

Alcoa Corp Second Quarter 2021 Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. To assist readers in understanding relevant market, operational and commercial matters of the AWAC joint venture, selected information from the Alcoa Bauxite and Alumina Segments, AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, said "AWAC has maintained a strong production performance for both bauxite and alumina in the second quarter. However, Handysize freight costs have remained high over the same period which has led to subdued alumina prices and a contraction in margin.

"Despite these conditions AWAC's distributions to Alumina Limited increased to \$74.9 million (1Q 2021 \$62.0 million) for the quarter".

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



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Company Secretary

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About AWAC & Alcoa's Earnings Release

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

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Alumina Limited

- Alcoa Corp's 2Q 2021 Bauxite and Alumina Segments' Highlights
- Market Data on Commodity Prices

Internal use only

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Summary Information

This Presentation contains summary information about the current activities of Alumina Limited (ACN 004 820 419) (**Alumina**) and its subsidiaries as at the date of this Presentation. The information in this Presentation should not be considered to be comprehensive nor to comprise all the information that a reader may require in order to make an investment decision regarding Alumina securities. This Presentation should be read in conjunction with Alumina's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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Highlights

Alcoa Segments	2Q 2021	1Q 2021	Selected Highlights
Adjusted EBITDA Total:			<ul style="list-style-type: none"> Alumina: One month lagged API price lower by 7%, unfavourable currency movements and higher maintenance costs. Bauxite: Lower bauxite intersegment transfer price EBITDA margins include intersegment transfer price
– Alcoa Alumina Segment	\$124m	\$227m	
– Alcoa Bauxite Segment	\$41m	\$59m	
Adjusted EBITDA Margin:			
– Alcoa Alumina Segment	12.0%	20.2%	
– Alcoa Bauxite Segment	18.8%	24.3%	
AWAC	2Q 2021	1Q 2021	Comments
Production:			<ul style="list-style-type: none"> Refining / Mining: Includes CBG/MRN and excludes Ma'aden. Refer to slide 10 (including footnote 4) for further details. Cash Cost includes bauxite at cost: Slightly higher due to higher fuel prices and increased maintenance Realised Price: Lower by 5% which is better than one-month lagged API due to better price mix of contracts.
– AWAC Refining Business (Million t)	3.2	3.2	
– AWAC Mining Business (Million bone dry tonnes – “bdt”)	11.5	11.3	
Alumina Cost and Price:			
– Cash Cost (\$/t production)	\$231	\$229	
– Realised Price (\$/t shipments)	\$282	\$298	
Alumina Limited	2Q 2021	1Q 2021	Comments
AWAC Net Distributions:			<ul style="list-style-type: none"> As previously announced net distributions received during 1H 2021 included \$30m - \$35m of benefit from the AofA tax shield
– Alumina Limited Receipts	\$74.9m	\$62.0m	
– Alumina Limited Contributions	Nil	Nil	
Net Debt – Period End:	\$5.7m	\$77.6m	

AWAC 2021 Distribution Calendar

(Related to Alumina Limited Interim and Final Dividend 2021)

