through their compulsory membership of superannuation funds.

The Australian Federal Government is introducing a carbon safeguard mechanism in 2023. As the details of its implementation are put in place, there are two key issues relevant to Australia's alumina and aluminium industry. The first is to maintain the international competitiveness of Australia's industry in a global market place. The second is that there is a significant period required for the implementation of technology to reduce refining and smelting emissions. The management of these two issues will be critical to maintaining the industry's pre-eminent position.

In 2022 Alumina Limited undertook the actions necessary to comply in full with the TCFD reporting framework. This and the sustainability goals and outcomes for the Company and AWAC are discussed in the Sustainability Update on the Company's website.

50 YEARS PRODUCTION AT THE PINJARRA REFINERY

During 2022, the Pinjarra Refinery in Western Australia celebrated its 50-year anniversary since opening in 3 May 1972. The refinery created an economic and population boom in the region, and continues to contribute heavily in the local community.

Pinjarra has been one of the "financial engine rooms" of Alumina Limited and Western Mining Corporation, producing in excess of 160 million tonnes of alumina over its lifetime.

John Pizzey, former Alumina Limited Chairman and, at the time, head of Alcoa of Australia's alumina business stated that Pinjarra was the embodiment of "focussed technical excellence and applied real science".

It has now also been 20 years since the Western Mining Corporation demerger and Alumina Limited subsequently focused solely on its 40% interest in AWAC. Assets such as the Pinjarra refinery have delivered substantial value to shareholders over the last 20 years and are positioned to continue to do so.

CAPITAL MANAGEMENT/ SHAREHOLDER RETURNS

Alumina Limited received $166.5 million in net cash distributions from AWAC in 2022. (2021: $193.5 million). The total declared dividends for the year was US4.2 cents per share. In the second half of 2022, the Company did not have sufficient free cash flow to declare a final dividend.

The Company's net debt at 31 December 2022 was $106.2 million which is a gearing of 6.4%. The Company has debt facilities of US$350 million with maturities ranging from 2024 to 2026.

CONCLUSION

The long-term fundamentals of the alumina market remain positive. Aluminium's characteristics mean it is a metal that is vital in a decarbonised world.

Chinese economic growth is likely to accelerate in 2023 and together with smelter restarts outside China, the demand outlook for alumina is positive. Nevertheless, the Russia/Ukraine conflict continues to impact markets, creating cost volatility, and its effects are unpredictable.

The Company continues to invest in AWAC to maintain its competitive position. This is needed even as markets change rapidly and commodity markets experience cyclical change. The alumina market has provided good returns to shareholders for a number of years. The Company is positioned to benefit from an improvement in market conditions.

The Board thanks the employees of Alumina Limited and AWAC for their work in 2022.

W Peter Day Chairman

Mike Ferraro Chief Executive Officer

SUSTAINABILITY

ESG INVESTOR BRIEFING

During 2022, Alumina Limited held its second annual ESG Investor Briefing (available on the Company's website). The Briefing highlighted AWAC's unique concentration of low-cost and low emission refineries. AWAC's facilities also derive 36% of their electricity from renewable sources.

Alumina Limited also discussed the results of its recently published Task Force on Climate-Related Financial Disclosures (TCFD).

The TCFD framework includes analysis on AWAC's governance, strategy, risk management and metrics/targets in respect of climate-related risks. Underpinning this is AWAC's potential future state, which focusses on waste minimisation through electrifying and decarbonising operations. In order to decarbonise AWAC's refining operations, AWAC is investing in R&D for Mechanical Vapour Recompression (MVR) and Electric Calcination (EC).

Alumina Limited also reflected on AWAC's proud history of stewardship of its assets for 60 years, implementing pioneering progressive rehabilitation techniques and avoiding the clearing of old growth forests and the critical habitat of threatened species.

Additionally, as AWAC supply chains operate in proximity to indigenous and land-connected people, AWAC maintains an Indigenous Peoples Policy, and ensures that plans are in place at locations to demonstrate free, prior and informed consent and shared value creation.

The ESG Briefing also reiterated that Alcoa's Human Rights Policy prohibits all forms of modern slavery. AWAC expanded the Supplier Sustainability Program to include ESG risk screening of the entire supply base (screening includes working conditions, child & forced labour and human trafficking). Additionally, for the most recent reporting year, no incidents of modern slavery were identified in AWAC's Australian operations or supply chains.

Alumina Limited has focussed over the past two years on enhancing sustainability disclosures. During 2022, we received a "Management" level rating from CDP (Carbon Disclosure Project) for Climate Change reporting, which is the second highest score and notes that we are "taking coordinated action on climate issues".

Additionally, we continue to be recognised by ACSI (Australian Council of Superannuation Investors) as the highest category "Comprehensive" disclosure for ESG reporting.

SAFEGUARD MECHANISM

In 2022, the Commonwealth of Australia released draft guidelines in respect of the Safeguard Mechanism. The intent of the draft changes is to lower emissions baselines to incentivise safeguard facilities to decarbonise operations, such that safeguard facilities reduce their emissions by 43 Mt (30%) of CO_2e by 2030. Alumina Limited continues to actively engage with government and industry bodies to understand the potential impact that the changes in legislation will have on operations and to ensure the safeguard mechanism is implemented in a manner that enables it to achieve its decarbonisation goals. We reiterate that any changes to legislation need to be conscious of the commercial and technical reality of the aluminium value chain, particular the three matters that are critical for the industry to achieve its decarbonisation goals:

- → Maintaining international competitiveness
- → Recognise the timeline for technology readiness
- → The transition to renewable energy and existing arrangements (e.g. long-term locked in energy contracts)

In 2021, Alumina Limited's stated its ambition to reduce AWAC's scope 1 & 2 CO_2e emissions by 45% by 2030 from a 2010 baseline, and net zero by 2050. As at 2021, AWAC has reduced its emissions by 44%, but the remaining 56% of emission reduction will rely on step technology changes (MVR, EC, and inert anodes for smelters) and in concert with renewable energy.

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 2022 (the **Group**).

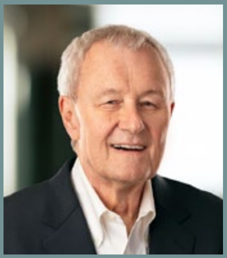
DIRECTORS

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:

W P Day (Chairman), **C Zeng**, **D O'Toole**, **J Bevan**, **S E In't Veld** and **M P Ferraro** (Managing Director and Chief Executive Officer).

BOARD OF DIRECTORS

The Company's Directors in office as at 31 December 2022 were:



Mr W Peter Day
LLB (HONS), MBA, FCA, FCPA, FAICD
Chairman and Independent Non-Executive Director

Mr Chen Zeng
MIF
Non-Executive Director

Ms Deborah O'Toole
LLB, MAICD
Independent Non-Executive Director

Mr John A Bevan
BCom
Independent Non-Executive Director

Ms Shirley E In't Veld
BCom LLB (HONS)
Independent Non-Executive Director

Mr Mike P Ferraro
LLB (HONS)
Managing Director and Chief Executive Officer

Mr W Peter Day

Position

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

Position

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 (appointed 7 August 2014) Committees.

Relevant other directorships

Mr Zeng is also currently the Chairman and President of CITIC Pacific Limited, the Chairman and Chief Executive Officer of CITIC Pacific Mining Management Pty Ltd ("CITIC Pacific Mining") and CITIC Mining International Ltd, the holding company of CITIC Pacific Mining. He is also the Chairman of Dah Chong Hong Holdings Limited (focused on distribution of automobile, healthcare and consumer goods). He is a former Executive Director of CITIC Limited (listed on the Hong Kong Exchange) and Non-Executive Director of CITIC Dameng Holdings Limited (listed on the Hong Kong Exchange), Macarthur Coal Limited (July 2007–October 2011) and Marathon Resources Limited (resigned in January 2014). Mr Zeng also served as a Director on the Board of CITIC Group between January 2010 and December 2011.

Career

Before joining CITIC Pacific Mining, Mr Zeng was an Executive Director, Vice Chairman and Chief Executive Officer (CEO) of CITIC Resources Holdings Limited ("CITIC Resources"), a CITIC Group controlled Hong Kong listed company focused on crude oil production, metal mining and refining, and commodity trading. Mr Zeng was redesignated as Non-Executive Director of CITIC Resources in March 2014. Mr Zeng is also the Chairman of CITIC Australia. Mr Zeng has over 30 years of experience in project development, management, and a proven record in leading cross-cultural professionals in the resources sector. He has been working in Australia since 1994 and has extensive experience in various industries including aluminium smelting, iron ore mining and processing and coal mining.

Ms Deborah O'Toole

Position

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.

Career

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.

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

Position

Independent Non-Executive Director

Qualifications

BCom

Responsibilities

Mr Bevan was appointed Non-Executive Director on 1 January 2018. He has been appointed a member of the Audit and Risk Management Committee, the Compensation Committee, the Sustainability Committee and the Nomination Committee and Chair of the Nomination Committee from 1 April 2018.

Relevant other directorships

Mr Bevan is currently a Non-Executive Director and Chairman of BlueScope Steel Limited (appointed March 2014), a Non-Executive Director and Chairman of Ansell (appointed August 2012), Non-Executive Director of Balmoral Iron Pty Ltd (appointed 2022), 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

Position

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

She 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).

Career

She is formerly Deputy Chair of CSIRO (term ceased 30 June 2020), a Non-Executive Director of Northern Star Resources Limited (appointed September 2016– June 2021), NBN Limited (December 2015–December 2021), Perth Airport, DUET Group, Asciano Limited, Alcoa of Australia Limited and a Council Member of the Chamber of Commerce and Industry of Western Australia.

Ms In't Veld was also 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's experience with the Renewable Energy Target Panel and CSIRO also brings to Alumina expertise in renewables, research and innovation.

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).

As a former Chief Executive Officer of Verve Energy and senior executive in the resources industry, Ms In't Veld will bring to the Board extensive experience in the aluminium industry, energy markets and management of long-life assets.

Mr Mike Ferraro

Position

Managing Director and Chief Executive Officer

Qualifications

LLB (HONS)

Career

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.

COMPANY SECRETARY

Mr Stephen Foster

Position

General Counsel/Company Secretary

Qualifications

BCOM LLB (HONS) GDIPAPPFIN (SEC INST) GRADDIP CSP, ACIS

Responsibilities

Mr Foster is responsible for legal, company secretarial, shareholder services, insurance and human resources. He has a wide range of legal and commercial experience gained over 30 years, at Village Roadshow and WMC Limited, after working with the legal firm of Arthur Robinson & Hedderwicks (now Allens). The appointment of the Company Secretary/ General Counsel is ratified by the Board. As defined in the Board Charter, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

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.

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 below.

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 61 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 61 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 senior and executive staff. 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,

ALUMINA LIMITED DIRECTORS' ATTENDANCE AT MEETINGS JANUARY TO DECEMBER 2022

	Board meeting		**Board Committee meetings**		**Audit and Risk Committee meetings**	
DIRECTORS	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
C Zeng	12	12	0	0	7	7
P Day	12	12	0	0	7	7
M Ferraro[1]	12	12	0	0	N/A	N/A
D O'Toole	12	12	0	0	7	7
J Bevan[2]	12	12	0	0	7	6
S In't Veld	12	12	0	0	7	7

1. Mr Ferraro is Managing Director and Chief Executive Officer and is not a member of the Committees of the Board however may attend in his capacity as CEO. **2.** Mr Bevan was an apology at the 9th August meetings of the Audit and Risk Management Committee and the Sustainability Committee.

or to the extent that the Company is otherwise precluded by law from providing an indemnity. It also does not apply 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, which indemnify them consistently with rule 75 of the Constitution.

DIVIDENDS

Details of the dividends paid to members of the Company during the financial year are referred to in Note 6(b) of the Consolidated Financial Statements found on page 82.

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 profit after tax for the 2022 financial year attributable to members of the Company was US$104.0 million profit (2021: US$187.6 million profit). Excluding significant items, there would have been a net profit after tax of US$109.3 million (2021: US$226.0 million). 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 20 to 41 of this report.

Compensation Committee meetings		**Nominations Committee meetings**		**Sustainability Committee meetings**	
Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
2	2	2	2	4	4
2	2	2	2	4	4
2	N/A	N/A	N/A	N/A	N/A
2	2	2	2	4	4
2	2	2	2	4	3
2	2	2	2	4	4

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as reported in Note 15 of the Consolidated Financial Statements (refer to page 89), 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 2022.

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 20 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 2022.

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. 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 19 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 89.

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 89.

CORPORATE GOVERNANCE STATEMENT

The Company has, for the 2022 reporting year, elected to disclose the Corporate Governance Statement only on the Company's website. The Corporate Governance Statement can be found at URL aluminalimited.com/about-governance/.

pwc

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Alumina Limited for the year ended 31 December 2022, 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
23 March 2023

PricewaterhouseCoopers ABN 52 780 433 757
2 Riverside Quay, Southbank VIC 3006 | GPO Box 1331 Melbourne VIC 3001 |
T: 613 8603 1000 | F: 61 3 8603 1999 | www.pwc.com.au

CONTENTS

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 smelter in Victoria, Australia.

The Company provides a clean look-through to AWAC's underlying performance. This is possible because the financial policies of both Alumina Limited and AWAC ensure there is modest leverage in both the Company and AWAC, the Company's own costs are minimal and the distribution policies of Alumina Limited and AWAC require free cash flows to be paid to their respective 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.

