

AWAC cash margin increased to \$99/t in 2Q 2022

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. Information on the AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, said "Net AWAC distributions for the first half of 2022 were \$162 million, a \$25 million increase over the previous corresponding period. Alumina Limited has received further net AWAC distributions of \$39 million since the end of the second quarter.

"During the first half of 2022, producers of many commodities worldwide experienced cost pressures across numerous fronts due in part to supply disruptions occurring in Europe and China. For AWAC, this manifested itself mainly in higher energy and caustic soda prices coupled with some operational issues. In the light of high energy prices in Europe, AWAC will reduce production at the San Ciprian refinery by 15% effective immediately.

"Despite these cost challenges AWAC's 2Q 2022 margin increased to \$99 per tonne from \$88 per tonne in 1Q 2022 driven by a higher realised price. The alumina market price reached over \$530 per tonne in March 2022 and averaged \$418 per tonne for the quarter, on a one month lagged basis.

"We believe the medium-term outlook for the alumina market is positive. The anticipated growth in aluminium metal consumption driven by de-carbonisation is favourable for the alumina industry. Over the next five years, the expected and potential increase in primary aluminium production is 6.3 million tonnes per annum outside China. This would require around 12 million tonnes per annum of extra alumina. It is questionable, given the current status of refinery expansion projects outside China, whether 12 million tonnes could be brought into operation within five years.

"These fundamentals for the medium term reinforce the value of already established alumina assets with ready access to bauxite, such as AWAC."

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



Stephen Foster
Company Secretary

For investor enquiries:

Charles Smitheram
Manager – Treasury & Investor Relations
Phone: +61 3 8699 2613 / +61 412 340 047
charles.smitheram@aluminalimited.com

For media enquiries:

Tim Duncan
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 408 441 122

About AWAC & Alcoa's Earnings Release

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

Forward-looking statements

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

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

Alumina Limited

- Alcoa Corp's 2Q 2022 Bauxite and Alumina Segments' Highlights
- Market Data on Commodity Prices
- 21st July 2022

Disclaimer

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.

No Offer, Recommendation or Advice

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law. It does not constitute an offer, invitation or recommendation to acquire Alumina securities in any jurisdiction and neither this Presentation nor anything contained in it will form the basis of any contract or commitment. The information contained in this Presentation is not financial product advice, or any other advice, and has been prepared without taking into account any reader's investment objectives, financial circumstances or particular needs.

Forward-Looking Statements

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

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

Key Risks

Certain key risks that may affect Alumina, its financial and operating performance and the accuracy of any forward-looking statements contained in this Presentation include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2021.

Past Performance

Past performance information contained in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

No Liability

The information contained in this Presentation has been prepared in good faith and with due care but no representation or warranty, express or implied, is provided as to the currency, accuracy, reliability or completeness of that information.

To the maximum extent permitted by law, Alumina and its directors, officers, employees and agents, and any other person involved in the preparation of this Presentation, exclude and disclaim all liability for any expenses, losses or costs incurred by any person arising out of or in connection with the information contained in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Highlights

Alcoa Segments	2Q 2022	1Q 2022	Selected Highlights
Adjusted EBITDA Total:			<ul style="list-style-type: none"> Alumina: Higher shipments, a 12% improvement in API and currency benefits partially offset by higher energy and caustic prices and timing of maintenance Bauxite: Higher diesel fuel prices and reduced production causing lower fixed cost absorption Alcoa EBITDA margins include intersegment transfer price
– Alcoa Alumina Segment	\$343m	\$262m	
– Alcoa Bauxite Segment	\$5m	\$38m	
Adjusted EBITDA Margin:			
– Alcoa Alumina Segment	21.9%	20.6%	
– Alcoa Bauxite Segment	2.5%	17.8%	

AWAC	2Q 2022	1Q 2022	Comments
Production:			<ul style="list-style-type: none"> Refining / Mining: Includes CBG/MRN and excludes Ma'aden. MRN equity interest was sold 1Q 2022 so no production included in 2Q 2022. Refer to slide 10 (including footnote 4) for further details. Cash Cost includes bauxite at cost: Higher input costs and maintenance costs combined with higher bauxite cost due to lower production. Realised Price: One month lagged API 12% higher than previous period. Full year alumina production expected to be 12.4 million tonnes
– AWAC Refining Business (Million t)	3.0	3.0	
– AWAC Mining Business (Million bone dry tonnes – “bdt”)	9.8	10.4	
Alumina Cost and Price:			
– System Cash Cost (\$/t production)	\$321	\$288	
– San Ciprian Cash Cost (\$/t production)	\$598	\$480	
– Realised Price (\$/t shipments)	\$420	\$376	
– One month lagged API (\$/t)	\$418	\$373	

