

Alcoa Corp First 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 "The alumina price increased from Q4 2020 to an average of \$301/t (on one month lag basis) and as a result the AWAC average realised price was \$26/t higher at \$298/t. As foreshadowed, the cash cost of production was higher, predominantly due to the higher Australian dollar, impacts from the Western Australian crusher move and seasonal maintenance. With a slightly higher margin than Q4 2020, AWAC continued to generate significant cash flow for the quarter, distributing a net \$62m to Alumina Limited.

An abnormal spike in Handysize freight costs in February 2021 had a negative impact on the Chinese alumina import parity price, which has caused a decline in API in recent weeks. Since late March, the Handysize freight cost has begun to fall and we expect it to continue to decline over the course of 2021, which is likely to put upward pressure on the API. Freight costs of Capesize vessels, which are used to transport bauxite from Guinea to China, have been relatively stable over the same period".

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. The operating Afobaka power station and 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 1Q 2021 Bauxite and Alumina Segments' Highlights
- Market Data on Commodity Prices

Disclaimer



Summary Information

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Highlights

Alcoa Segments	1Q 2021	4Q 2020	Selected Highlights
Adjusted EBITDA Total: – Alcoa Alumina Segment – Alcoa Bauxite Segment	\$227m \$59m	\$97m \$120m	<ul style="list-style-type: none"> Alumina: Higher API price, lower bauxite intersegment transfer price. Bauxite: Lower bauxite intersegment transfer price EBITDA margins include intersegment transfer price
Adjusted EBITDA Margin: – Alcoa Alumina Segment – Alcoa Bauxite Segment	20.2% 24.3%	10.4% 39.5%	
AWAC	1Q 2021	4Q 2020	Comments
Production: – AWAC Refining Business (Million t) – AWAC Mining Business (Million bone dry tonnes – “bd”)	3.2 11.3	3.2 11.6	<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: Higher due to WA crusher move, increased seasonal maintenance and stronger AUD dollar. Realised Price: Increase in line with one-month lagged API, quarter on quarter.
Alumina Cost and Price: – Cash Cost (\$/t production) – Realised Price (\$/t shipments)	\$229 \$298	\$206 \$272	
Alumina Limited	1Q 2020	4Q 2020	Comments
AWAC Net Distributions: – Alumina Limited Receipts – Alumina Limited Contributions	\$62.0m Nil	\$54.6m Nil	<ul style="list-style-type: none"> Net distributions received during 1H 2021 will include \$30m - \$35m of benefit from the AofA tax shield
Net Debt – Period End:	\$77.6m	\$49.6m	

AWAC 2021 Distribution Calendar

(Related to Alumina Limited Interim and Final Dividend 2021)

(US\$m)