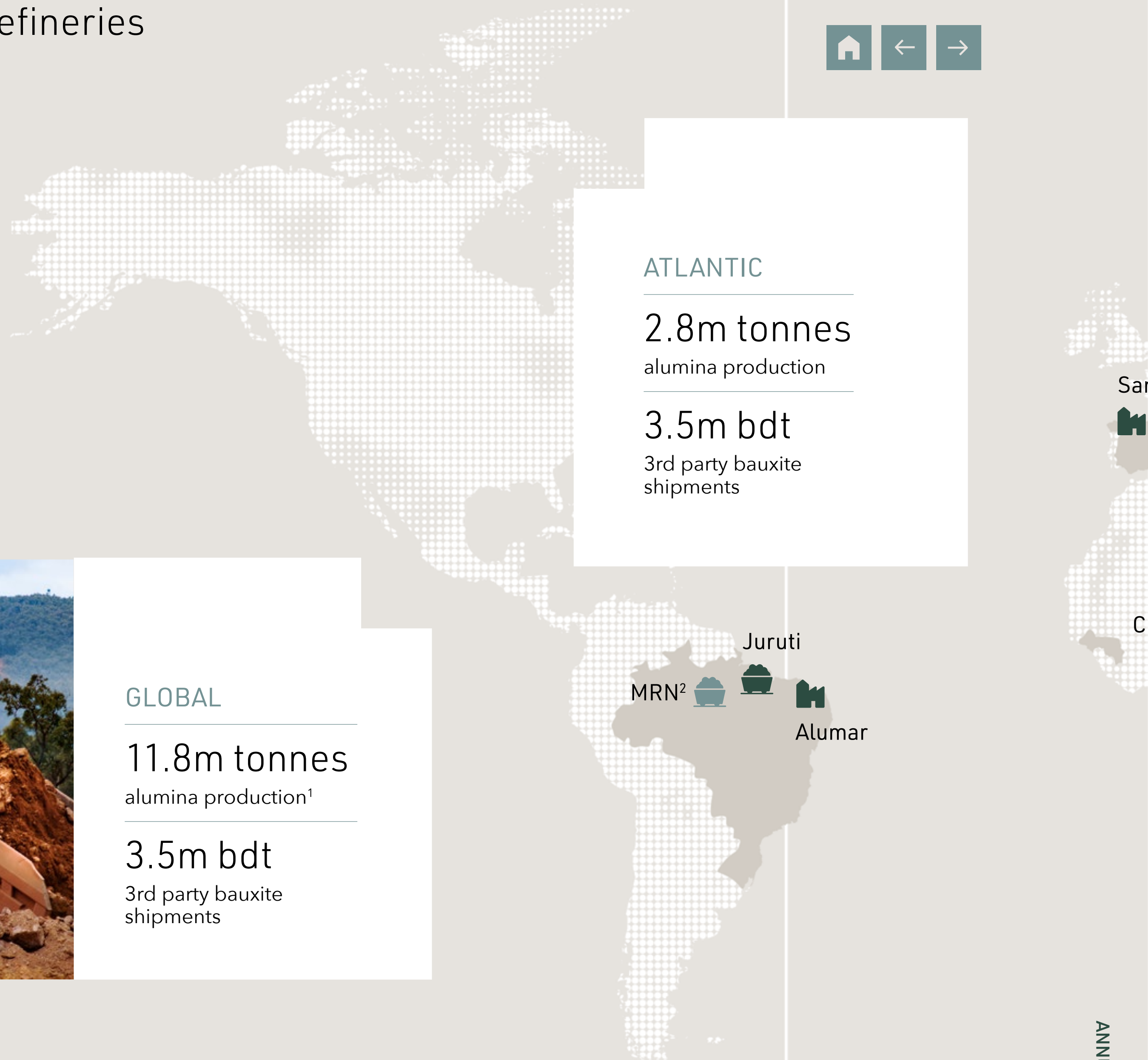
The Strategic Council is the principal forum for Alcoa and Alumina Limited to provide direction and counsel to the AWAC entities in respect of strategic and policy matters. The Strategic Council has five members, three appointed by Alcoa (of which one is Chairman) and two by Alumina Limited (of which 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.

The following matters require a super-majority vote:

- 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 implementation of related party transactions in excess of $50 million
- implementation of financial derivatives, hedges and other commodity price or interest rate protection mechanisms
- decision to file for insolvency in respect of any AWAC company.

MAP OF OPERATIONS

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



ATLANTIC

2.8m tonnes
alumina production

3.5m bdt
3rd party bauxite shipments

GLOBAL

11.8m tonnes
alumina production[1]

3.5m bdt
3rd party bauxite shipments

AWAC OPERATED

- Bauxite Mine
- Smelter
- Refinery
- Location

NON-AWAC OPERATED

- Bauxite Mine
- Refinery

1. Excludes alumina production from the Ras Al-Khair refinery.
2. The sale of MRN was completed in 1H2022.

PACIFIC

9.0m tonnes

alumina production

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.

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 Chinese industry. 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 risk management processes are summarised in the Corporate Governance Statement located on the Company website at **www.aluminalimited.com/about-governance**.

Alumina Limited 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 initially 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 & 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 26-31 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 pages 26-31 associated with an investment in Alumina Limited. In addition, certain risks have been excluded as they contain confidential information, or disclosure may result 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, Chinese refineries being built outside of China at a much lower capital cost than the rest of the industry 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. This can include current Chinese industry participants establishing new refineries outside of China. A technology breakthrough could lower Chinese alumina production costs, creating a structural change in the alumina and aluminium markets. Greater Chinese aluminium production at lower cost, combined with lower demand in China, may lead to a greater level of Chinese primary aluminium and semi-finished product exports, depressing the world prices of aluminium which may put downward pressure on alumina prices. 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. AWAC and Alumina Limited generally do not undertake hedging to manage this risk.
	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.	AWAC and Alumina Limited generally do not undertake hedging activities to manage this risk.

Risk Title	Description	Response
Strategic positioning to market exposure (continued)	**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.	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.
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 technology, e.g. Mechanical Vapour Recompression) before AWAC, which may disadvantage AWAC from a carbon intensity and cost curve perspective. Risk that renewable energy may not be available at a reasonable price. Electricity may be scarce. MVR and EC 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 Market 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. Additionally, Alumina regularly reviews relevant energy markets in order to maintain an independent view. AWAC is also exploring technology changes that will allow the electrification of its refineries (Mechanical Vapour Recompression, Electrical Calcination), reducing reliance on fossil fuels such as natural gas.
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, and AWAC's position on the relevant cost curve. However, significant capital expenditure may also 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. Planned development and capital expenditure projects may not result in anticipated construction costs or production rates being achieved. Increases to operating costs reduce the competitiveness 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 that will reduce cash costs over the long-term.

Risk Title	Description	Response
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, 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's 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 timely obtain the necessary approvals, if at all, result in approvals being conditioned in a manner that may restrict the AWAC's ability to efficiently and economically conduct its mining activities, require us to adjust our mining plans, or preclude the continuation of certain ongoing operations and mining activities or the development of future mining operations. Failure to obtain, maintain, or renew permits or approvals, or permitting or approval delays, restrictions, or conditions may impact the quality of the bauxite AWAC is able to mine and could increase AWAC's costs and affect our ability to efficiently and economically conduct its operations, potentially having a materially adverse impact on AWAC results of operations and profitability. 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 the 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 mining permits may be rescinded or modified, or our mining plans may be adjusted, to mitigate against adverse impacts to sites within or near its mining areas that have environmental, biodiversity, or cultural significance, potentially having a materially adverse impact on its results of operations and profitability. Due to mining plan approval delays in Western Australia, AWAC is currently mining and processing lower grade bauxite, which has caused increased production costs.	AWAC has policies in place to maintain inventory, multiple suppliers, insurance, and long-term maintenance and CAPEX programs.
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
LEGAL, TAX, & COMPLIANCE RISK		
Legal, tax, & compliance	AWAC and Alumina Limited operate across a broad range of legal, regulatory 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. Furthermore, AWAC maintains a spread of assets and customers across a portfolio of countries and regions to minimise disruption and concentration risk. Additionally, Alumina maintains a tax governance framework, and external tax advisors. Compliance matters are reviewed at the Strategic Council and other forums.
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. 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.
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, 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, and curtailment or closure of facilities, or the loss of AWAC's "social licence to operate".	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 is also in the process of establishing a Social Management System at all locations. The Social Management System (SMS) incorporates governance resources including corporate policies and standards, governing body oversight matched with defined procedures and assessments. The SMS will include the definition of performance metrics and long-term goals to be accomplished between 2025 and 2030.

Risk Title	Description	Response
Environmental, Social, Governance (ESG) (continued)	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.	Alcoa reports instances of environmental non-compliance to Alumina Limited, and any appropriate response. Alumina meets with Alcoa regularly to discuss 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:** • 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 (e.g. residue disposal areas) • water stress and potential impact on production if shortages occurred • disruption to supply chain efficiencies from storm activity, and the transportation of raw materials • climatic changes leading to changes in rainfall and sea levels. **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. 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.	A key to mitigating AWAC against climate change'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 CO2e 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 to electrify the digestion and calcination processes. Mechanical Vapour Recompression (MVR) and Electrical Calcination (EC) have the ability to be able to use 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. MVR and EC would 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. MVR has the advantage of also requiring less freshwater, which may become scarce as a result of climate change. Similarly, it is expected that as less water is used, less area will be required for residue storage areas. However, a key risk is if there is not enough reasonably priced renewable energy at AWAC's locations to be able to utilise MVR or EC. Currently there is insufficient renewable energy in AWAC locations for what AWAC would require to use MVR and EC.

Risk Title	Description	Response
Climate change risk (continued)	Additional information in respect of climate change risks, can be located in Alumina Limited 2021 Sustainability report, and Alumina Limited's Climate Change Position Statement. These documents can be found at **www.aluminalimited.com/sustainability**.	
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.	Closure of an asset may be necessary to ensure the ongoing competitiveness of AWAC operations.
Financial management	Alumina is unable to access desired or required amounts of capital (either debt – including renewal of existing facilities or new financing, or equity at agreeable terms).	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$350 million syndicated bank facility with tranches maturing: • Tranche A: US$150 million (July 2026) • Tranche B: US$100 million (October 2025) • Tranche C: US$100 million (July 2024) As at 31 December 2022 there was US$110 million drawn against the syndicated facility.
COVID-19 Pandemic	As AWAC has a global presence and its locations, staff, markets, logistics and supply chains, may be impacted by a public health crisis such as the COVID-19 pandemic. This may result in decreased production, decreased demand for alumina and consequently cash flow and liquidity, the financial position of customers, and failure to meet health and safety obligations, which all may have a negative financial impact on AWAC.	To combat the increased uncertainty of a pandemic, AWAC may employ cash conservations initiatives, and heightened the focus on health and safety of its workforce. Whilst AWAC has not experienced any significant interruption to operations, COVID-19 continues to be monitored closely.
Financial statement	Misstatement of Alumina statutory or tax accounts through falsification or error in accounting (by error by Alumina Limited or AWAC).	Alcoa maintains financial controls over the accounts of AWAC, which are also audited. Similarly, Alumina Limited maintains controls over its financial reporting process, which are also audited.

3. REVIEW OF AWAC OPERATIONS

Alumina Limited provides investors with a unique opportunity to share in the ownership of a global system of bauxite mines and alumina refineries in Australia, Brazil, Spain, Saudi Arabia and Guinea through its 40% investment in the AWAC joint venture. AWAC also has a 55% interest in the Portland aluminium smelter in Victoria, Australia. Having long life bauxite mines located in close proximity to most AWAC refineries is a key competitive advantage in terms of driving a low position on the cost curve.

The Russia-Ukraine conflict created uncertainty over established supply channels and triggered a significant energy crisis, which has global impact, with the most acute price spikes in Europe. Caustic soda prices increased significantly, influenced by higher energy costs.

As a response to the European energy crisis, production at San Ciprian was curtailed to approximately 50% of site capacity in the second half of 2022.

AWAC's cash costs of alumina production increased year on year by 29% mostly as a result of higher energy and caustic soda prices.

Alumina refineries outside of China also experienced input material price pressures resulting in similar increases in cost of production.

With European gas prices and caustic prices easing in early 2023, the focus for AWAC is to consolidate system stability, improve operational performance and strengthen the foundation of our assets.

Bauxite Mining

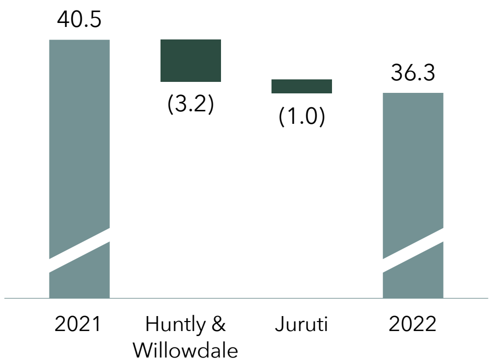
	31 Dec 2022	31 Dec 2021	Change		Change (%)
AWAC OPERATED MINES					
Production (million bone dry tonnes ("BDT"))	36.3	40.5	(4.2)	▼	(10.4)
Cash cost ($/BDT of bauxite produced)	12.9	11.4	1.5	▲	13.2
NON-AWAC OPERATED MINES					
AWAC equity share of production (million BDT)[1]	3.8	4.6	(0.8)	▼	(17.4)
THIRD PARTY SALES					
Shipments to third parties (million BDT)	3.5	5.7	(2.2)	▼	(38.6)
Total third-party revenue, inclusive of freight[2] ($ million)	164.9	204.9	(40.0)	▼	(19.5)

1. 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. **2.** Includes freight revenue of $36.7 million for 2022 (2021: $30.1 million).

AWAC Operated Mines

AWAC operated mines decreased production by 10.4%.

Bauxite production: change by mine (million BDT)

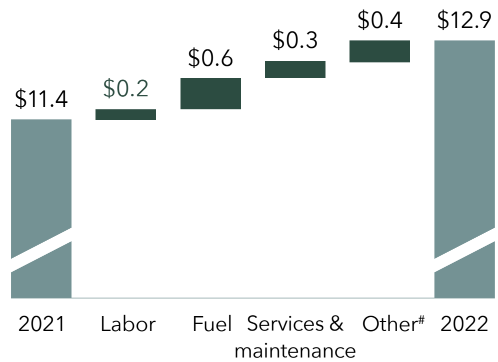


Production at Huntly and Willowdale decreased as a result of lower demand from the Western Australian refineries. Juruti's production also decreased due partly to the suspension of sales to Rusal.

The Willowdale crusher move is now complete and a focus for WA in 2023 now shifts to the planning of the Myara mine move. The main mining capital expenditure projects in 2022 relate to the Juruti plateau move and the expansion of Juruti's tailings dams.

AWAC's cash cost per BDT of bauxite produced increased by approximately 13% to $12.9 per tonne, due to the negative impact of lower production, particularly at Juruti, energy costs and royalties associated with higher alumina prices. These increases were partially offset by the effect of the completion of the Willowdale move and a weaker AUD.

Cash cost per BDT of bauxite produced^



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

Non-AWAC Operated Mines

The share of CBG production of 3.6 million BDT was in line with 2021 production. As a result of the sale of the AWAC interest in MRN completed in 1H 2022, its share of production dropped to 0.2 million BDT, 0.8 million BDT lower than 2021.

AWAC's equity accounted share of profit after tax from CBG and MRN was $34.3 million (2021: $21.2 million).

