

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 001-34474



Century Aluminum Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

One South Wacker Drive

Suite 1000

Chicago

Illinois

(Address of principal executive offices)

13-3070826

(IRS Employer Identification No.)

60606

(Zip Code)

Registrant's telephone number, including area code: (312) 696-3101

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, \$0.01 par value per share	CENX	Nasdaq Stock Market LLC (Nasdaq Global Select Market)

The registrant had 91,347,229 shares of common stock outstanding at November 4, 2022.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
NET SALES:				
Related parties	\$ 404.9	\$ 350.6	\$ 1,321.5	\$ 925.3
Other customers	232.3	230.8	925.9	628.1
Total net sales	637.2	581.4	2,247.4	1,553.4
Cost of goods sold	680.2	526.8	2,181.3	1,498.6
Gross profit (loss)	(43.0)	54.6	66.1	54.8
Selling, general and administrative expenses	8.7	14.2	26.2	39.0
Asset impairment	—	—	159.4	—
Other operating (income) expense - net	(0.2)	0.1	0.2	0.3
Operating income (loss)	(51.5)	40.3	(119.7)	15.5
Interest expense – Hawesville term loan	—	(0.6)	—	(1.1)
Interest expense	(7.9)	(6.1)	(20.9)	(22.6)
Interest income	0.1	—	0.2	0.2
Net gain (loss) on forward and derivative contracts	112.6	(76.7)	287.7	(239.2)
Loss on early extinguishment of debt	—	—	—	(24.7)
Other income (expense) - net	11.6	(2.5)	16.7	0.6
Income (loss) before income taxes	64.9	(45.6)	164.0	(271.3)
Income tax (expense) benefit	(20.6)	(6.8)	(64.6)	43.8
Income (loss) before equity in earnings of joint ventures	44.3	(52.4)	99.4	(227.5)
Equity in earnings (losses) of joint ventures	(0.0)	0.0	(0.0)	0.0
Net income (loss)	\$ 44.3	\$ (52.4)	\$ 99.4	\$ (227.5)
Less: net income allocated to participating securities	2.7	—	6.0	—
Net income (loss) allocated to common stockholders	\$ 41.6	\$ (52.4)	\$ 93.4	\$ (227.5)
INCOME (LOSS) PER COMMON SHARE:				
Basic	\$ 0.46	\$ (0.58)	\$ 1.02	\$ (2.52)
Diluted	0.43	(0.58)	0.97	(2.52)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	91.3	90.1	91.3	90.1
Diluted	97.3	90.1	97.6	90.1

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Comprehensive income (loss):				
Net income (loss)	\$ 44.3	\$ (52.4)	\$ 99.4	\$ (227.5)
Other comprehensive income (loss) before income tax effect:				
Net income (loss) on foreign currency cash flow hedges reclassified as income	0.0	0.0	(0.1)	(0.1)
Defined benefit plans and other postretirement benefits:				
OPEB curtailment gain, net	(8.0)	—	(8.0)	—
Amortization of prior service benefit during the period	(0.3)	(0.8)	(1.2)	(2.4)
Amortization of net loss during the period	1.1	2.1	3.6	6.3
Other comprehensive income (loss) before income tax effect	(7.2)	1.3	(5.7)	3.8
Income tax effect	(0.1)	(0.1)	(0.2)	(0.2)
Other comprehensive income (loss)	(7.3)	1.2	(5.9)	3.6
Total comprehensive income (loss)	\$ 37.0	\$ (51.2)	\$ 93.5	\$ (223.9)

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED BALANCE SHEETS

(in millions)
(Unaudited)