Alumina Limited	2Q 2022	1Q 2022	Comments
AWAC Net Distributions:			<ul style="list-style-type: none"> Net receipts from AWAC of \$33.8 million in January 2022 were included in the 2021 Final Dividend.
– Alumina Limited Receipts	\$83.5m	\$161.6m	
– Alumina Limited Contributions	(\$37.0m)	(\$46.1m)	
Net Debt / (Cash) – Period End:	(\$19.3m)	\$24.1m	

AWAC 2022 Distribution Calendar (US\$m)

Related to Alumina Limited Interim and Final Dividend 2022

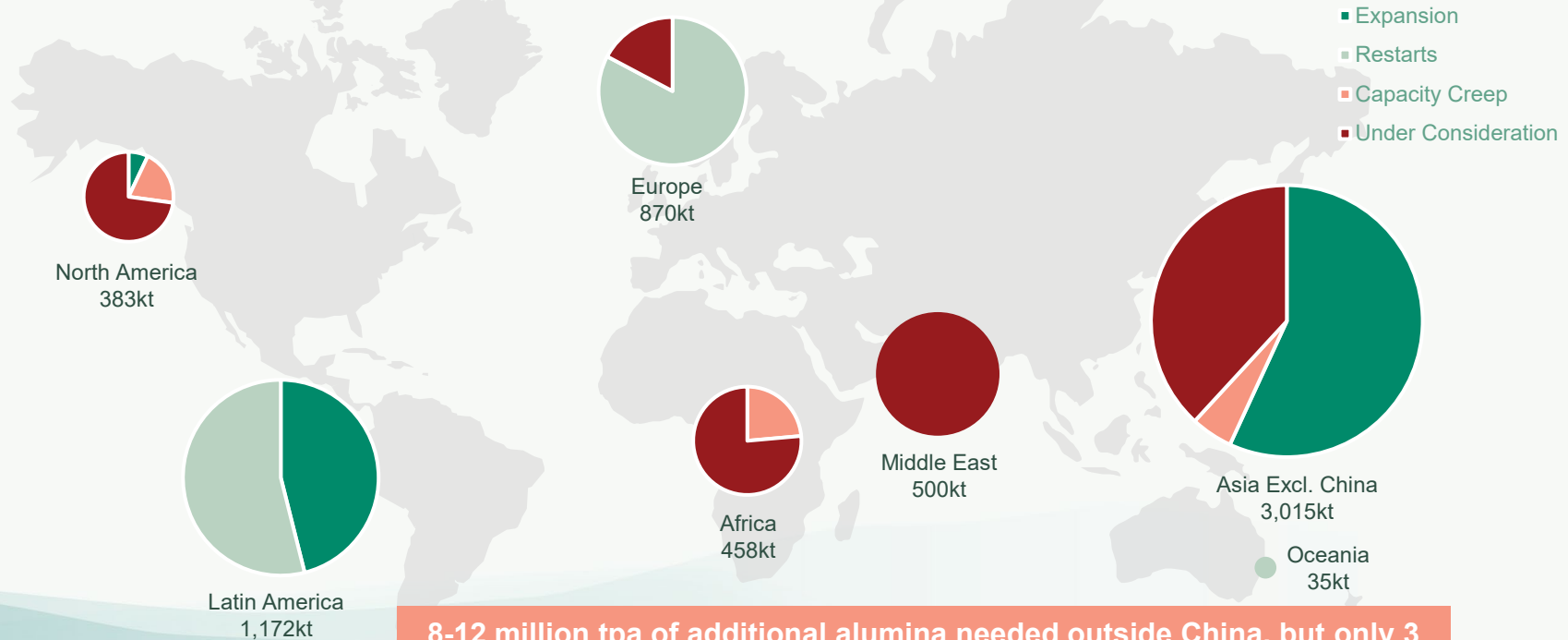
2022: No later than	Relevant AWAC Entities	Description	Distributions from AWAC ^[1]	Contributions to AWAC ^[1]	Related to Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of previous year	57.8	N/a	2022 Interim Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	103.8	N/a	2022 Interim Dividend
31 March	All	Working Capital Contributions	N/a	(46.1) ^[2]	2022 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	41.7	N/a	2022 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	41.8	N/a	2022 Interim Dividend
30 June	All	Working Capital Contributions	N/a	(37.0) ^[2]	2022 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	57.2	N/a	2022 Final Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	TBA	N/a	2022 Final Dividend
30 September	All	Working Capital Contributions	N/a	(18.2) ^[3]	2022 Final Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	TBA	N/a	2022 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/a	2022 Final Dividend
31 December	All	Working Capital Contributions	N/a	(TBA)	2022 Final Dividend