Third Party Bauxite Sales

AWAC's shipments to third party customers decreased by 2.2 million BDT to 3.5 million BDT with a discontinuation of bauxite exports from Huntly and a reduction in shipments from Juruti as a result of the Russian sanctions.

Third party revenue decreased by 20% due to lower shipments partially offset by higher average realised bauxite price.

Refining

	31 Dec 2022	31 Dec 2021	Change		Change (%)
AWAC OPERATED REFINERIES					
Shipments (million tonnes)	12.4	13.2	(0.8)	▼	(6.1)
Production (million tonnes)	11.8	12.6	(0.8)	▼	(6.3)
Average realised alumina price ($/tonne)	371	321	50	▲	15.6
Cash cost per tonne of alumina produced	304	236	68	▲	28.8
Margin[1] ($/tonne)	67	85	(18)	▼	(21.2)
Platts FOB Australia – one month lag ($/tonne)	364	324	40	▲	12.3
MA'ADEN JOINT VENTURE					
AWAC's share of production (million tonnes)	0.444	0.477	(0.033)	▼	(6.9)

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

AWAC Operated Refineries

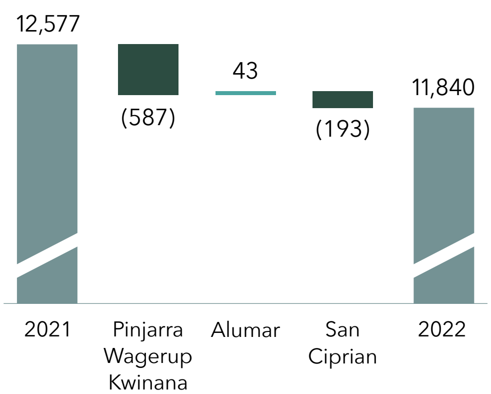
Production from AWAC operated refineries in 2022 was 11.8 million tonnes, 6.3% lower than 2021.

In response to higher gas prices in Europe, AWAC reduced production at the San Ciprian refinery during the second half to operate at around 50% of capacity.

In Western Australia production decreased as a result of lower grade bauxite, unplanned outages and maintenance events.

Alumar production was slightly higher than 2021 despite record rainfall levels in Brazil impacting first half production.

Alumina production: change by refinery (kt)



Alumina prices increased in 2022, particularly in the first half, reaching over $530/t in response to a number of supply disruptions, as well as increased demand and consumer confidence. The alumina price eased in the second half as increased supply of alumina entered the market and uncertainty around the global economic outlook impacted near term market balance expectations.

AWAC's average realised price of $371 per tonne, up $50 per tonne compared to the previous year, reflected an increase in the alumina price compounded by increased Chemical Grade Alumina ("CGA") prices and Atlantic premiums.

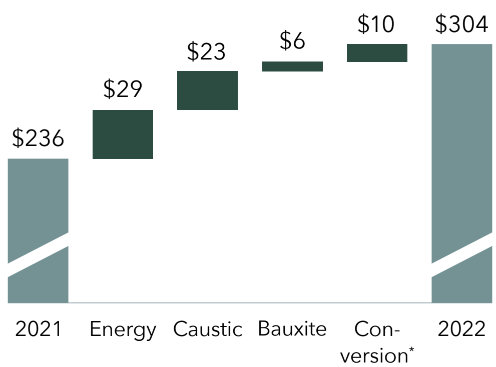
The average cash cost of production per tonne of alumina increased by 29% to $304 per tonne. The largest contributing factor to higher costs were the increased global market prices for energy and caustic.

Energy cost increases were particularly felt at the San Ciprian refinery, where AWAC has an exposure to European gas prices, and to a lesser extent Alumar, which has exposure to oil and coal prices.

Reduced production volume at AWAC's WA refineries contributed to higher cost per tonne.

The Australian dollar and Euro moved favourably year on year offset by a negative movement in the Brazilian Real.

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

Ma'aden Joint Venture

Ma'aden refinery production attributable to AWAC decreased by 6.9% in 2022 to 0.444 million tonnes of alumina, operating at 98% of nameplate capacity.

The equity accounted loss relating to the Ma'aden joint venture for AWAC was $39.5 million during 2022 (2021: $4.2 million equity profit). The result was predominantly driven by a higher cost of production.

Portland

	31 Dec 2022	31 Dec 2021	Change	Change (%)
AWAC'S 55% EQUITY SHARE				
Production (thousand tonnes)	159	151	8	5.3
EBITDA ($ million)	64.6	72.8	(8.2)	(11.3)
Realised price	2,884	2,557	327	12.8
LME aluminium cash – 15-day lag ($/tonne)	2,719	2,443	276	11.3

Portland's aluminium 2022 production was higher compared to 2021 following the restart of additional smelting pots.

EBITDA was lower as a result of increased cash costs due to an increased alumina price and additional costs relating to the restarts. This was partly offset by a higher aluminium price.

The revenue recognition relating to Government assistance arrangements established in 2017 for Portland restart ended in 2021. Approximately $20 million related to these arrangements was included in 2021 EBITDA.

4. AWAC FINANCIAL REVIEW

The decrease in AWAC's 2022 net profit is principally attributable to reduced alumina production and higher cash costs of production as a result of increased energy and caustic prices. This was partially offset by a higher realised alumina price and lower charges for significant items.

The decrease in the income tax charge was driven by lower taxable income.

AWAC PROFIT AND LOSS (US GAAP)	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Net profit after tax	301.1	443.8
Add back: Income tax charge	239.8	374.5
Add back: Depreciation and amortisation	295.3	326.7
Add back: Net interest expense/(income)	(19.1)	1.2
EBITDA	**817.1**	**1,146.2**
Add back: Significant items (pre-tax)	(2.5)	59.5
EBITDA excluding significant items	**814.6**	**1,205.7**

AWAC's net profit included the following significant items:

SIGNIFICANT ITEMS (US GAAP)	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Change in the fair value of Portland Energy contracts	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]	(35.4)	(59.5)
Total significant items (pre-tax)	**2.5**	**(59.5)**
Total significant items (after-tax)[3]	**(13.4)**	**(160.5)**

1. AWAC's interest in the MRN mine was sold to South32 during 1H 2022. **2.** Other significant items include the charges related to restructuring and holding costs, severance and other payments. In 2021 other items also included 63.2 million a non-cash settlement charge for pension action in Suriname offset by credits related to Portland government facility forgiveness. **3.** In 2021, includes a non-cash charge relating to the valuation allowance on the deferred tax asset of approximately $97 million.

AWAC BALANCE SHEET (US GAAP)	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Cash and cash equivalents	236.1	443.8
Receivables	435.0	542.0
Inventories	868.9	682.5
Deferred income taxes	96.0	73.7
Property, plant & equipment	2,852.7	2,889.5
Other assets	1,695.9	1,739.2
Total Assets	**6,184.6**	**6,370.7**
Borrowings & capital lease obligations	79.6	76.0
Accounts payable	793.8	711.1
Taxes payable and deferred	321.0	320.9
Assets retirement obligations	470.8	466.8
Other liabilities	798.6	827.3
Total Liabilities	**2,463.8**	**2,402.1**
Equity	**3,720.8**	**3,968.6**

Changes in the value of assets and liabilities include the effect of the weaker Australian dollar and Euro against the US dollar as at 31 December 2022 compared to 31 December 2021 offset by a stronger Brazilian Real.

The decrease in accounts receivable primarily reflects the lower December sales in 2022 relative to December 2021 as well as the impact of the weaker Australian dollar against the US dollar at year end.

The increase in inventory primarily reflects the impact of higher prices of raw materials as well as the higher level of alumina held as finished goods inventory at year end.

Accounts payable increased mainly due to the timing of payments and higher costs of raw materials and energy.

Other liabilities decreased due to lower accrued employee compensation and incentives and include the effect of actuarial valuations of pension benefits.

AWAC CASH FLOW (US GAAP)	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Cash from operations	481.5	718.3
Capital contributions from partners	535.4	65.0
Net movement in borrowings	3.6	1.5
Capital expenditure	(273.3)	(240.7)
Other financing and investing activities[1]	9.8	29.9
Effects of exchange rate changes on cash and cash equivalents	(17.6)	(20.9)
Cash flow before distributions	**739.4**	**553.1**
Distributions paid to partners	(947.1)	(549.5)
Net change in cash and cash equivalents	**(207.7)**	**3.6**

1. Includes proceeds from sales of assets and other.

Cash from operations in 2022 decreased mainly as a result of a higher cash cost of production, partially offset by higher average realised alumina price, including the effect of increased CGA prices and Atlantic premiums. Consequently, net distributions paid to partners decreased to $411.7 million (2021: $484.5 million).

Sustaining capital expenditure for the year was approximately $246 million (2021: $227 million) with the most significant expenditure relating to the construction of a residue storage area at Alumar and additional tailing ponds at Juruti as well as the move of the mining plateau location in Juruti. Growth capital expenditure was approximately $28 million (2021: $14 million).

5. ALUMINA LIMITED FINANCIAL REVIEW

ALUMINA LIMITED PROFIT AND LOSS	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Revenue from continuing operations	0.7	–
Share of net profit of associates accounted for using the equity method	120.1	204.6
General and administrative expenses	(12.5)	(13.3)
Finance costs	(4.4)	(3.7)
Foreign exchange losses, tax and other	0.1	–
Profit for the year after tax	**104.0**	**187.6**
Add back: Significant items (after tax)	5.3	38.4
Net profit after tax excluding significant items	**109.3**	**226.0**

SIGNIFICANT ITEMS (IFRS, POST-TAX)	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Change in the fair value of Portland Energy contracts	15.6	–
Reversal of derecognised VAT credits in Brazil	15.9	–
Loss on MRN Sale	(16.1)	–
Brazilian ARO refinery adjustment	(7.5)	–
Other[1]	(13.2)	(38.4)
Total significant items	**(5.3)**	**(38.4)**

1. Other significant items include the charges related to restructuring and holding costs, severance and other payments. In 2021 other items also included credits related to Portland government facility forgiveness, but due to GAAP differences, excluded $63.2 million non-cash settlement charge for pension action in Suriname.

Alumina Limited recorded a net profit after tax of $104.0 million (2021: $187.6 million).

Excluding significant items, net profit would have been $109.3 million (2021: $226.0 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 2022 relative to the previous year.

General and administrative expenses in 2022 decreased due to the weaker Australian dollar, however, expenses expressed in AUD remained consistent with the previous year.

The Company's finance costs in 2022 were higher than in the previous year, reflecting the higher debt level drawn at year end.

ALUMINA LIMITED BALANCE SHEET	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Cash and cash equivalents	3.8	9.1
Investment in associates	1,656.0	1,741.8
Other assets	2.9	3.8
Total Assets	**1,662.7**	**1,754.7**
Payables	0.4	0.3
Interest bearing liabilities	110.0	65.0
Provisions and other liabilities	2.9	3.8
Total Liabilities	**113.3**	**69.1**
Net Assets	**1,549.4**	**1,685.6**

The decrease in investments in associates was principally due to the foreign currency revaluations and the net distributions from investments in associated entities.

Alumina Limited's net debt as at 31 December 2022 was $106.2 million (2021: $55.9 million) and gearing was 6.4% (2021: 3.2%).

Alumina Limited has a US$350 million syndicated bank facility with tranches maturing in July 2024 (US$100 million), October 2025 (US$100 million) and July 2026 (US$150 million).

As at 31 December 2022 there was US$110 million drawn against the syndicated facility.

ALUMINA LIMITED CASH FLOW	US$ MILLION	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Dividends received	360.6	191.1
Net finance costs paid	(4.1)	(3.3)
Payments to suppliers and employees	(10.5)	(13.0)
GST refund, interest received & other	1.0	0.4
Cash from operations	**347.0**	**175.2**
Receipts – capital returns from associates	18.0	28.4
Payments – investment in associates	(212.1)	(26.0)
Payment for shares acquired by the Alumina Employee Share Plan	-	(0.8)
Effects of exchange rate changes on cash and cash equivalents	(0.1)	(0.3)
Amount included in the final 2021 dividend	(33.8)	-
"One off" quarantine of approximate tax shield cash benefit[1]	-	(30.0)
Free cash flow available for dividends	**119.0**	**146.5**

1. Tax shield cash benefit is Alumina Limited's share of the net estimated amount of tax benefit in relation to the compounded interest on the primary tax amount partially offset by the payment of 50% of the primary tax amount arising from the Notices of Assessment issued by the ATO in relation to the transfer pricing matter (please refer page 75 for further details). This amount is being retained by Alumina Limited until the matter is fully resolved.

Net receipts from AWAC totalled $166.5 million (2021: $193.5 million).

The decrease in net distributions received from AWAC resulted primarily from the increase capital contribution to support working capital requirements of AWAC entities, the higher cash cost of production, partially offset by higher realised alumina prices.

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 2022 financial year.

6. MARKET, OUTLOOK AND GUIDANCE

Alumina

RoW metallurgical alumina production decreased by around 4% in 2022, reflecting supply disruptions, particularly in Europe, while non-metallurgical alumina production increased by around 11%. Expansion of refineries in Indonesia and India were offset by reduced production at Nikolaev in Ukraine and refineries in Western Australia and Queensland. The metallurgical alumina market was finely balanced in 2022, with a marginal surplus representing less than 1% of the global supply. The Alumina Price Index spiked in March to $533/t, and averaged $362/t for the year, a 10% increase year on year.

No new RoW greenfield alumina project is expected in 2023. Refinery restarts and ramp-ups are likely to be offset by ongoing supply disruptions in Europe and Australia. Metallurgical alumina production is forecast to increase marginally by around 2% in 2023 compared to 2022.

In China, a COVID-relapse during the Chinese New Year in Guangxi province, and the Winter Olympics, caused production disruptions across the country and temporarily boosted Chinese alumina prices.

Alumina production in China started recovering in the second quarter. Restarts, as well as new capacity rollouts, has seen production in 2022 increasing by 4% year on year, to 79.6 million tonnes (Metallurgical + Chemical). At the end of December, around 82% of China's total installed refining capacity was operating.

Around 5 million tonnes per annum of new Chinese alumina capacity is expected in 2023, but will largely replace existing high-cost capacity. China is expected to only produce alumina to meet its internal demand and export demand to Russia. China's alumina production in 2023 is forecast to increase by 4% from 2022 to 82.5 million tonnes.