	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 64.8	\$ 29.0
Restricted cash	1.2	11.7
Accounts receivable - net	72.1	80.6
Due from affiliates	14.7	8.3
Inventories	383.2	425.6
Derivative assets, current	198.1	34.8
Prepaid and other current assets	24.5	28.2
Total current assets	758.6	618.2
Property, plant and equipment - net	740.9	892.5
Due from affiliates - less current portion	0.2	—
Derivative assets - less current portion	29.9	8.1
Other assets	54.0	51.1
TOTAL	\$ 1,583.6	\$ 1,569.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 170.9	\$ 186.5
Due to affiliates	15.1	65.8
Accrued and other current liabilities	66.0	62.7
Derivative liabilities	22.6	102.1
Accrued employee benefits costs	10.2	8.9
U.S. revolving credit facility	63.5	63.6
Iceland revolving credit facility	50.0	50.0
Industrial revenue bonds	7.8	7.8
Total current liabilities	406.1	547.4
Senior notes payable	246.4	245.8
Convertible senior notes payable	84.3	84.0
Grundartangi casthouse debt facility	39.4	—
Accrued pension benefits costs - less current portion	24.1	28.6
Accrued postretirement benefits costs - less current portion	90.9	93.3
Other liabilities	39.7	46.3
Leases - right of use liabilities	19.8	22.9
Due to affiliates - less current portion	4.5	21.9
Deferred taxes	111.8	58.7
Total noncurrent liabilities	660.9	601.5
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
SHAREHOLDERS' EQUITY:		
Preferred stock (Note 7)	0.0	0.0
Common stock (Note 7)	1.0	1.0
Additional paid-in capital	2,537.6	2,535.5
Treasury stock, at cost	(86.3)	(86.3)
Accumulated other comprehensive loss	(88.2)	(82.3)
Accumulated deficit	(1,847.5)	(1,946.9)
Total shareholders' equity	516.6	421.0
TOTAL	\$ 1,583.6	\$ 1,569.9

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

(Unaudited)

	Nine months ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 99.4	\$ (227.5)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Gain) loss on derivative instruments	(302.3)	160.6
OPEB curtailment gain, net	(8.0)	—
Lower of cost or NRV inventory adjustment	46.5	—
Depreciation and amortization	57.5	62.4
Loss on early extinguishment of debt	—	24.7
Deferred tax provision (benefit)	52.3	(40.9)
Asset impairment	159.4	—
Other non-cash items -- net	(12.5)	2.6
Change in operating assets and liabilities:		
Accounts receivable -- net	8.5	(27.6)
Due from affiliates	(5.6)	(1.7)
Inventories	(4.1)	(52.2)
Prepaid and other current assets	5.6	(4.8)
Accounts payable, trade	(9.6)	46.7
Due to affiliates	(34.0)	43.1
Accrued and other current liabilities	12.5	3.5
Ravenswood retiree medical settlement	(2.0)	(2.0)
Other -- net	(6.4)	1.0
Net cash provided by (used in) operating activities	<u>57.2</u>	<u>(12.1)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(70.2)	(45.7)
Proceeds from sales of property, plant & equipment	0.1	0.0
Net cash used in investing activities	<u>(70.1)</u>	<u>(45.7)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Senior Notes due 2025	—	(250.0)
Early redemption and tender premiums paid	—	(18.1)
Proceeds from issuance of Senior Notes due 2028	—	250.0
Proceeds from issuance of Convertible Senior Notes	—	86.3
Repayments on Hawesville term loan	—	(15.0)
Borrowings under revolving credit facilities	910.2	644.2
Repayments under revolving credit facilities	(910.4)	(641.8)
Debt issuance costs	(1.6)	(7.5)
Purchases of capped calls related to Convertible Senior Notes	—	(5.7)
Borrowings under Grundartangi casthouse debt facility	40.0	—
Net cash provided by financing activities	<u>38.2</u>	<u>42.4</u>
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	25.3	(15.4)
Cash, cash equivalents and restricted cash, beginning of period	<u>40.7</u>	<u>84.3</u>

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Nine months ended September 30,	
	2022	2021
Cash, cash equivalents and restricted cash, end of period	\$ 66.0	\$ 68.9
<u>Supplemental Cash Flow Information:</u>		
Cash paid for:		
Interest	\$ 14.0	\$ 26.0
Taxes	1.9	0.0
Non-cash investing activities:		
Capital expenditures	1.1	6.1
Capitalized interest	3.4	0.8

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in millions)

(Unaudited)

	Preferred stock	Common stock	Additional paid-in capital	Treasury stock, at cost	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Three months ended September 30, 2022							
Balance, June 30, 2022	\$ 0.0	\$ 1.0	\$ 2,537.0	\$ (86.3)	\$ (80.9)	\$ (1,891.8)	\$ 479.0
Net income (loss)	0.0	—	—	—	—	44.3	44.3
Other comprehensive income (loss)	—	—	—	—	(7.3)	—	(7.3)
Share-based compensation	0.0	0.0	0.6	—	—	—	0.6
Conversion of preferred stock to common stock	0.0	0.0	0.0	—	—	—	0.0
Balance, September 30, 2022	<u>\$ 0.0</u>	<u>\$ 1.0</u>	<u>\$ 2,537.6</u>	<u>\$ (86.3)</u>	<u>\$ (88.2)</u>	<u>\$ (1,847.5)</u>	<u>\$ 516.6</u>