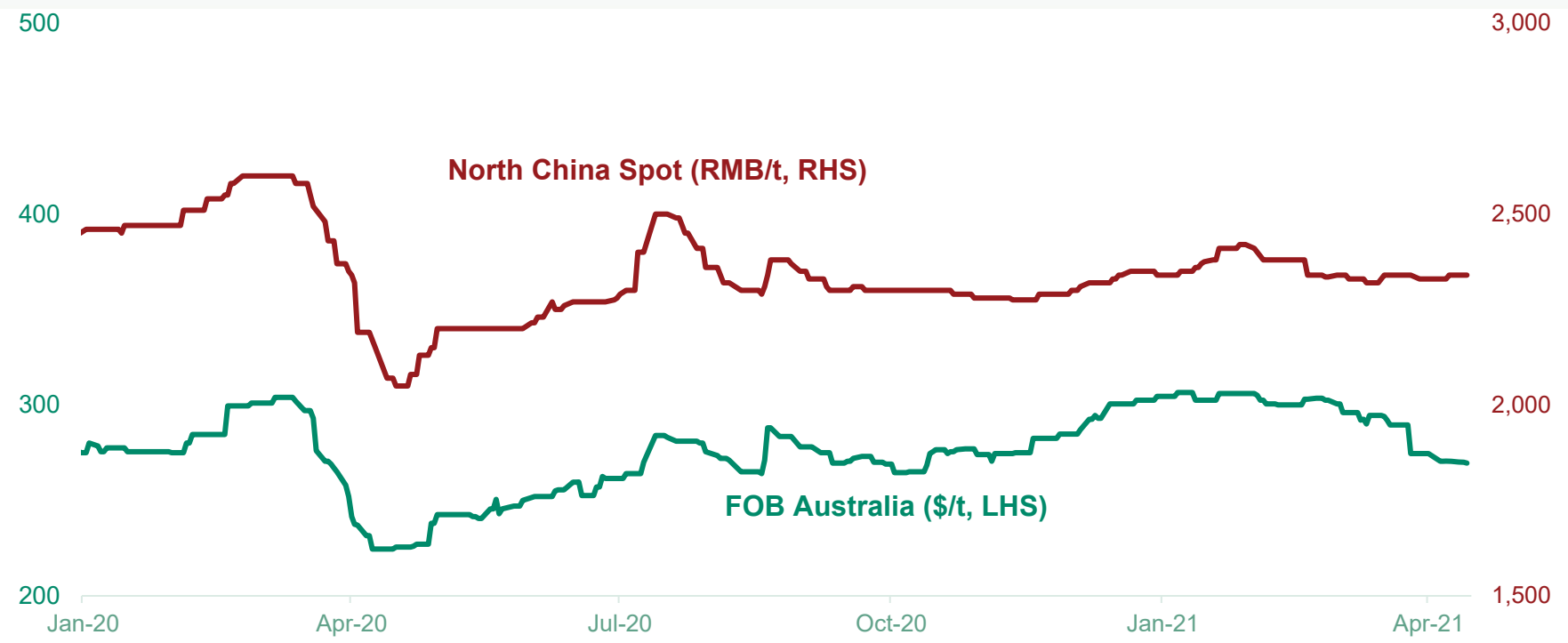


2021: No later than	Relevant AWAC Entities	Description	Distributions from AWAC [1]	Contributions to AWAC [1]	Related to Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of previous year	14.8	N/a	2021 Interim Dividend
20 February	All except AWA LLC	Available Cash of 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	TBA	N/a	2021 Interim Dividend
30 June	All	Working Capital Contributions	N/a	(TBA)	2021 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	TBA	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

API & China Alumina Prices



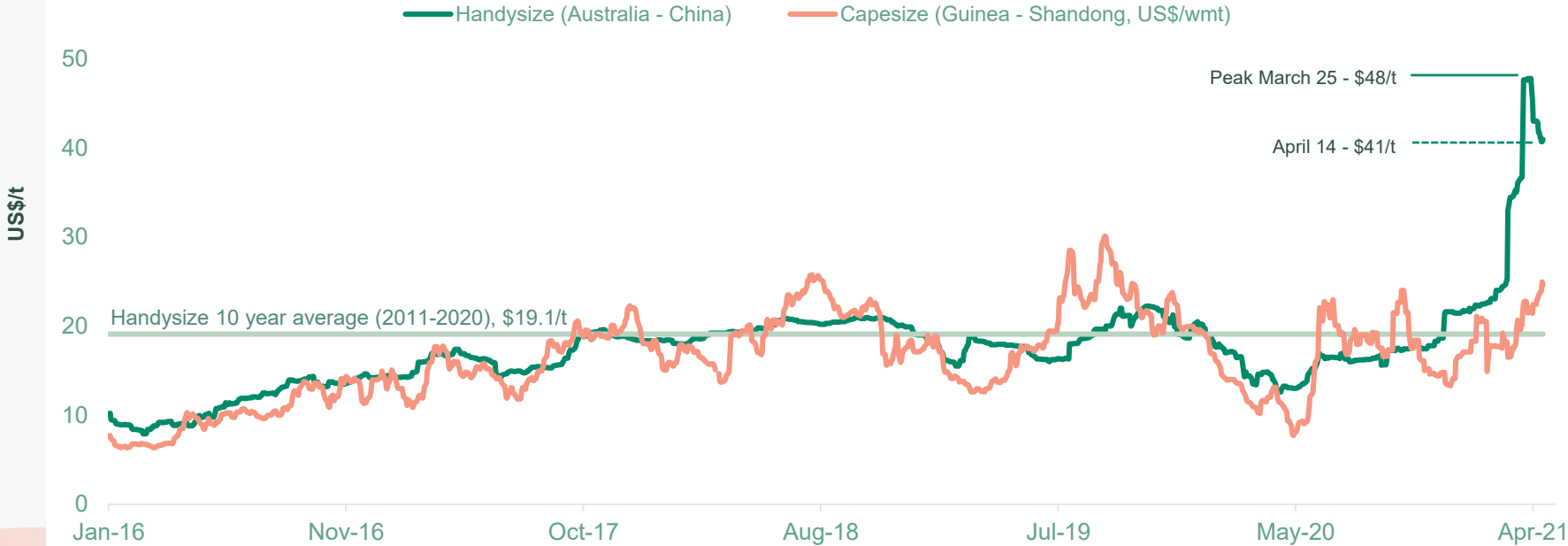
China prices stable while API has declined due to freight cost surge