China is expected in the medium term to produce sufficient alumina to meet its internal demand, while importing alumina from rest of world when the arbitrage window is open.

RoW refining costs averaged $324 per tonne in 2022, a 29% increase compared with 2021. The increase was largely due to higher energy (up 43%) and caustic soda costs (up 80%).

Going in to 2023, although oil, natural gas and coal prices have seemingly passed the peak seen in 2022, energy prices are expected to remain at high levels. Elevated costs provide some support to alumina prices. Supply disruptions are possible, particularly amongst high-cost producers in Europe.

Constraints such as the ability to secure low-cost, good-quality bauxite, high capital costs, and particularly the availability of low-cost, reliable green energy, are limiting the number of committed RoW alumina growth projects. In the next 3 years, only 1.5 million tonnes of additional alumina capacity outside China is committed.

Aluminium

Global aluminium demand grew by 1.2% in 2022, mainly driven by growth in the transportation and electrical sectors. Energy crisis in Europe and China's zero-covid policy has impacted industrial activity. Going into 2023, China's post covid economic recovery is likely to drive aluminium demand growth. Electrical and transport sectors are the key drivers, offset a subdued real estate sector. Overall aluminium demand is expected to grow by 3.4% in China. Outside China, ongoing power grid investments, and growth in the auto sector is expected to drive a demand growth of around 1%.

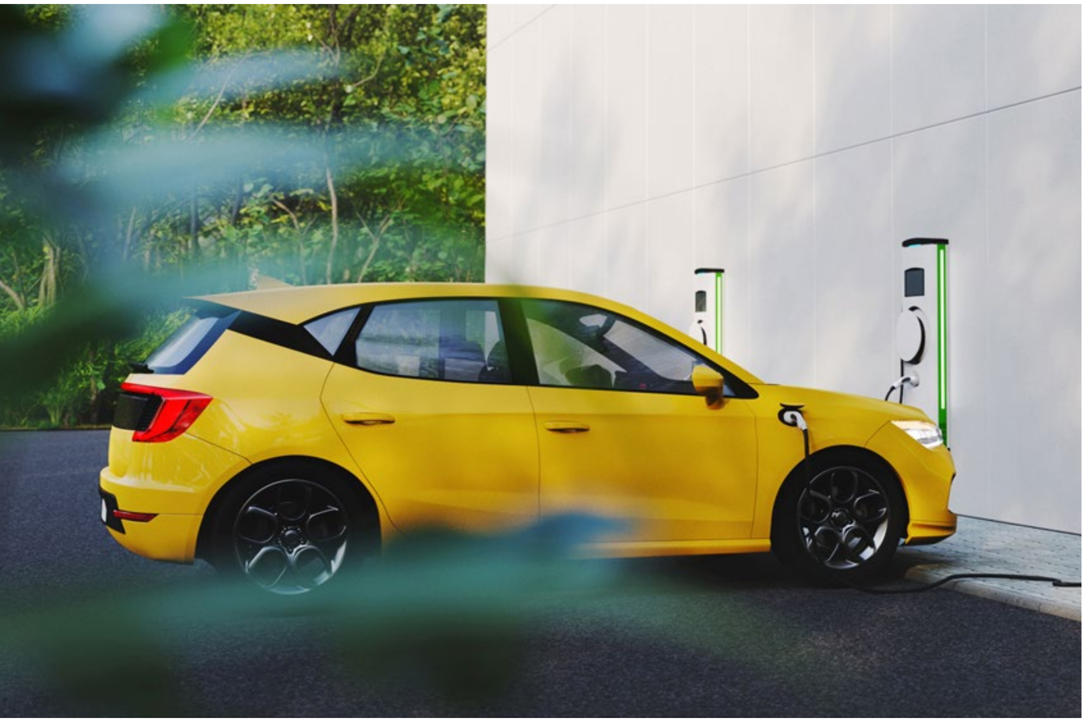
In the longer term, aluminium demand is projected to increase further in a decarbonising world, largely due to its lightweight properties and infinite recyclability. In the next decade, global aluminium consumption is forecast to grow by 30%, or 29 million tonnes. Substantial growth in primary aluminium production outside China is expected to meet the growing demand for aluminium.

RoW primary aluminium production totaled 28 million tonnes in 2022, slightly down (1%) compared to 2021, largely due to curtailment in Europe caused by high energy costs. Primary production is expected to increase in 2023, with planned restarts in the Americas and Europe.

In March 2022, the LME aluminium price reached a record high since the GFC of $3,878/t based on supply tightness, strong demand and particularly as the market feared a shortage of metal after the Russia-Ukraine conflict commenced. LME prices have since dropped, affected by retracting demand, less government stimulus, strong USD, inventories buildup, and higher Chinese semi exports. 2022 average LME aluminium price was $2,703/t, 9% higher than 2021. Low carbon aluminium premiums are developing, at this stage mainly for value-added-products under term contracts for aluminium with no more than 4kg of CO_2 per kg of aluminium.

Chinese primary aluminium production increased by 3% year on year, to 40 million tonnes. Primary aluminium producers are facing less pressure on emission and energy consumption, and new capacity is being put into the hydro-power rich Yunnan province.

At the end of 2022, China's primary aluminium capacity was estimated to be 44 million tonnes per annum, with a utilisation rate of 91%. New primary capacity rollout is forecast to be limited as China approaches the 45 million tonnes per annum cap. However, production in 2023 is forecast to grow by 4% to 41.5 million tonnes.



Bauxite

Elevated ocean freight rates underpinned sea-borne bauxite prices in 2022. Coupled with increasing demand, the weighted average bauxite price landed in China increased by 23% to $59 per tonne in 2022, putting cost pressure on Chinese alumina producers using imported bauxite.

China imported a record breaking 126 million tonnes of bauxite in 2022, 17% more than 2021, as more alumina refining capacity start using imported bauxite. 56% of the imports was from Guinea, 27% from Australia and 15% from Indonesia.

In December 2022, Indonesia confirmed the official ban on bauxite exports will be enforced in June 2023. Market concerns are likely to put further upward pressure on bauxite prices.

In the medium to longer term, China's demand for imported bauxite is expected to grow steadily, as domestic bauxite depletes, both in volume and quality. By the end of 2022, around 60% of China's alumina production was based on imported bauxite. Guinea is forecast to continue being the main bauxite supplier to China, followed by Australia and some emerging bauxite exporting regions. A few bauxite beneficiation technologies have been trialled in China in recent years but have been found so far to be technically unviable, uneconomic or limited to small scale.

AWAC Guidance

The following 2023 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.

Item	2023 Guidance
Production – alumina	Approximately 10.5-10.7 million tonnes
Production – aluminium	Approximately 180,000 tonnes
Third party bauxite shipments	Approximately 8.0 million BD tonnes
SGA shipments expected to be based on alumina price indices or spot	Approximately 97% for the year
AWAC sustaining capital expenditure	Approximately $280 million
AWAC growth capital expenditure	Approximately $60 million
AWAC after tax restructuring[1]	
Charges (IFRS)	Approximately $35 million
Cash Flows	Approximately $80 million

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

Sensitivity	2023 Guidance
Alumina Price Index[1]: +$10/t	Approximately +$95 million EBITDA
Australian $: + 1¢ AUD/USD	Approximately -$26 million EBITDA
Brazilian R$: + 10¢ USD/BRL	Approximately +$6-7 million EBITDA
Caustic price[2]: +$10/dry metric tonne	Approximately -$8-9 million EBITDA
Brent: +$1/barrel	Approximately -$2 million EBITDA

1. Excludes equity accounted income/losses for the Ma'aden joint venture. **2.** Caustic inventory flow is 5-6 month.

REMUNERATION — REPORT

The Remuneration Report is presented in the following sections:

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"), 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 Executive Director, herein 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
Grant Dempsey	Chief Financial Officer (CFO)	Appointed 1 July 2019 Resigned 31 January 2022
Galina Kraeva	Interim Chief Financial Officer (ICFO)/CFO	Appointed ICFO 1 January 2022 Appointed CFO 1 July 2022
Stephen Foster	General Counsel/ Company Secretary	Appointed 4 December 2002
Andrew Wood	Group Executive Strategy and Development	Employed from 1 September 2008 to 30 September 2022

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 55,000 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 a common or at times, different conclusion. 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 Senior Executives are required to maintain Alumina Limited's financial metrics consistent with an investment grade rating, maximize 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.

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 advisers.
- 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.

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.

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")	Short-term equity-based award	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 (half of the LTI is attributable to each comparator group).
Delivery	Cash payment	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.

Short-term incentive ("STI")

In addition, Alumina's Executive KMP (other than the CEO) participated in the STI plan where an STI payment may be awarded based on a scorecard assessment at the end of the year. In 2022, the Company Secretary/General Counsel was the only Senior Executive eligible to participate in the STI plan. More detail on the terms and conditions of the plan and the outcome of Mr Foster's STI is presented in the section 2 of this report.

The Board instituted changes to STI performance awards and, starting from 2023, the STI component in the contracts of Senior Executives (other than the CEO) will now include an STI in a fixed amount per annum partly paid in cash and partly in equity. Restructure of the STI plan resulted in a reduction of the overall potential quantum of the package, whilst retaining the exposure to the equity component. The decision to amend the STI aligns with Alumina Limited's remuneration strategy, in particular to have lower levels of maximum short-term incentives when compared with peers.

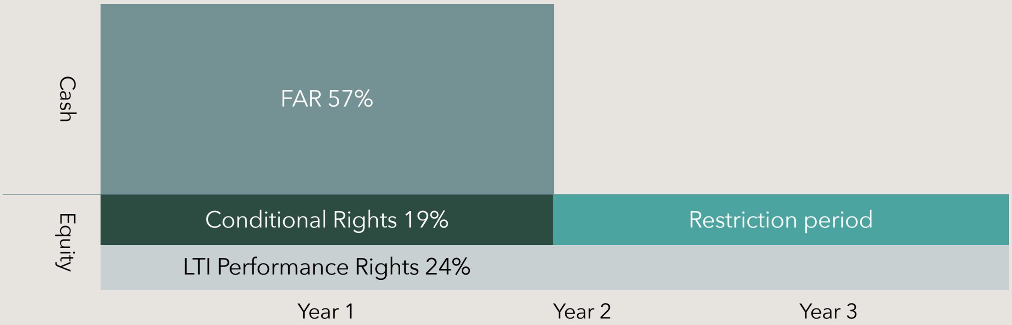
CEO

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 the short-term goals over longer-term strategic objectives. It also ensures that through increased exposure to equity-based component CEO's remuneration reflects shareholders experience and is not excessively affected by swings in the commodity cycle.

% of potential total remuneration



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.

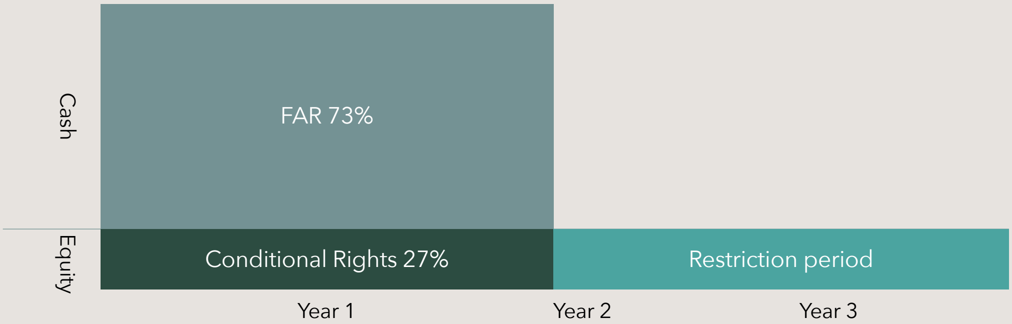
Progress is reviewed formally quarterly and at the end of the year. This process provides the Board with a basis to assess and discuss CEO performance in the short term. Also, and importantly, it provides a basis to ensure that the Board and CEO are aligned on priorities that will underpin long-term 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).

The CEO's remuneration is comprised of a FAR component of $1,438,100, an equity component delivered via Conditional Rights and Performance Rights equal to $472,800 and $600,000 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 the vesting.

The actual remuneration received by the CEO in 2022 is comprised of a FAR component of $1,438,100, Conditional Rights of $526,762 and zero Performance Rights at the time of vesting.

% of 2022 total actual remuneration
(LTI: nil)



The realised remuneration of the CEO remains strongly aligned to the shareholder experience. There has been no vesting of LTI grants in the past two years and, based on the assessment of the expected LTI outcomes, there is a low probability of the LTI vesting in the performance period ending in December 2023. At the same time, the embedded value of the CEO's existing share interests and Conditional Rights fluctuates in line with movements in Alumina's share price.

For the 2023 remuneration, the Board has considered market outlook, changes in superannuation guaranteed contribution rates and inflation rate and resolved to award a 3.5% increase of the CEO's total reward opportunity by equally increasing each of the remuneration components, such as FAR, Conditional Rights and LTI .

2. COMPANY PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES

2.1. Company performance

Alumina Limited recorded a net profit after tax of $104.0 million dollars.

Alumina Limited's total dividend for 2022 was 4.2 cents per share, an average dividend yield of 6.5% over the last 5 years, fully franked.

Challenging market conditions prevailed globally throughout the year, imposing inflationary pressures for the costs of global energy and raw materials.

In 2022, AWAC recorded an EBITDA of $817.1 million dollars and $301.1 million dollars of net profit after tax.

The main drivers for the decline in AWAC performance were higher input material prices, and lower volumes of bauxite and alumina production.

Reduced production volume predominantly relates to reduced production run rates of WA refineries which, throughout the year were affected by unplanned outages and maintenance. It further includes the impact of the San Ciprian refinery curtailment to approximately 50 percent of its production capacity in the second half of the year as a response to the high European gas prices.

AWAC's production costs increased in 2022 due to higher global energy and caustic prices, as well as costs associated with the unplanned maintenance events in the Australian refineries. As a consequence, AWAC's margin decreased, year on year to $67 per tonne.

Most of the alumina refineries outside of China experienced the same input material price pressures, resulting in similar increases in production costs.

Alumina prices exceeded $500 per tonne in March 2022 in response to a number of supply disruptions. The average alumina price in 2022 was $362 per tonne.

The Company's share price has been highly correlated to the price of alumina.