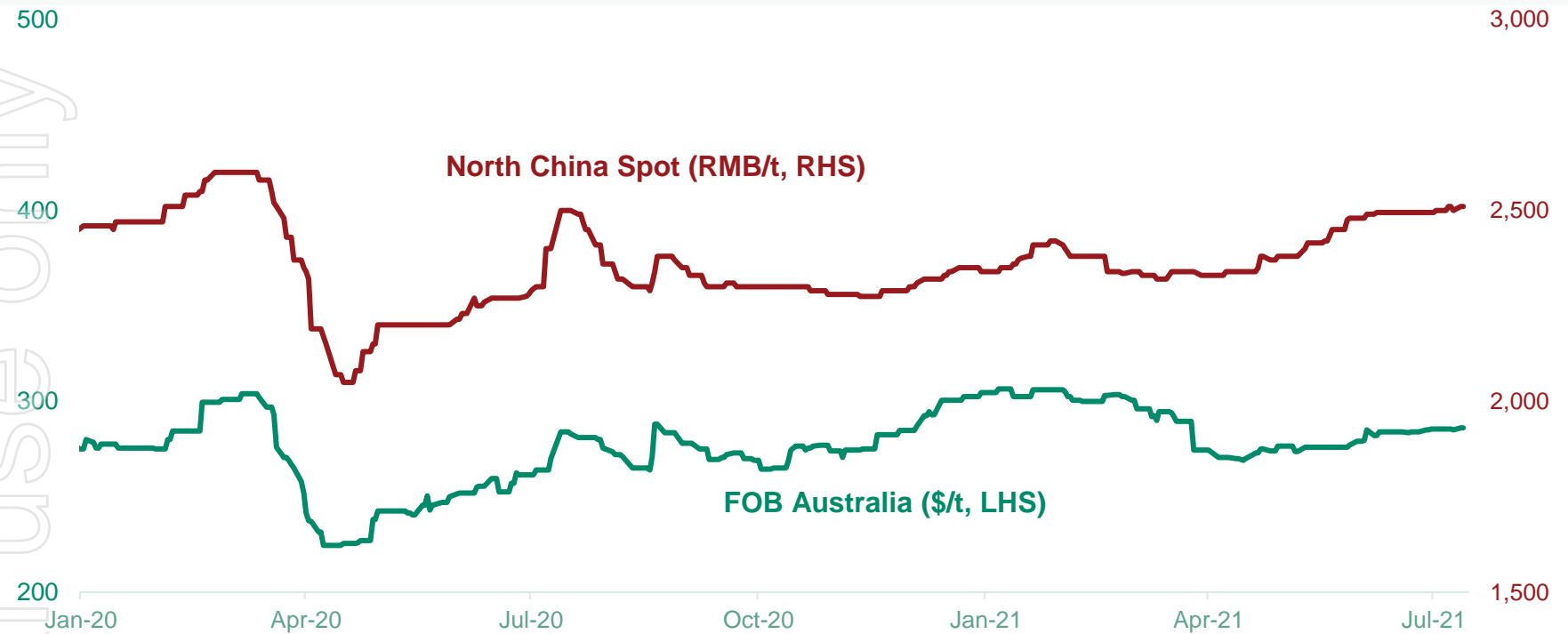
(US\$m)

2021: No later than	Relevant AWAC Entities	Description	Distributions from AWAC ^[1]	Contributions to AWAC ^[1]	Related to Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of previous year	14.8	N/a	2021 Interim Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	47.1	N/a	2021 Interim Dividend
31 March	All	Working Capital Contributions	N/a	(Nil)	2021 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	21.0	N/a	2021 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	53.3	N/a	2021 Interim Dividend
30 June	All	Working Capital Contributions	N/a	(Nil)	2021 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	16.0	N/a	2021 Final Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	TBA	N/a	2021 Final Dividend
30 September	All	Working Capital Contributions	N/a	(TBA)	2021 Final Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	TBA	N/a	2021 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/a	2021 Final Dividend
31 December	All	Working Capital Contributions	N/a	(TBA)	2021 Final Dividend