Three months ended September 30, 2021							
Balance, June 30, 2021	\$ 0.0	\$ 1.0	\$ 2,527.0	\$ (86.3)	\$ (116.4)	\$ (1,954.9)	\$ 370.4
Net income (loss)	—	—	—	—	—	(52.4)	(52.4)
Other comprehensive income (loss)	—	—	—	—	1.2	—	1.2
Share-based compensation	0.0	0.0	1.0	—	—	—	1.0
Conversion of preferred stock to common stock	0.0	0.0	0.0	—	—	—	0.0
Balance, September 30, 2021	<u>\$ 0.0</u>	<u>\$ 1.0</u>	<u>\$ 2,528.0</u>	<u>\$ (86.3)</u>	<u>\$ (115.2)</u>	<u>\$ (2,007.3)</u>	<u>\$ 320.2</u>

	Preferred stock	Common stock	Additional paid-in capital	Treasury stock, at cost	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Nine Months Ended September 30, 2022							
Balance, December 31, 2021	\$ 0.0	\$ 1.0	\$ 2,535.5	\$ (86.3)	\$ (82.3)	\$ (1,946.9)	\$ 421.0
Net income (loss)	—	—	—	—	—	99.4	99.4
Other comprehensive income (loss)	—	—	—	—	(5.9)	—	(5.9)
Share-based compensation	0.0	0.0	2.1	—	—	—	2.1
Conversion of preferred stock to common stock	0.0	0.0	0.0	—	—	—	0.0
Balance, September 30, 2022	<u>\$ 0.0</u>	<u>\$ 1.0</u>	<u>\$ 2,537.6</u>	<u>\$ (86.3)</u>	<u>\$ (88.2)</u>	<u>\$ (1,847.5)</u>	<u>\$ 516.6</u>

Nine Months Ended September 30, 2021							
Balance, December 31, 2020	\$ 0.0	\$ 1.0	\$ 2,530.0	\$ (86.3)	\$ (118.8)	\$ (1,779.8)	\$ 546.1
Net income (loss)	—	—	—	—	—	(227.5)	(227.5)
Other comprehensive income (loss)	—	—	—	—	3.6	—	3.6
Share-based compensation	—	0.0	2.6	—	—	—	2.6
Conversion of preferred stock to common stock	0.0	0.0	0.0	—	—	—	0.0

Capped call premiums	—	—	(4.6)	—	—	—	(4.6)
Balance, September 30, 2021	\$ 0.0	\$ 1.0	\$ 2,528.0	\$ (86.3)	\$ (115.2)	\$ (2,007.3)	\$ 320.2

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements
Nine months ended September 30, 2022 and 2021
(amounts in millions, except share and per share amounts)
(Unaudited)

1. General

The accompanying unaudited interim consolidated financial statements of Century Aluminum Company should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. In management's opinion, the unaudited interim consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, that are necessary for a fair presentation of financial results for the interim periods presented. Operating results for the first nine months of 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. Throughout this Form 10-Q, and unless expressly stated otherwise or as the context otherwise requires, "Century Aluminum," "Century," the "Company," "we," "us," "our" and "ours" refer to Century Aluminum Company and its consolidated subsidiaries.

2. Curtailment of Operations - Hawesville

On June 22, 2022, our subsidiary, Century Aluminum of Kentucky ("CAKY"), issued a Worker Adjustment and Retraining Notification Act ("WARN") notice at its Hawesville, Kentucky aluminum smelter related to a temporary curtailment of plant operations within 60 days as a result of current market conditions, including historically high energy costs and declining London Metal Exchange ("LME") prices. We have since fully curtailed production at the facility and expect to continue to maintain the plant with the intention of restarting operations when market conditions permit, including energy prices returning to more normalized levels and aluminum prices maintaining levels that can support the on-going costs and capital expenditures necessary to restart and operate the plant.