→ About Alumina Limited
→ Chairman and CEO Report
→ Sustainability
→ Directors' Report
→ *Remuneration Report*
→ Financial Report
→ Financial History

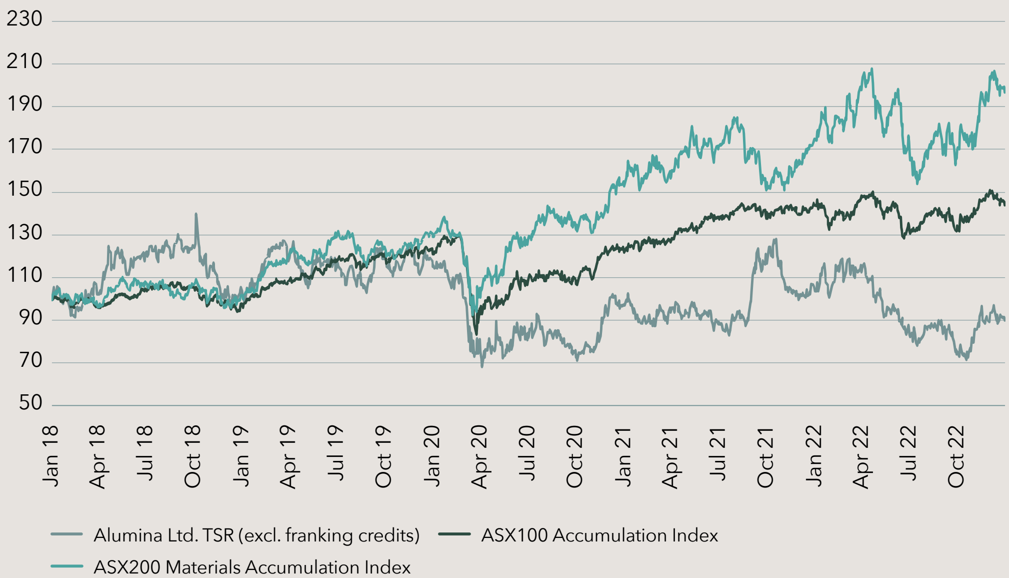
Platts Alumina Price – last 5 years (US$/t)

Alumina Limited share price – last 5 years (A$)

Alumina Limited's TSR compared to relevant ASX indices, demonstrate underperformance in recent years. However, in the longer term, we remain confident that the demand for aluminium will continue to grow to support global decarbonisation, which will result in greater demand for alumina.

Alumina Limited's unique direct and undiluted exposure to AWAC's portfolio, together with a tightly managed balance sheet, continue to underpin the Company's capacity to deliver strong long-term returns to shareholders over the volatile commodity market.

Alumina TSR vs. ASX indices – last 5 years



Historical company performance

	2022	2021	2020	2019	2018
Net Profit/(Loss) after tax (US$ million)	104.0	187.6	146.6	214.0	635.4
Net Profit/(Loss) after tax (excluding significant items) (US$ million)	109.3	226.0	146.5	326.6	689.9
Dividend declared (US cents per share)	4.2	6.2	5.7	8.0	22.7
Share price at the end of the period (AUD per share)	1.520	1.865	1.835	2.30	2.30
Total shareholder return – including franking credits (%)	(11.3)	9.0	(14.2)	15.5	7.7
Total shareholder return – excluding franking credits (%)	(13.5)	6.8	(16.0)	10.8	3.8

2.2 Remuneration decisions and outcomes for 2022

FIXED REMUNERATION	
2022 outcomes	Fixed remuneration for the CEO increased by 5% in 2022. Following the departure of the Company's CFO, Grant Dempsey, Ms Kraeva was appointed ICFO effective 1 January 2022 and as CFO from 1 July 2022. Ms Kraeva's fixed remuneration was set at $550,000 per annum whilst acting as ICFO and $600,000 on appointment as CFO. The ICFO/CFO package also includes an STI in a fixed amount at $150,000 per annum whilst acting as ICFO and $165,000 per annum on appointment as CFO. Fixed remuneration for the other executive KMPs increased by 4% in 2022, which was in line with the increases applied to the broader staff in the Company. From 2023, fixed remuneration for the CEO and Senior Executives (other than CFO) increased by 3.5% in line with inflation and the increases applied to the broader staff of the Company. CFO fixed remuneration set as $625,000 (4.2% increase).
LONG-TERM INCENTIVE	
2022 outcomes	The FY20 LTI was tested in 2022 (testing period December 2019 to December 2022), 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.
SHORT-TERM INCENTIVE	
2022 outcomes	The ICFO/CFO STI was set at $150,000 per annum whilst acting as ICFO and $165,000 per annum on appointment as CFO. The STI award for the CFO is partly delivered in cash at the end of the financial year and partly in equity via Conditional Rights. The "Corporate Gate" requirements were satisfied and, therefore, STI was assessed based on 100% of the potential award. The Company Secretary/General Counsel was the only executive KMP (other than CEO and CFO) eligible to participate in the 2022 STI plan. Mr Foster's STI payment was assessed against a range of corporate objectives and individual performance measures, including long-term planning for the AWAC's operations, engagement with stakeholders on sustainability and climate change and alignment of sustainability disclosures to the recommendations of the TCFD. Mr Foster's performance against the above STI metrics resulted in 64% of the maximum STI being awarded.

2.3 Actual "take home" 2022 remuneration of continuing[1] Executive KMP

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

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

	Year	Short-term benefits (A$)			
		FAR including superannuation	STI	Other	Total
EXECUTIVE KMP					
Mike Ferraro	**2022**	**1,438,100**	**–**	**13,763**	**1,451,863**
	2021	1,369,600	–	–	1,369,600
Galina Kraeva[2]	**2022**	**575,000**	**82,500**	**–**	**657,500**
Grant Dempsey[2]	2021	899,400	–	–	899,400
Stephen Foster	**2022**	**593,000**	**266,000**	**–**	**859,000**
	2021	570,200	335,000	–	905,200
Total	**2022**	**2,606,100**	**348,500**	**13,763**	**2,968,363**
	2021	2,839,200	335,000	–	3,174,200

1. Mr Wood's employment with Alumina Limited ceased on 30 September 2022. His role was not replaced and is no longer included in the Executive KMP. **2.** Following resignation of Mr Dempsey as the Company's CFO, Ms Kraeva commenced as a KMP on 1 January 2022.

Share based payments (A$)			Total "take home" remuneration (A$)	Total statutory remuneration (A$)
Conditional Rights	Performance Rights	Total		
526,762	**–**	**526,762**	**1,978,625**	**2,156,273**
394,341	–	394,341	1,763,941	2,177,181
–	**–**	**–**	**657,500**	**933,958**
202,006	–	202,006	1,101,406	1,260,507
–	**–**	**–**	**859,000**	**950,305**
–	190,221	190,221	1,095,421	1,038,772
526,762	**–**	**526,762**	**3,495,125**	**4,040,536**
596,347	190,221	786,568	3,960,768	4,476,460

2.4 CEO, CFO and Senior Executives performance under the LTI plan

2022	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 deliver to the holder an ordinary share in Alumina Limited upon exercising 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: Shandong Nanshan Aluminium 'A', South32, Hindalco Industries, Century Aluminium, Norsk Hydro, Yunnan Aluminium 'A' (CNY), Aluminium Corporation of China 'A' (CNY), United Company Rusal (HKG), Alcoa.
Performance assessment	Performance hurdles are independently measured by Mercer Consulting (Australia) 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 50th	0%
Equal to 50th	50%
Between 50th and 75th (ASX Comparator Group)[1]	An additional 2% of award for each percentile increase
Equal to or greater than 75th	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 2022 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 exist as at 31 December 2022. The Board's exercise of its discretion was taken 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.

Opportunity levels[2] — **Percentage of FAR (%)**

CEO	ICFO/CFO	Company Secretary/General Counsel
Approx 42	Approx 27	40

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.

Alumina Limited's performance resulted in zero per cent of the total potential entitlement in relation to the FY20 LTI vesting in December 2022. 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 4.3 of this report.

LTI – FY20 (tested in 2022)

Description	ASX comparator group	International comparator group
Currency	AUD	USD[1]
Performance period	13 December 2019 – 13 December 2022	
Alumina Limited's TSR	(21.57%)	(22.56%)
Alumina Limited's TSR percentile rank	23.31%	Ranked last
75th percentile TSR	33.97%	136.06%
50th percentile TSR	4.45%	74.39%

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 Senior Executives in 2021 and 2022 and have the following grant date fair values:

Tranche No	CEO[1]	Executive KMP[2]
FY21	$0.74	$0.96
FY22	$0.86	$1.10

1. CEO's performance rights grant is subject to shareholders approval. Therefore, the grant date is deemed to be the date of AGM. **2.** Performance rights to Executive KMP were granted on 25 January 2021 and 3 February 2022 in the respective years.

2.5 Value change over time of the CEO's and CFO's Conditional Rights

EXECUTIVE KMP	Year	Number of rights[1,2]	Value of rights (A$)		
			At the grant date[1,2]	As at vesting date[3]	As at 31 December 2022[4]
Mike Ferraro (CEO)	2022	248,843	472,800	–	378,241
	2021	256,957	472,800	526,762	479,225
	Total	505,800	945,600	526,762	857,466
Galina Kraeva (CFO)	2022	39,474	75,000	–	60,000
	Total	39,474	75,000	–	60,000

1. The number of CEO's Conditional Rights is determined by dividing the set value of $472,800 (2021: $472,800) by a VWAP of $1.90 (2021: $1.84), independently calculated by Mercer. **2.** The number of CFO's Conditional Rights is determined by dividing the set value of $75,000 by VWAP of $1.90, independently calculated by Mercer. **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 2022 is determined by the number of vested Rights multiplied by the market price at the date.

2.6 Senior Executives (excluding CEO and CFO) performance under the STI plan

2022	KEY FEATURES OF THE STI PLAN
Description	The Board sets financial and non-financial performance objectives at the start of each year. The Company's philosophy is to reward management effort and actions rather than participating Senior Executives generating benefits of the outcomes from the cyclicality of the alumina industry and positive movements in the market prices of aluminium and alumina. STI outcomes are therefore anticipated from time to time to deviate from company performance based on the point of the commodity cycle. The Board also continues to prioritise strategic objectives designed to focus management efforts on influence over the AWAC's future development and strategic direction of Alumina Limited.
Performance period	Financial Year
Performance hurdles	The STI is subject to the "Corporate Gate", a minimum performance threshold requirement under which Alumina Limited must pay a dividend or report an underlying profit before significant items. Significant items may include, subject to the Board discretion, any positive or negative one-off items such as profit on asset sales, asset impairments or generally any matter which is not recurring. Where scorecard objectives are met and the "Corporate Gate" is satisfied, the STI payment can be at the target level. If the "Corporate Gate" is not satisfied the overall scorecard performance scores will be halved in determining STI payments. Where objectives are significantly exceeded, the STI payment can approach the maximum level indicated below.
Performance assessment	The Compensation Committee reviews individual performance against the scorecard at year end. It takes into account actual performance outcomes and internal and external factors that may have contributed to the results based on a comprehensive report provided by the CEO. The Compensation Committee tests: • whether individual performance metrics were achieved or surpassed • if an element was not achieved, whether this was due to the element no longer being considered a priority during the year due to changes in the operating environment, or whether due to poor performance (in which case a zero is likely to be given).

2022 STI OUTCOMES

Name and role	Year	STI paid A$	Paid as a percentage of target award	Forfeited as a percentage of target award	Paid as a percentage of maximum award	Forfeited as a percentage of maximum award
EXECUTIVE KMP						
Stephen Foster (Company Secretary)	**2022**	**266,000**	**80%**	**20%**	**64%**	**36%**
	2021	335,000	105%	–	84%	16%
Andrew Wood (GE Strategy & Development)[1]	2021	149,000	100%	–	70%	30%
Total Executive STI	**2022**	**266,000**	**80%**	**20%**	**64%**	**36%**
	2021	484,000	103%	–	79%	21%

1. Mr Wood's employment with Alumina Limited ceased on 30 September 2022. Refer section 4.5 of this report for details on termination payment for Mr Wood.

2.7 CEO and Senior 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 year 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	**2022**	**1,416,882**	**–**	**–**	**(21,945)**	**13,763**
	2021	1,346,969	–	–	79,016	–
Galina Kraeva[9]	**2022**	**550,570**	**82,500**	**8,404**	**63,173**	**–**
Grant Dempsey[10]	2021	876,769	–	–	24,215	–
Stephen Foster	**2022**	**567,854**	**266,000**	**8,404**	**(22,333)**	**–**
	2021	545,200	335,000	–	(8,772)	–
Andrew Wood[11]	**2022**	**313,768**	**–**	**–**	**2,154**	**–**
	2021	402,869	149,000	–	14,729	–
Total Executive Remuneration	**2022**	**2,849,074**	**348,500**	**16,808**	**21,049**	**13,763**
	2021	3,171,807	484,000	–	109,188	–

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 SGC contributions for all Executive KMP and termination payment for Mr Wood in 2022. More detail on the termination payment is included in section 4.5 of this report. **6.** The CEO's and CFO's remuneration packages 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. **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

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]	
43,682	**21,218**	**472,800**	**209,873**	**2,156,273**
34,146	22,631	472,800	221,619	2,177,181
58,776	**24,430**	**75,000**	**71,105**	**933,958**
29,024	22,631	242,200	65,668	1,260,507
(20,111)	**25,146**	**–**	**125,345**	**950,305**
20,816	25,000	–	121,528	1,038,772
13,924	**725,096**	**–**	**56,216**	**1,111,158**
10,609	22,631	–	68,048	667,886
96,271	**795,890**	**547,800**	**462,539**	**5,151,694**
94,595	92,893	715,000	476,863	5,144,346

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 25 May 2022. **9.** Ms Kraeva was appointed an ICFO on 1 January 2022 and a CFO on 1 July 2022. Amounts shown above include all Ms Kraeva's remuneration during the reporting period, whether as ICFO or CFO. **10.** Mr Dempsey resigned as the Company's CFO, effective from 31 January 2022. In 2022, Mr Dempsey was paid FAR of $87,544 including, superannuation of $1,964 and leave entitlements of $9,594. Mr Dempsey received Conditional Rights, granted in January 2021, which vested in January 2022 prior to cessation of the employment. No Conditional Rights were granted to Mr Dempsey in 2022. The accounting expense for unvested Performance Rights in 2022 was $5,308. **11.** Mr Wood's employment with Alumina Limited ceased on 30 September 2022.