[1] Alumina Limited 40% share

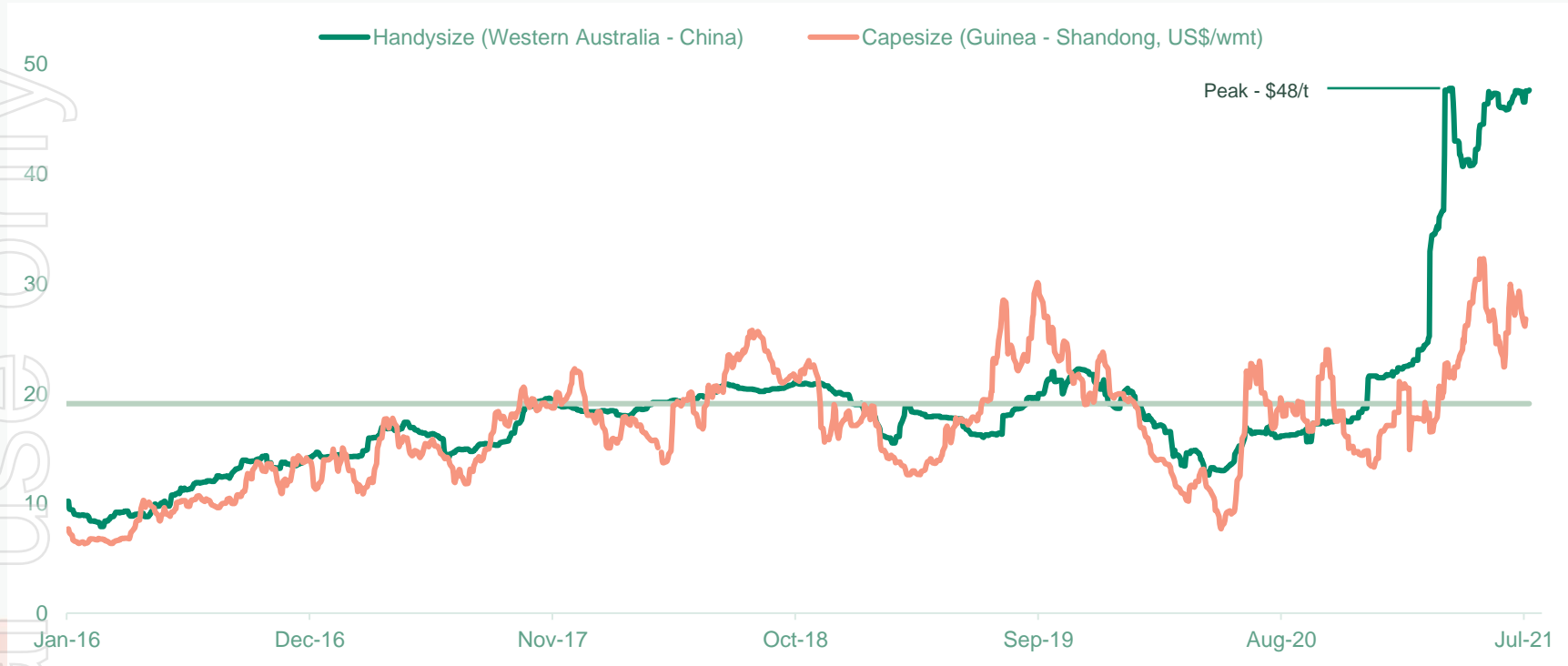
API & China Alumina Prices

API edging up alongside Chinese price due to higher Chinese production costs



Dry Bulk Freight (\$/t)

Handysize freight costs (which reduce the Chinese alumina import parity price) remain at elevated levels. Capesize freight costs for seaborne bauxite also remain elevated.



Spot Alumina & Implied LME Linkage

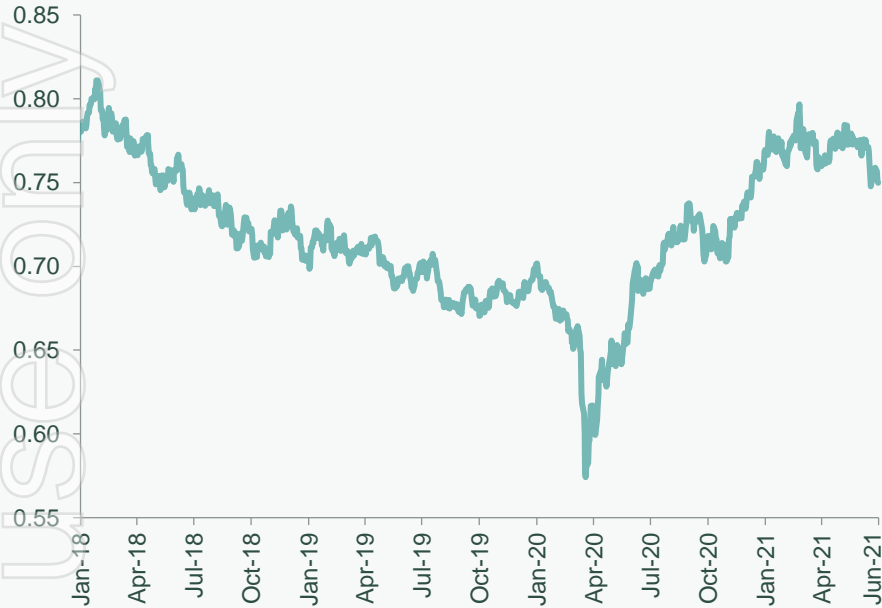


Sources: Alumina: S & P Global Platts, July 2021. LME Aluminium: Thomson Reuters, July 2021