As the curtailment represents a significant adverse change in the extent and manner in which the Hawesville smelter will be used, we accordingly evaluated the Hawesville asset group for recoverability. As the carrying value of the Hawesville asset group was determined to not be recoverable based on the estimated undiscounted cash flows expected to be generated over the life of the asset group, an impairment charge of \$159.4 million was recognized to write down the asset group to its estimated fair value of \$15.0 million. We classified the estimated remaining fair value of the long lived assets within Level 3 of the fair value hierarchy as its fair value was determined based on recent comparable transactions with inputs that are not readily observable in the market. We recognized \$12.6 million of expense through the third quarter related to wages and severance triggered by our issuance of the WARN notice and excess capacity charges, partially offset by final plant idling activities. We also recognized a non-cash other postretirement benefits ("OPEB") curtailment gain, net totaling \$8.0 million for the three and nine months ended September 30, 2022. See [Note 13. Components of net periodic benefit cost](#) to the consolidated financial statements included herein for additional information.

3. Related Party Transactions

The significant related party transactions occurring during the nine months ended September 30, 2022 and 2021 are described below. We believe all of our transactions with related parties are at prices that approximate market.

Glencore Ownership

As of September 30, 2022, Glencore plc and its affiliates (together "Glencore") beneficially owned 42.9% of Century's outstanding common stock (46.3% on a fully-diluted basis assuming the conversion of all of the Series A Convertible Preferred Stock) and all of our outstanding Series A Convertible Preferred Stock. See [Note 7. Shareholders' Equity](#) for a description of our outstanding Series A Convertible Preferred Stock. Century and Glencore enter into various transactions from time to time such as the purchase and sale of primary aluminum, purchase and sale of alumina and other raw materials, tolling agreements as well as forward financial contracts and borrowing and other debt transactions.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

Sales to Glencore

For the three months ended September 30, 2022 and 2021, we derived approximately 63.5% and 60.3%, respectively, of our consolidated net sales from Glencore.

Glencore purchases aluminum produced at our U.S. smelters at prices based on the LME plus the Midwest regional delivery premium plus any additional market-based product premiums. Glencore purchases aluminum produced at our Grundartangi, Iceland smelter at prices primarily based on the LME plus the European Duty Paid premium plus any additional market-based product premiums.

We have entered into agreements with Glencore pursuant to which we sell certain amounts of alumina at market-based prices. For the three and nine months ended September 30, 2022, we recorded \$4.9 million and \$18.8 million of revenue related to alumina sales to Glencore, respectively. For the three and nine months ended September 30, 2021, we recorded \$5.5 million and \$16.9 million of revenue related to alumina sales to Glencore, respectively.

Purchases from Glencore

We purchase a portion of our alumina and certain other raw material requirements from Glencore. Alumina purchases from Glencore during the three months ended September 30, 2022 were priced based on published alumina and aluminum indices as well as fixed prices.

Financial Contracts with Glencore

We have certain financial contracts with Glencore. See [Note 14. Derivatives](#) regarding these forward financial sales contracts.

Summary

A summary of the aforementioned significant related party transactions is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net sales to Glencore	\$ 404.9	\$ 350.6	\$ 1,321.5	\$ 925.3
Purchases from Glencore ⁽¹⁾	56.0	78.3	268.5	230.1

⁽¹⁾ Includes settlements of financial contract positions.

4. Revenue

We disaggregate our revenue by geographical region as follows:

Net Sales	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
United States	\$ 353.5	\$ 373.8	\$ 1,443.0	\$ 997.9
Iceland	283.7	207.6	804.4	555.5
Total	\$ 637.2	\$ 581.4	\$ 2,247.4	\$ 1,553.4

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

5. Fair Value Measurements

We measure certain of our assets and liabilities at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In general, reporting entities should apply valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs are developed using market data and reflect assumptions that market participants would use when pricing the asset or liability. Unobservable inputs are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

The fair value hierarchy provides transparency regarding the inputs we use to measure fair value. We categorize each fair value measurement in its entirety into the following three levels, based on the lowest level input that is significant to the entire measurement:

- Level 1 Inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 Inputs - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs - significant unobservable inputs for the asset or liability.

Recurring Fair Value Measurements	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 9.3	\$ —	\$ —	\$ 9.3
Trust assets ⁽¹⁾	0.6	—	—	0.6
Derivative instruments	—	225.7	3.3	229.0
TOTAL	\$ 9.9	\$ 225.7	\$ 3.3	\$ 238.9
LIABILITIES:				
Contingent obligation – net	\$ —	\$ —	\$ —	\$ —
Derivative instruments	—	27.8	2.3	30.1
TOTAL	\$ —	\$ 27.8	\$ 2.3	\$ 30.1

Recurring Fair Value Measurements	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 14.2	\$ —	\$ —	\$ 14.2
Trust assets ⁽¹⁾	0.1	—	—	0.1
Derivative instruments	—	42.6	0.2	42.8
TOTAL	\$ 14.3	\$ 42.6	\$ 0.2	\$ 57.1
LIABILITIES:				
Contingent obligation – net	\$ —	\$ —	\$ —	\$ —
Derivative instruments	—	140.9	5.3	146.2
TOTAL	\$ —	\$ 140.9	\$ 5.3	\$ 146.2

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

⁽¹⁾ Trust assets are currently invested in money market funds. These trust assets are held to fund the non-qualified supplemental executive pension benefit obligations for certain of our officers.