3. NON-EXECUTIVE DIRECTORS REMUNERATION

3.1 2022 Non-Executive Directors Remuneration

The maximum remuneration for Non-Executive Directors is determined by resolution of shareholders. At the 2016 AGM, shareholders approved a maximum aggregate remuneration of $1,500,000 per annum for Non-Executive Directors. A total of $1,269,575 (inclusive of superannuation) was paid in Non-Executive Director fees in 2022. 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. 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. There will be no increase of fees payable to Non-Executive Directors in 2023. Superannuation contributions made by the Company on behalf of Non-Executive Directors are included in the fees amounts presented in the table below.

	2022[1] A$	2023[2] A$
Base fee	164,250	164,250
Compensation Committee – Chair	38,325	38,325
Compensation Committee – Member	10,950	10,950
Audit and Risk Management Committee – Chair	38,325	38,325
Audit and Risk Management Committee – Member	10,950	10,950
Sustainability Committee – Chair	–	–
Sustainability Committee – Member	10,950	10,950
Nomination Committee – Chair	16,425	16,425
Nomination Committee – Member	–	–

1. From 1 July 2022, the SGC rate increased from 10% to 10.5%. Non-Executive Directors fees (inclusive of superannuation) have not changed as a result of the rate change. **2.** From 1 July 2023, the SGC rate will rise to 11%. Non-Executive Directors fees (inclusive of superannuation) will not be changed as a result of the rate change.

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.

Non-Executive Director	Year	Short-term benefits (A$)			Post employment benefits (A$)	Total remuneration (A$)
		Fees	Non-monetary	Total	Superannuation	
Peter Day	**2022**	**385,570**	**–**	**385,570**	**24,430**	**410,000**
	2021	387,369	–	387,369	22,631	410,000
Emma Stein[1]	2021	85,416	–	85,416	8,115	93,531
Deborah O'Toole	**2022**	**203,606**	**–**	**203,606**	**20,869**	**224,475**
	2021	204,534	–	204,534	19,941	224,475
Chen Zeng	**2022**	**178,776**	**–**	**178,776**	**18,324**	**197,100**
	2021	179,591	–	179,591	17,509	197,100
John Bevan	**2022**	**193,674**	**–**	**193,674**	**19,851**	**213,525**
	2021	194,557	–	194,557	18,968	213,525
Shirley In't Veld[2]	**2022**	**203,606**	**–**	**203.606**	**20,869**	**224,475**
	2021	194,469	–	194,469	18,985	213,453
Total Non-Executive Director remuneration	**2022**	**1,165,232**	**–**	**1,165,232**	**104,343**	**1,269,575**
	2021	1,245,936	–	1,245,936	106,149	1,352,085

1. Ms Stein ceased to be a Non-Executive Director effective 25 May 2021. **2.** Ms In't Veld was appointed Chair of the Compensation Committee on 25 May 2021.

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 within five years from their appointment as a Director.

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 achieved
Peter Day	**2022**	**148,770**	**–**	**148,770**	**03/11/2014**
	2021	133,770	15,000	148,770	
Deborah O'Toole	**2022**	**70,000**	**–**	**70,000**	**20/12/2021**
	2021	40,000	30,000	70,000	
Chen Zeng	**2022**	**4,804**	**–**	**4,804**	**n/a –[2]**
	2021	4,804	–	4,804	
John Bevan	**2022**	**300,154**	**–**	**300,154**	**01/01/2018**
	2021	300,154	–	300,154	
Shirley In't Veld	**2022**	**102,563**	**50,000[3]**	**152,563**	**03/08/2020**
	2021	102,563	–	102,563	
Emma Stein[4]	2021	84,794	–	–	**24/02/2014**

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.** Ms Stein retired as a Non-Executive Director effective 25 May 2021. Number of shares held by Ms Stein has not changed between 1 January 2021 and the date of resignation.

4. ADDITIONAL DISCLOSURES

4.1 Reconciliation of Conditional Rights held by CEO and CFO

Executive KMP	Year	Number of rights					Value of rights (A$)			Maximum value of rights yet to vest (A$)[8]
		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 Dec[6]	Granted during the year[1,2,9]	Vested during the year[7,9]	Lapsed during the year[5]	
Mike Ferraro (CEO)	**2022**	**256,957**	**248,843**	**(256,957)**	**-**	**248,843**	**472,800**	**(526,762)**	**-**	**-**
	2021	203,794	256,957	(203,794)	-	256,957	472,800	(394,341)	-	-
Galina Kraeva (CFO)	**2022**	**-**	**39,474**	**-**	**-**	**39,474**	**75,000**	**-**	**-**	**-**
Grant Dempsey (previous CFO)	**2022**	**131,631**	**-**	**(131,631)**	**-**	**-**	**-**	**(269,844)**	**-**	**-**
	2021	104,396	131,631	(104,396)	-	131,631	242,200	(202,006)	-	-

1. Mr Ferraro receives Conditional Rights as an element of remuneration. 2022 include Conditional Rights granted on 3 February 2022 (2021: 11 January 2021). The number of Conditional Rights is determined by dividing the set value of $472,800 (2021: $472,800) by a Volume Weighted Average Price (VWAP) of $1.90 (2021: $1.84), independently calculated by Mercer. **2.** Ms Kraeva receives Conditional Rights as an element of remuneration. Conditional Rights were granted on 3 February 2022. The number of Conditional Rights is determined by dividing the set value of $75,000 by a VWAP of $1.90, independently calculated by Mercer. **3.** Mr Dempsey did not participate in the STI plan and instead received Conditional Rights. In 2021, Conditional Rights were granted on 11 January 2021 and the number of Conditional Rights was determined by dividing the set value of $242,200 by a VWAP of $1.84. Mr Dempsey did not receive a pro-rata allocation of Conditional Rights in 2022. **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 2022. The number of Conditional Rights vested is the number granted in the prior years, following the completion of the required conditions. For both Mr Ferraro and Ms Kraeva there is a three-year trading restriction on the shares from grant date as long as they remain employed by the Company. **5.** No Conditional Rights 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 2022, for Mr Ferraro, it was 256,957 Conditional Rights by the share price of $2.05 on 14 January 2022 (2021: 203,794 Conditional Rights by the share price of $1.935 on 7 January 2021). For Mr Dempsey, it was 131,631 Conditional Rights by the share price of $2.05 (2021: 104,396 Conditional Rights by the share price of $1.935 on 7 January 2021). **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.** 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.

4.2 Reconciliation of Performance Rights held by KMP

Executive KMP	Year[1]	Number of rights						
		Total as at 1 January[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 December	Yet to vest as at 31 December
EXECUTIVE KMP								
Mike Ferraro	**2022**	**516,300**	**326,100**	**–**	**(224,500)**	**617,900**	**–**	**617,900**
	2021	437,800	291,800	–	(213,300)	516,300	–	516,300
Galina Kraeva	**2022**	**118,600**	**81,500**	**–**	**(50,300)**	**149,800**	**–**	**149,800**
Grant Dempsey[8]	2021	50,500	134,600	–	–	185,100	–	185,100
Stephen Foster	**2022**	**224,200**	**128,900**	**–**	**(97,500)**	**255,600**	**–**	**255,600**
	2021	308,850	126,700	(113,350)	(98,000)	224,200	–	224,200
Andrew Wood[9]	**2022**	**125,500**	**72,100**	**–**	**(135,754)**	**61,846**	**–**	**61,846**
	2021	109,500	70,900	–	(54,900)	125,500	–	125,500

1. 2022 include Performance Rights granted on 3 February 2022 (2021: 25 January 2021) for the three-year performance test period concluding 9 December 2024 (2021: 12 December 2023). The award of performance rights to the CEO was approved by shareholders at the AGM on 25 May 2022 (2021: 25 May 2021). **2.** Includes the number of Performance Rights granted that were subject to testing in 2022. For Ms Kraeva, the opening balance reflects the number of Performance Rights held when she commenced as ICFO/CFO. **3.** The terms of Performance Rights granted were not altered during 2022. 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.** 2022 include the number of Performance Rights that, due to testing of the relevant period, were vested and exercised in 2022. It also includes Performance Rights vested in previous years that were exercised in 2022. **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 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 2022 due to testing of 2020 Performance Rights. **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 Dempsey's unvested Performance Rights lapsed proportional to the amount of the testing period that had not yet elapsed at the time of resignation. In total Mr Dempsey had 185,100 performance Rights prior to his resignation. After applying pro rata allocation, 98,224 rights lapsed and 86,876 rights were retained by Mr Dempsey, subject to performance testing. **9.** Mr Wood ceased to be a KMP during the year. More detail on his unvested Performance Rights is included in section 4.5 of this report.

	Year[1]	Value of Performance Rights (A$)				Minimum value of grants yet to vest[3]	Maximum value of grant yet to vest[1]
		Granted during the year[1]	Exercised during the year[2]	Lapsed during the year[1]	Yet to be exercised[1]		
EXECUTIVE KMP							
Mike Ferraro	**2022**	**280,446**	**–**	**(134,700)**	**–**	**–**	**494,919**
	2021	214,473	–	(315,684)	–	–	349,173
Galina Kraeva	**2022**	**89,650**	**–**	**(58,097)**	**–**	**–**	**155,218**
Grant Dempsey	2021	129,216	–	–	–	–	187,544
Stephen Foster	**2022**	**141,790**	**–**	**(112,613)**	**–**	**–**	**263,422**
	2021	121,632	190,221	(130,340)	–	–	234,245
Andrew Wood	**2022**	**79,310**	**–**	**(148,353)**	**–**	**–**	**62,084**
	2021	68,064	–	(73,017)	–	–	131,127

1. Calculated by multiplying the number of Performance Rights granted by the fair value as at the date of the grant, independently calculated by 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 KMP

	Year[1]	Number of ordinary shares					
		Total as at 1 January[1]	Acquired during the year under LTI[2]	Acquired during the year CEO and CFO Conditional Rights	Other shares acquired during the year	Sold during the year	Total as at 31 December
EXECUTIVE KMP							
Mike Ferraro	**2022**	**968,627**	**–**	**256,957**	**–**	**–**	**1,225,584**
	2021	764,833	–	203,794	–	–	968,627
Galina Kraeva	**2022**	**126,357**	**–**	**–**	**–**	**–**	**126,357**
Grant Dempsey	2021	49,842	–	104,396	–	–	154,238
Stephen Foster	**2022**	**1,130,199**	**–**	**–**	**–**	**–**	**1,130,199**
	2021	1,084,697	113,350	–	92,152	(160,000)	1,130,199
Andrew Wood[3]	**2022**	**382,283**	**–**	**–**	**–**	**–**	**–**
	2021	382,283	–	–	–	–	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 opening balance reflects the number of shares held when she commenced as ICFO/CFO. **2.** December 2022 testing of 2020 Performance Rights resulted in zero per cent vesting of total potential entitlement. In 2021, 2019 Performance Rights that were tested in December 2021 resulted in zero percent vesting but the numbers include Rights vested in prior years, which were exercised in 2021. **3.** Mr Wood ceased employment with Alumina Limited during the year and therefore his shareholding as at 31 December was not disclosed.

4.4 CEO and Senior Executives 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.

Term of agreement and notice period	Termination payments[1]
GALINA KRAEVA, STEPHEN FOSTER AND ANDREW WOOD[2]	
• No fixed term. • Six month notice from the Company, four month notice from Ms Kraeva. • Six month notice from the Company, three month notice from Mr Foster. • Four month notice from the Company, two month notice from Mr Wood.	• 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 and Mr Wood. The above termination entitlements are subject to any restrictions imposed by the Corporations Act.

4.5 Cessation of employment

Subject to Board discretion, where an executive ceases employment during the performance period 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.

Mr Wood's employment with Alumina Limited ceased on 30 September 2022. In accordance with the terms of the employment contract, on departure, Mr Wood was paid a redundancy benefit totaling $706,989 and compensation for unused annual and long service leave of $296,619. In addition, Mr Wood has two further grants of Performance Rights due for future testing in December 2023 and 2024, in total 197,600 Performance Rights prior to cessation of the employment. After applying the pro rata allocation, 84,790 rights lapsed and 112,810 rights were retained by Mr Wood.

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.

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 CEO and CFO 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

23 March 2023

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 20-41 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 23 March 2023.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	US$ million	
		2022	2021
Revenue from continuing operations		0.7	–
Share of net profit of associates accounted for using the equity method	2(c)	120.1	204.6
General and administrative expenses	7(a)	(12.5)	(13.3)
Foreign exchange gains/(losses)		0.1	–
Finance costs	7(b)	(4.4)	(3.7)
Profit before income tax		**104.0**	**187.6**
Income tax expense	8	–	–
Profit for the year attributable to the owners of Alumina Limited		**104.0**	**187.6**
OTHER COMPREHENSIVE(LOSS)/ INCOME			
Items that may be reclassified to profit or loss			
Share of reserve movements accounted for using the equity method		2.3	4.5
Foreign exchange translation difference	9(b)	(56.0)	(91.9)
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefit obligations accounted for using the equity method		15.8	33.4
Other comprehensive (loss)/income for the period, net of tax		**(37.9)**	**(54.0)**
Total comprehensive income for the year attributable to the owners of Alumina Limited		**66.1**	**133.6**

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

	Notes	US cents	
		2022	2021
Basic earnings per share	9(a)	3.6	6.5
Diluted earnings per share	9(a)	3.6	6.5

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	
		2022	2021
CURRENT ASSETS			
Cash and cash equivalents	4(a)	3.8	9.1
Other assets		1.0	1.5
Total current assets		**4.8**	**10.6**
NON-CURRENT ASSETS			
Right of use asset		1.9	2.3
Investment in associates	2(c)	1,656.0	1,741.8
Total non-current assets		**1,657.9**	**1,744.1**
Total assets		**1,662.7**	**1,754.7**
CURRENT LIABILITIES			
Payables		0.4	0.3
Provisions and other liabilities		0.9	1.2
Total current liabilities		**1.3**	**1.5**
NON-CURRENT LIABILITIES			
Borrowings	4(b)	110.0	65.0
Lease liability		1.3	1.7
Provisions		0.7	0.9
Total non-current liabilities		**112.0**	**67.6**
Total liabilities		**113.3**	**69.1**
Net assets		**1,549.4**	**1,685.6**
EQUITY			
Contributed equity	9(a)	2,706.7	2,706.7
Treasury shares	9(a)	(0.8)	(1.2)
Reserves		(1,450.1)	(1,396.8)
Retained earnings		293.6	376.9
Total equity		**1,549.4**	**1,685.6**

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 2021		**2,705.9**	**(1,310.0)**	**338.7**	**1,734.6**
Profit for the year		–	–	187.6	187.6
Other comprehensive (loss)/income for the period		–	(87.4)	33.4	(54.0)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:					
Dividends paid		–	–	(182.8)	(182.8)
Movement in share capital	9(a)	(0.4)	–	–	(0.4)
Movement in share-based payments reserve		–	0.6	–	0.6
Balance as at 31 December 2021		**2,705.5**	**(1,396.8)**	**376.9**	**1,685.6**
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 (loss)/income 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**

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 2022	US$ million 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of goods and services tax)		(10.5)	(13.0)
GST refund received		0.5	0.5
Dividends received from associates		360.6	191.1
Finance costs paid		(4.1)	(3.3)
Tax paid		–	(0.1)
Other		0.5	–
Net cash inflow/(outflow) from operating activities	10(a)	**347.0**	**175.2**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments in associates		(212.1)	(26.0)
Proceeds from return of invested capital		18.0	28.4
Net cash inflow/(outflow) from investing activities	2(c)	**(194.1)**	**2.4**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		164.0	160.0
Repayment of borrowings		(119.0)	(155.0)
Payment for shares acquired by the Alumina Employee Share Plan		–	(0.8)
Dividends paid		(203.1)	(182.8)
Net cash inflow/(outflow) from financing activities		**(158.1)**	**(178.6)**
Net increase/(decrease) in cash and cash equivalents		**(5.2)**	**(1.0)**
Cash and cash equivalents at the beginning of the financial year		9.1	10.4
Effects of exchange rate changes on cash and cash equivalents		(0.1)	(0.3)
Cash and cash equivalents at the end of the financial year	4(a)	**3.8**	**9.1**

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 2022

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 2022 was authorised for issue in accordance with a resolution of the Directors on 23 March 2023.