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Foreign Exchange

AUD/USD



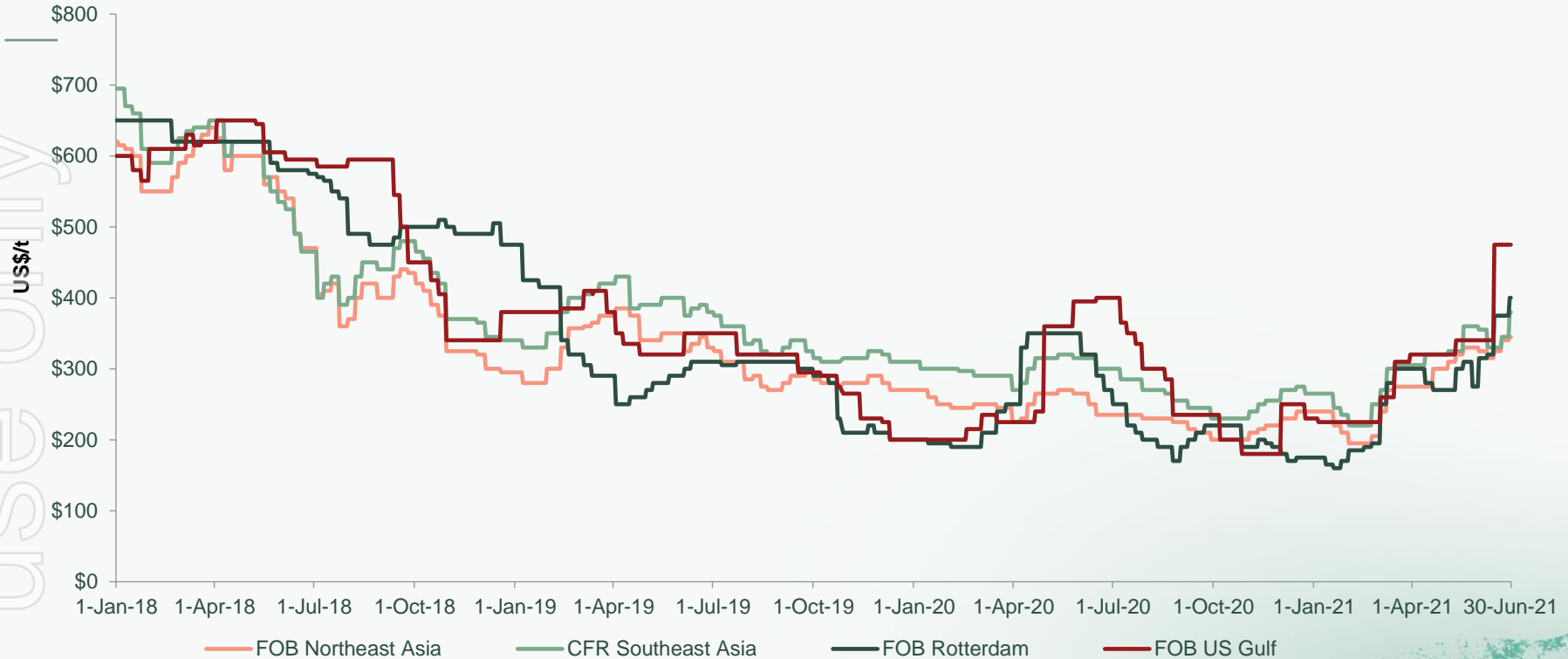
BRL/USD



Source: Thomson Reuters, July 2021

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Caustic Soda Prices



Source: S & P Global Platts, July 2021

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

AWAC Financial Statements

Equity interests disclosure

	AWAC Financial Statements			Equity Share of Production 2Q 2021	Equity Share of Production 1Q 2021
	Revenue	COGS	Other Income / Expense		
CBG Bauxite Mine	✓ ¹	✓ ¹		877k bdt ³	849k bdt ³
MRN Bauxite Mine	✓ ¹	✓ ¹		295k bdt ³	217k bdt ³
Ma'aden Al Ba'itha Bauxite Mine			✓ ²	296k bdt ⁴	281k bdt ⁴
Ma'aden Ras Al Khair Refinery			✓ ²	121k t ⁴	112k t ⁴

¹ Bauxite is purchased at the partner price and recorded in COGS. Third party bauxite sales are recorded in Revenue. The equity accounted share of CBG and MRN's profit or loss is recorded in COGS

² AWAC's equity accounted share of Ma'aden's profit and loss is recognised in Other Income/Expense

³ Based on the terms of its bauxite supply contracts, AWAC's bauxite purchases from the MRN and CBG, differ from their equity share of production in those mines

⁴ Given that Ma'aden's results do not flow through AWAC's Revenue or COGS, its production is not included in AWAC's total Production, Realised Price, or Cash Cost. Ma'aden mine is fully integrated with the Ma'aden refinery. If the Ma'aden Cash Cost or Realised Price was included in the relevant AWAC calculation it would not have a material impact.