Source: S & P Global Platts, Alumina Limited, April 2021

Dry Bulk Freight

Recent abnormal spike in Handysize freight costs (which reduces the Chinese alumina import parity price) has started to come off. Capesize freight costs for seaborne bauxite have been stable over the same period



Source: Handysize - S & P Global Platts, Capesize – CM Group, April 2021

Spot Alumina & Implied LME Linkage



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

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

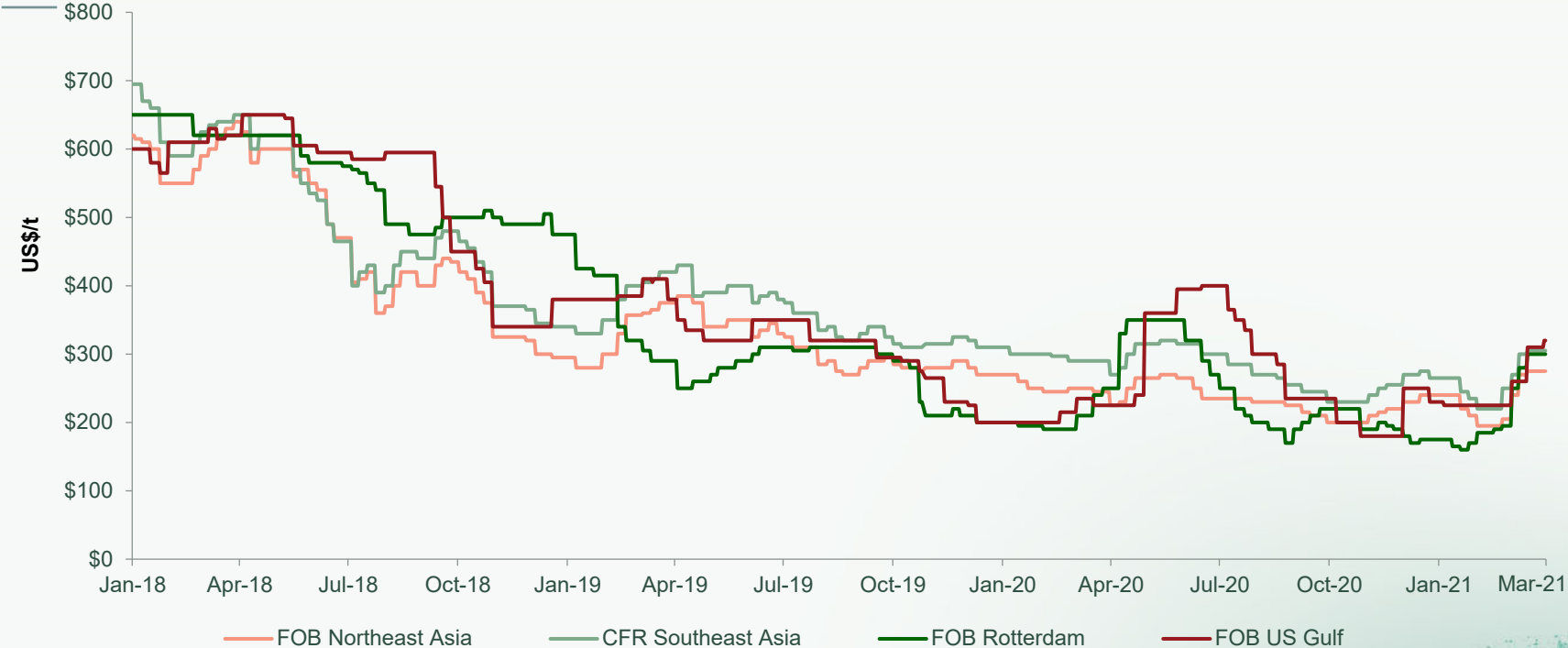
Foreign Exchange – AUD/USD



Source: Thomson Reuters, April 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, April 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 1Q 2021	Equity Share of Production 4Q 2020
	Revenue	COGS	Other Income / Expense		
CBG Bauxite Mine	✓ ¹	✓ ¹		849k bdt ³	941k bdt ³
MRN Bauxite Mine	✓ ¹	✓ ¹		217k bdt ³	324k bdt ³
Ma'aden Al Ba'itha Bauxite Mine			✓ ²	281k bdt ⁴	344k bdt ⁴
Ma'aden Ras Al Khair Refinery			✓ ²	115k t ⁴	114k 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.