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 2022.
- 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.

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 20-41 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 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**

Year ended 31 December 2021	**US$ million**				
	Australia	Brazil	Spain	Other	Total
Investments in associates	1,204.8	429.9	69.1	38.0	1,741.8
Assets	12.4	0.2	-	0.3	12.9
Liabilities	(69.0)	-	-	(0.1)	(69.1)
Consolidated net assets	**1,148.2**	**430.1**	**69.1**	**38.2**	**1,685.6**

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	
			2022	2021
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

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 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 Australian Accounting Standards. 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;

2. Investment in associates (continued)

- 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 9.5%, which is also a key assumption in determining recoverable amount.

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 2022, potential impairment triggers were 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 2022 (2021: 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**	
	2022	2021
Current assets	1,661.2	1,735.8
Non-current assets	4,815.6	4,876.4
Current liabilities	(1,442.2)	(1,413.6)
Non-current liabilities	(1,491.9)	(1,445.2)
Net assets	**3,542.7**	**3,753.4**
RECONCILIATION TO INVESTMENT IN ASSOCIATES BALANCE:		
Group Share as a percentage	40%	40%
Group Share in dollars	1,417.1	1,501.4
Goodwill	175.8	175.8
Net value of mineral rights and bauxite assets	94.2	96.4
Deferred tax liability (DTL) on mineral rights and bauxite assets	(31.1)	(31.8)
Carrying value	**1,656.0**	**1,741.8**
RECONCILIATION OF CARRYING AMOUNT:		
Opening carrying value 1 January	1,741.8	1,784.5
Net additional (return)/funding in AWAC entities	194.1	(2.4)
Profit for the year	120.1	204.6
Other comprehensive (loss)/income for the year	(39.4)	(53.8)
Dividends and distributions paid	(360.6)	(191.1)
Closing carrying value	**1,656.0**	**1,741.8**

Summarised statement of profit or loss and other comprehensive income	US$ million	
	2022	2021
Revenues	5,714.5	5,224.1
Profit from continuing operations	304.0	515.3
Profit for the year	**304.0**	**515.3**
Other comprehensive(loss)/income for the year	(98.4)	(134.5)
Total comprehensive income for the year	**205.6**	**380.8**

RECONCILIATION TO SHARE OF NET PROFIT OF ASSOCIATES:		
Group Share of profit for the year as a percentage	40%	40%
Group Share of profit for the year in dollars	121.6	206.1
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 profit of associates accounted for using equity method	**120.1**	**204.6**

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, product liability, 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. Also, not every plaintiff has specified the amount of damages sought in their complaint. 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.

To date, AoA has not received a determination from the objections team on the Notices, nor has it received a response to its position paper on interest or its response to the ATO's position paper on penalties.

2. Investment in associates (continued)

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 against the ATO to contest the Notices, a process which could last several years. The AAT held the first directions hearing on July 25, 2022 ordering AofA to file its evidence and related materials by November 4, 2022, ATO to file its materials by April 14, 2023 and AofA to file reply materials by May 26, 2023. AofA filed its evidence and related materials on November 4, 2022.

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.

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, mostly before 2023, was $99.5 million at December 31, 2022.

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 2023 and 2027, was $18.9 million at December 31, 2022.

3. Investment in controlled entities

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alumina Limited as at 31 December 2022 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 2022 are set out below.

Name	Notes	Place of incorporation	Percentage ownership	
			2022	2021
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.

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
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)**

	At fair value through profit or loss	At amortised cost	Total
2021		**US$ Million**	
Cash and cash equivalents – *Note 4 (a)*	–	9.1	9.1
Total financial assets	**-**	**9.1**	**9.1**
Payables	–	(0.3)	(0.3)
Borrowings – *Note 4 (b)*	–	(65.0)	(65.0)
Lease liability	–	(1.7)	(1.7)
Total financial liabilities	**-**	**(67.0)**	**(67.0)**
Net financial (liabilities)/assets	**-**	**(57.9)**	**(57.9)**

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	
	2022	2021
Cash on hand and at bank	3.8	9.1
Total cash and cash equivalents as per the Statement of Cash Flows	**3.8**	**9.1**

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 rate 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	
	2022	2021
Bank loans	110.0	65.0
Total borrowings	**110.0**	**65.0**

Bank loans

Alumina Limited has a US$350 million syndicated bank facility with three tranches maturing in July 2024 (US$100 million), October 2025 (US$100 million) and July 2026 (US$150 million).

As at 31 December 2022 there was US$110 million drawn against the syndicated facility so the undrawn available facility amount as at 31 December 2022 was $240 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
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
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)**

	USD	AUD	Other	Total
2021		**US$ million**		
Cash and cash equivalents	8.3	0.7	0.1	9.1
Total non-derivative financial assets	**8.3**	**0.7**	**0.1**	**9.1**
Payables	–	(0.3)	–	(0.3)
Borrowings	(65.0)	–	–	(65.0)
Total non-derivative financial liabilities	**(65.0)**	**(0.3)**	**-**	**(65.3)**
Net non-derivative financial assets/ (liabilities)	**(56.7)**	**0.4**	**0.1**	**(56.2)**
Net financial assets/(liabilities)	**(56.7)**	**0.4**	**0.1**	**(56.2)**

5. Financial risk management (continued)

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.

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
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 (liabilities)/assets	**(106.2)**	**-**	**(0.4)**	**(106.6)**
Weighted average interest rate	3.91%	–	–	–

	Floating interest	Fixed interest	Non-interest bearing	Total
2021		US$ million		
Cash and cash equivalents	9.1	–	–	9.1
Total non-derivative financial assets	**9.1**	**-**	**-**	**9.1**
Payables	–	–	(0.3)	(0.3)
Borrowings	(65.0)	–	–	(65.0)
Total non-derivative financial liabilities	**(65.0)**	**-**	**(0.3)**	**(65.3)**
Net non-derivative financial (liabilities)/assets	**(55.9)**	**-**	**(0.3)**	**(56.2)**
Weighted average interest rate	1.8%	–	–	–

Had interest rates on floating rate debt during 2022 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$0.5 million lower/higher (2021: 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	
	2022	2021
Expiring within one year	–	100.0
Expiring beyond one year	240.0	185.0
Total undrawn borrowing facilities	**240.0**	**285.0**

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
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**
2021	US$ million				
Payables	0.3	–	–	–	0.3
Borrowings	–	–	65.0	–	65.0
Lease liability	0.2	0.1	0.3	1.1	1.7
Total non-derivative financial liabilities	**0.5**	**0.1**	**65.3**	**1.1**	**67.0**

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.

The gearing ratios at 31 December 2022 and 31 December 2021 were as follows:

	US$ million	
	2022	2021
Total borrowings	110.0	65.0
Less: cash and cash equivalents	(3.8)	(9.1)
Net debt	**106.2**	**55.9**
Total borrowings	110.0	65.0
Total equity	1,549.4	1,685.6
Total capital	**1,659.4**	**1,750.6**
Gearing ratio	**6.4%**	**3.2%**

6. Capital management (continued)

b) Dividends

	US$ million	
	2022	2021
Interim dividend of US4.2 cents fully franked at 30% per fully paid share declared 23 August 2022 and paid on 15 September 2022 (2021: US3.4 cents fully franked at 30% per fully paid share declared 24 August 2021 and paid on 15 September 2021)	121.9	98.7
Final dividend of US2.8 cents fully franked at 30% per fully paid share declared 28 February 2022 and paid on 17 March 2022 (2021: US2.9 cents fully franked at 30% per fully paid share declared 23 February 2021 and paid on 16 March 2021)	81.2	84.1
Total dividends	**203.1**	**182.8**

No final dividend was declared for the financial year ended 31 December 2022 (2021: US2.8 cents fully franked based on the tax paid at 30% per share).

c) Franked dividends

	A$ million	
	2022	2021
Franking credits available for subsequent financial years, based on a tax rate of 30% (2021: 30%)	474.2	377.7

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	
	2022	2021
Fully franked dividends received from AWAC in the financial year	360.6	187.8

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 10.5 percent (10 percent prior 1 July 2022) 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	
	2022	2021
PROFIT/(LOSS) BEFORE INCOME TAX INCLUDED THE FOLLOWING SPECIFIC EXPENSES:		
Defined contribution superannuation expense	0.3	0.3
Other employee benefits expense	5.5	5.9
Total employee benefits expense	**5.8**	**6.2**

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	
	2022	2021
FINANCE COSTS:		
Interest expense	1.5	1.0
Commitment and upfront fees	2.6	2.4
Amortisation of capitalised upfront fees	0.3	0.3
Total finance costs	**4.4**	**3.7**

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.

	US$ million	
	2022	2021
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.

8. Income tax expense (continued)

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	
	2022	2021
DEFERRED TAX LIABILITIES		
Right of use asset	(0.5)	(0.6)
Total deferred tax liabilities	**(0.5)**	**(0.6)**
DEFERRED TAX ASSETS		
Employee benefits	0.9	0.8
Lease liability	0.5	0.6
Other	0.6	0.6
Total deferred tax assets other than tax losses	**2.0**	**2.0**
Net deferred tax assets/(liabilities) before tax losses	**1.5**	**1.4**
Deductible temporary differences and tax losses not recognised	**(1.5)**	**(1.4)**
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	
	2022	2021
Profit before income tax	**104.0**	**187.6**
Prima facie tax expense for the period at the rate of 30%	**(31.2)**	**(56.3)**
THE FOLLOWING ITEMS CAUSED THE TOTAL CHARGE FOR INCOME TAX TO VARY FROM THE ABOVE:		
Share of equity accounted profit not assessable for tax	(120.1)	(204.6)
Foreign income subject to accruals tax	4.8	7.0
Tax losses not recognised	10.7	9.4
Non-deductible expenses	0.6	0.6
Net movement	**(104.0)**	**(187.6)**
Tax Effect of the above adjustments at 30% (2021:30%)	**31.2**	**56.3**
Under provision of tax in prior years	-	-
Consequent decrease in charge for income tax at the rate of 30%	**31.2**	**56.3**
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	
	2022	2021
Cash flow hedges	1.0	1.9
Actuarial gains on retirement benefit obligations	8.2	15.7
Total tax (credit)/expense relating to items of other comprehensive income	**9.2**	**17.6**

d) Tax losses not recognised

	US$ million	
	2022	2021
Tax losses – revenue	1,230.8	1,226.9
Tax losses – capital	1,142.0	1,131.8
Total unused tax losses	**2,372.8**	**2,358.7**
Potential tax benefit – revenue	295.0	293.5
Potential tax benefit – capital	342.6	339.5
Total potential tax benefit	**637.6**	**633.0**

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	
	2022	2021	2022	2021
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 treasury shares	Number of shares		US$	
	2022	2021	2022	2021
Balance brought forward	993,630	788,702	1,198,836	781,180
There were no shares acquired by Alumina Employee Share Plan Pty Ltd during the (2021: A$1.70 average price per share))	-	637,500	–	832,242
Employee performance rights vested	(388,588)	(432,572)	(410,722)	(414,586)
Total treasury shares	**605,042**	**993,630**	**788,114**	**1,198,836**

9. Equity (continued)

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	
	2022	2021
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share	2,901,064,664	2,900,802,609

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	
	2022	2021
Balance at the beginning of the financial year	(1,461.6)	(1,369.7)
Currency translation differences arising during the year	(56.0)	(91.9)
Balance at the end of the financial year	**(1,517.6)**	**(1,461.6)**

10. Cash flow information

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

	US$ million	
	2022	2021
Profit from continuing operations after income tax	104.0	187.6
Share of net profit of associates accounted for using the equity method	(120.1)	(204.6)
Dividends and distributions received from associates	360.6	191.1
Share based payments	1.0	1.0
Other non-cash items (depreciation, net exchange differences, other)	1.4	0.1
Sub-total	**346.9**	**175.2**
CHANGE IN ASSETS AND LIABILITIES		
(Decrease)/increase in payables	0.1	(0.5)
(Decrease)/increase in other liabilities	(0.4)	1.7
(Decrease)/increase in provisions	(0.5)	0.8
Decrease/(increase) in other assets	0.9	(2.0)
Net cash inflow from operating activities	**347.0**	**175.2**

b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year ended 31 December 2022.