[1] Alumina Limited 40% share [2] First and Second Quarter total [3] Third Quarter to date

Strong aluminium production growth outside China (2022-2027)

Given high prices, forecast industrial growth and a decarbonising world

- 4 m tpa of expected smelting expansion and restarts in next 5 years
- Further 2.3 m tpa of potential smelting creep and expansion projects through 2027



8-12 million tpa of additional alumina needed outside China, but only 3 million tpa of additional production committed

Spot Alumina Prices & Implied LME Linkage



Sources: Alumina: S & P Global Platts, July 2022. LME Aluminium: Thomson Reuters, July 2022

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

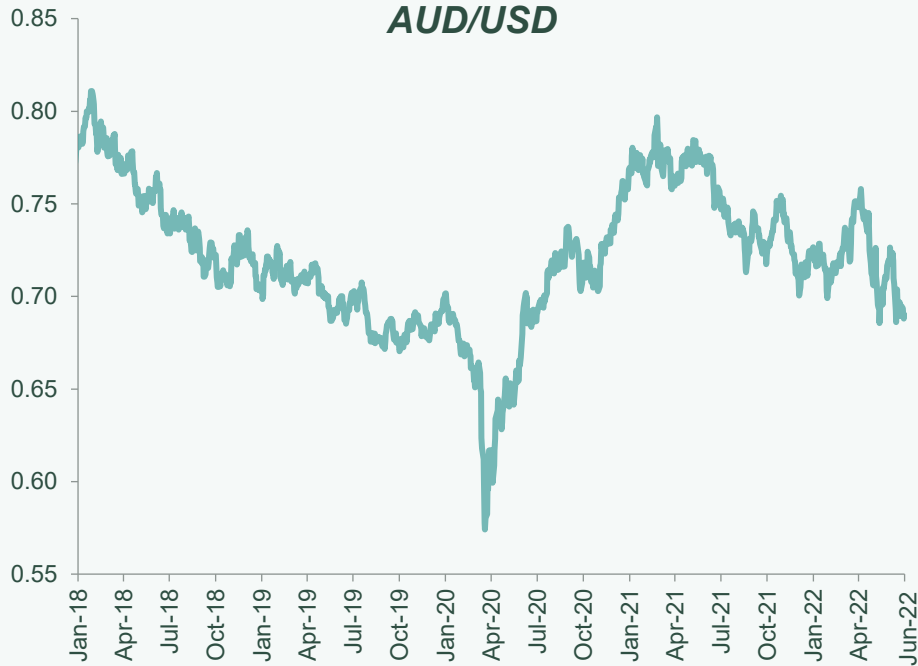
European Spot Gas Prices (EUR/MWh)



Sources: Bloomberg, July 2022.

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

Foreign Exchange



Source: Thomson Reuters, July 2022

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 (US\$/t)



Source: S & P Global Platts, July 2022

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 2022	Equity Share of Production 1Q 2022
	Revenue	COGS	Other Income / Expense		
CBG Bauxite Mine	✓ ¹	✓ ¹		948k bdt ³	982k bdt ³
MRN Bauxite Mine	✓ ¹	✓ ¹		Nil ^{3,5}	248k bdt ³
Ma'aden Al Ba'itha Bauxite Mine			✓ ²	325k bdt ⁴	325k bdt ⁴
Ma'aden Ras Al Khair Refinery			✓ ²	111k t ⁴	106k 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.

⁵ AWAC's interest in the MRN mine was sold during 1Q 2022.