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	
	2022	2021
Cash and cash equivalents	3.8	9.1
Borrowings – repayable after one year	(110.0)	(65.0)
Net debt	**(106.2)**	**(55.9)**
Cash and liquid investments	3.8	9.1
Gross debt – fixed interest rates	(110.0)	(65.0)
Net debt	**(106.2)**	**(55.9)**

	US$ million			
	Cash/bank overdraft	Borrowings due within 1 year	Borrowings due after 1 year	Total
Net debt as at 1 January 2021	**10.4**	**-**	**(60.0)**	**(49.6)**
Cash flows	(1.0)	–	(5.0)	(6.0)
Foreign exchange adjustments	(0.3)	–	–	(0.3)
Other non-cash movements	–	–	–	–
Net debt as at 31 December 2021	**9.1**	**-**	**(65.0)**	**(55.9)**
Cash flows	(5.2)	–	(45.0)	(50.2)
Foreign exchange adjustments	(0.1)	–	–	(0.1)
Other non-cash movement	–	–	–	–
Net debt as at 31 December 2022	**3.8**	**-**	**(110.0)**	**(106.2)**

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 2022 of 0.6945 (2021: 0.7504) has been used for conversion.

11. Related party transactions (continued)

Directors and senior executives	US$ 000'S	
	2022	2021
Short-term employee benefits	3,064	3,831
Post-employment and termination benefits	888	150
Share based payments	702	889
Total	4,654	4,870

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 2022, between the Group, its related parties, the Directors or key management personnel (2021: 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).

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

2022

Grant date[1]	Vesting 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
20/1/2020	12/12/2022	549,800	–	–	(549,800)	–	–	–
25/1/2021	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

2021

Grant date[1]	Vesting 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
21/1/2019	12/12/2021	454,300	–	–	(454,300)	–	–	–
20/1/2020	12/12/2022	549,800	–	–	–	549,800	–	549,800
25/1/2021	13/12/2023	–	790,700	–	–	790,700	–	790,700
Total		1,004,100	790,700	-	(454,300)	1,340,500	-	1,340,500

1. Grant date for awards to Senior Executives (other than the CEO) and employees. The CEO's performance rights grant is subject to shareholders approval. Therefore, the grant date for awards to the CEO is deemed to be the date of AGM.

The weighted average remaining contractual life of performance rights outstanding at the end of the period was 1.4 years (2021: 1.5 years).

In addition to the ESP, the CEO's and CFO's remuneration 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	
	2022	2021
Performance rights granted under the Alumina Employee Share Plan	384	499
CEO annual conditional share rights grant	328	355
CFO annual conditional share rights grant	52	182
Total	**764**	**1,036**

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	
	2022	2021
PRICEWATERHOUSECOOPERS AUSTRALIA:		
Audit and review of the financial reports	473	439
Other assurance services	3	3
RELATED PRACTICES OF PRICEWATERHOUSECOOPERS AUSTRALIA:		
Audit and review of financial reports	30	25
Overseas taxation services	30	11
Total	536	478

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 2022 and 31 December 2021, other than as disclosed in Note 2(d) and Note 16(c).

15. Events occurring after the reporting period

Except as disclosed in the Director's report or elsewhere in the Financial Statements, there have been no significant events occurring since 31 December 2022. Please refer to Note 6(b) for the final dividend recommended by the Directors.

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.

16. Parent entity financial information (continued)

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.

a) Summarised financial information

	US$ million	
	2022	2021
BALANCE SHEET		
Current assets	4.5	10.1
Total assets	3,945.6	3,758.7
Current liabilities	0.9	1.1
Total liabilities	119.7	74.9
SHAREHOLDERS' EQUITY		
Issued capital	2,706.7	2,706.7
Reserves	237.2	236.9
Retained earnings	882.0	740.2
Total shareholders' equity	**3,825.9**	**3,683.8**
Profit for the year	**344.8**	**171.1**
Total comprehensive income for the year	**344.8**	**171.1**

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 2023.

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. 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.

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 2022 or 31 December 2021. 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 2022.

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

	US$ million	
	2022	2021
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Dividends and distributions	360.6	187.8
Other income	0.7	–
General and administrative expenses	(12.1)	(13.0)
Foreign exchange losses	–	–
Finance costs	(4.4)	(3.7)
Profit from ordinary activities before income tax	**344.8**	**171.1**
Income tax expense	–	–
Net profit for the year	**344.8**	**171.1**
Other comprehensive income net of tax		
Total comprehensive income for the year	**344.8**	**171.1**
MOVEMENT IN CONSOLIDATED RETAINED EARNINGS		
Retained profits at the beginning of the financial year	**607.5**	**619.2**
Net profit for the year	344.8	171.1
Dividend provided for or paid	(203.1)	(182.8)
Retained profits at the end of the financial year	**749.2**	**607.5**

17. Deed of cross guarantee (continued)

b) Consolidated balance sheet

	US$ million	
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	3.7	9.0
Receivables	480.7	271.1
Other assets	0.8	1.0
Total current assets	**485.2**	**281.1**
NON-CURRENT ASSETS		
Right of use asset	2.5	2.3
Investment in associates	1,631.4	1,631.4
Other financial assets	1,693.9	1,711.3
Total non-current assets	**3,327.8**	**3,345.0**
Total assets	**3,813.0**	**3,626.1**
CURRENT LIABILITIES		
Payables	0.3	0.3
Provisions and other liabilities	0.9	1.1
Total current liabilities	**1.2**	**1.4**
NON-CURRENT LIABILITIES		
Borrowings	115.9	70.9
Other financial liabilities	1.9	1.8
Provisions	0.7	0.8
Total non-current liabilities	**118.5**	**73.5**
Total liabilities	**119.7**	**74.9**
Net assets	**3,693.3**	**3,551.2**
EQUITY		
Contributed equity	2,706.7	2,706.7
Reserves	237.4	237.0
Retained profits	749.2	607.5
Total equity	**3,693.3**	**3,551.2**

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 2022:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]*.

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 new accounting standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations 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 93 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 2022 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

23 March 2023

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:

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended

(b) 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 2022
- 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, which include significant accounting policies 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.

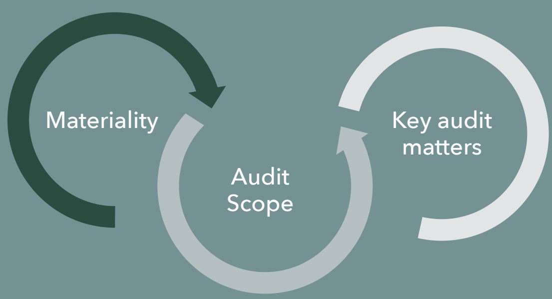
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise from 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.

PricewaterhouseCoopers ABN 52 780 433 757
2 Riverside Quay, Southbank VIC 3006 | GPO Box 1331 Melbourne VIC 3001
T: 613 8603 1000 | F: 61 3 8603 1999

Alumina Limited's (Alumina) 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 Alumina'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. Alumina's equity interest in AWAC forms one reportable segment. Alumina participates in AWAC through the Strategic Council, which consists of three members appointed by Alcoa Corporation and two members appointed by Alumina. As Alumina 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.



MATERIALITY

- For the purpose of our audit we used overall Group materiality of US$16.6 million, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group total assets because, in our view, it is the benchmark against which the performance of the Group, through its investment in AWAC, is most commonly measured.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

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.
- We, 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.

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$1,656.0 million and its current year share of the net profit of AWAC, accounted for using the equity accounting method, is US$120.1 million. The equity accounting method requires consistent accounting standards to be applied by the investing company and its associates. Alcoa of Australia Limited (AWAC entity) 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 profit and changes in reserves of AWAC by examining the schedule prepared by the Group and recalculating Alumina's 40% share; and – On a sample basis, tested dividends, distributions and capital returns received from AWAC 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
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$1,656.0 million (2021: US$1,741.8 million). In accordance with Australian Accounting Standards, the Group completed an impairment test as there was an impairment indicator. No impairment charge has been recorded in 2022 (2021: $nil). The investment's recoverable amount is determined using the Value in Use ("VIU") methodology using a discounted cash flow model. The carrying value of the investment in AWAC is contingent on future cash flows. The model prepared by the Group contains a number of significant judgements and estimates ("assumptions") including future alumina and aluminium prices, exchange rate, energy prices and discount rates. Changes in these assumptions can have a significant impact on the headroom available in the impairment assessment. Given the level of judgement incorporated by the Group, the assessment of the recoverability of the investment in AWAC was considered to be a key audit matter.	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 2022, 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.

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 pages 42 to 65 of the directors' report for the year ended 31 December 2022.

In our opinion, the remuneration report of Alumina Limited for the year ended 31 December 2022 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Amanda Campbell
Partner

Melbourne
23 March 2023

DETAILS OF SHAREHOLDINGS AND SHAREHOLDERS LISTED SECURITIES – 23 FEBRUARY 2023

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

RANGE OF UNITS AS OF 23/02/2023

Range	Total holders	Units	% of Issued Capital
1-1,000	19,156	8,869,724	0.31
1,001-5,000	19,656	50,314,276	1.73
5,001-10,000	7,255	55,126,666	1.90
10,001-100,000	9,038	235,599,602	8.12
100,001 over	496	2,551,771,149	87.94
Rounding			**0**
Total	**55,601**	**2,901,681,417**	**100.00%**

Of these, 7,637 shareholders held less than a marketable parcel of $500 worth of shares (328) a total of 1,354,639 shares. In accordance with ASX Business Rules, the last sale price on the Company's shares on the ASX on 23 February 2023 was used to determine the number of shares in a marketable parcel.

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUST)	647,889,138	22.33
2	CITICORP NOMINEES PTY LTD	495,814,850	17.09
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	369,651,294	12.74
4	CITIC RESOURCES AUSTRALIA PTY LTD	219,617,657	7.57
5	BESTBUY OVERSEAS CO LTD	154,114,590	5.31
6	NATIONAL NOMINEES	146,644,168	5.05
7	BNP PARIBAS NOMS PTY LTD <DRP>	138,797,536	4.78
8	BESTBUY OVERSEAS CO LTD	76,145,410	2.62
9	CITIC RESOURCES AUSTRALIA PTY LTD	59,282,343	2.04
10	CITIC AUSTRALIA PTY LTD	39,799,208	1.37

11	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	18,299,933	0.63
12	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	17,015,440	0.59
13	ARGO INVESTMENTS LIMITED	12,429,285	0.43
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	10,457,459	0.36
15	MUTUAL TRUST PTY LTD	8,076,373	0.28
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	5,657,833	0.19
17	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	5,185,346	0.18
18	BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	4,593,969	0.16
19	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	3,987,696	0.14
20	BNP PARIBAS NOMS (NZ) LTD <DRP>	3,167,902	0.11
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**2,436,627,430**	**83.97**
Total Remaining Holders Balance		**465,053,987**	**16.03**

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 23 FEBRUARY 2023	**Shareholding**
CITIC Resources Australia Pty. Ltd.	547,459,208
Allan Gray Australia Pty. Ltd.	536,770,081
Schroder Investment Management Australia Limited	178,390,106

FINANCIAL HISTORY

Alumina Limited and Controlled Entities as at 31 December

	US$ MILLIONS 2022	2021	2020	2019	2018
Revenue from continuing operations	**0.7**	–	0.1	2.5	1.6
Share of net profit of associates accounted for using the equity method	**120.1**	204.6	164.6	232.0	653.5
General and administrative expenses	**(12.5)**	(13.3)	(12.6)	(12.1)	(11.6)
Change in fair value of derivatives/foreign exchange losses	**0.1**	–	0.2	(1.0)	(1.4)
Finance costs	**(4.4)**	(3.7)	(5.2)	(7.3)	(6.7)
Income tax (expense)/benefit from continuing operations	**–**	–	(0.5)	(0.1)	–
Net profit/(loss) attributable to owners of Alumina Limited	**104.0**	187.6	146.6	214.0	635.4
Total assets	**1,662.7**	1,754.7	1,796.7	1,853.8	2,245.1
Total liabilities	**113.3**	69.1	62.1	71.7	109.3
Net assets	**1,549.4**	1,685.6	1,734.6	1,782.1	2,135.8
Shareholders' funds	**1,549.4**	1,685.6	1,734.6	1,782.1	2,135.8
Dividends paid	**203.1**[2]	182.8	184.3	532.8	515.5
Dividends received from AWAC	**360.6**	191.1	171.4	381.7	657.2
STATISTICS					
Dividends declared per ordinary share	**US4.2c**	US6.2c	US5.7c	US8.0c	US22.7c
Dividend payout ratio	**195.3%**	97.4%	125.7%	249.0%	81.0%
Return on equity[1]	**6.7%**	11.2%	8.9%	11.0%	30.3%
Gearing (net debt to equity)	**6.4%**	3.2%	2.8%	3.0%	(4.3%)
Net tangible assets backing per share	**$0.45**	$0.50	$0.51	$0.53	$0.66
Basic EPS (US cents)	**3.6**	6.5	5.1	7.4	22.1
End of year share price (AUD)	**1.52**	1.865	1.835	2.30	2.30
Franking of dividends	**100%**	100%	100%	100%	100%
Total shareholder return (including franking credits)	**(11.3)%**	9.0%	(14.2%)	15.5%	7.7%
Total shareholder return (excluding franking credits)	**(13.5)%**	6.8%	(16.0%)	10.8%	3.8%

1. Based on net profit/(loss) attributable to owners of Alumina Limited. **2.** Final dividend for the financial year ended 31 December 2021, declared and paid in 2022 and interim dividend for the year ended 31 December 2022, declared and paid in 2022.

ALUMINA LIMITED

ABN 85 004 820 419

Registered Corporate Head Office and Postal Address
Level 36, 2 Southbank Boulevard
Southbank Victoria 3006 Australia

Telephone +61 (0)3 8699 2600

Facsimile +61 (0)3 8699 2699

Website www.aluminalimited.com

Email info@aluminalimited.com

AMERICAN DEPOSITARY RECEIPTS

BNY Mellon shareowner services telephone and internet correspondence:

Toll free number (for callers within the USA)
1-888-BNY-ADRS (1-888-269-2377)

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

Website
www-us.computershare.com/investor

Email
shrrelations@cpushareownerservices.com

Shareowner correspondence should be mailed to:

BNY Mellon Shareowner Services
P.O. Box 505000
Louisville, KY 40233-5000

Overnight Shareowner correspondence should be mailed to:

462 South 4th Street Suite 1600 Louisville KY 40202 United States

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067 Australia

GPO Box 2975
Melbourne Victoria 3001 Australia

Telephone +61(0)3 9415 4027

Or 1300 556 050 (for callers within Australia)

Facsimile +61(0)3 9473 2500

Email web.queries@computershare.com.au

Design **erd.com.au** Print **Southern Impact**

ALUMINA LIMITED

INVESTING FOR OUR FUTURE