The following section describes the valuation techniques and inputs for fair value measurements categorized within Level 2 or Level 3 of the fair value hierarchy:

Level 2 Fair Value Measurements:

Asset / Liability	Valuation Techniques	Inputs
LME forward financial sales contracts	Discounted cash flows	Quoted LME forward market
Midwest Premium ("MWP") forward financial sales contracts	Discounted cash flows	Quoted MWP forward market
Fixed for floating swaps	Discounted cash flows	Quoted LME forward market, quoted MWP forward market
Nord Pool power price swaps	Discounted cash flows	Quoted Nord Pool forward market
Indiana Hub power price swaps	Discounted cash flows	Quoted Indiana Hub forward market
FX swaps	Discounted cash flows	Euro/USD forward exchange rate
Casthouse currency hedges	Discounted cash flows	Euro/USD forward exchange rate; ISK/USD forward exchange rate

When valuing Level 3 assets and liabilities, we use certain significant unobservable inputs. Management incorporates various inputs and assumptions including forward commodity prices, commodity price volatility and macroeconomic conditions, including interest rates and discount rates. Our estimates of significant unobservable inputs are ultimately based on our estimates of risks that market participants would consider when valuing our assets and liabilities.

The following table presents the inputs for recurring fair value measurements categorized within Level 3 of the fair value hierarchy, along with information regarding significant unobservable inputs used to value Level 3 assets and liabilities:

Recurring Level 3 Fair Value Measurements:

Asset / Liability	Valuation Technique	Observable Inputs	Significant Unobservable Input	As of September 30, 2022		As of December 31, 2021	
				Fair Value	Value/Range of Unobservable Input	Fair Value	Value/Range of Unobservable Input
LME forward financial sales contracts	Discounted cash flows	Quoted LME forward market	Discount rate net ⁽¹⁾	\$ 0.9	8.58%	\$ (5.1)	8.58%
FX swaps	Discounted cash flows	Euro/USD forward exchange rate	Discount rate net ⁽¹⁾	\$ —	8.58%	\$ (0.2)	8.58%
Casthouse currency hedges	Discounted cash flows	Euro/USD forward exchange rate; ISK/USD forward exchange rate	Discount rate net ⁽¹⁾	\$ —	8.58%	\$ —	—%
Nord Pool swaps	Discounted cash flows	Quoted Nord Pool forward market	Discount rate net ⁽¹⁾	\$ —	8.58%	\$ 0.2	8.58%
Contingent obligation	Discounted cash flows	Quoted LME forward market	Expected monthly Hawesville production level ⁽²⁾	\$ —	0 MT/month	\$ —	14,000 - 15,000 MT/month

⁽¹⁾ Represents risk adjusted discount rate.

⁽²⁾ Represents management's estimate of expected monthly Hawesville production levels through the term of the agreement in December 2028.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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The following table presents the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis.

	Level 3 Assets		Level 3 Liabilities	
	LME forward financial sales contracts		LME forward financial sales contracts	Casthouse currency hedges
For the three months ended September 30, 2022				
Balance as of July 1, 2022	\$ 1.6		\$ (3.8)	\$ 0.0
Total realized/unrealized gains (losses)				
Included in Net Income ⁽¹⁾	1.6		1.5	—
Purchases, sales, settlements				
Purchases	—		—	—
Sales	—		—	—
Settlements	—		—	—
Transfers into Level 3 ⁽²⁾	—		—	—
Transfers out of Level 3 ⁽³⁾	—		—	0.0
Balance as of September 30, 2022	\$ 3.2		\$ (2.3)	\$ 0.0
Change in unrealized gains (losses) ⁽¹⁾	\$ 1.6		\$ 1.5	\$ —

⁽¹⁾ Gains and losses are presented in the Consolidated Statement of Operations within the line item "Net gain (loss) on forward and derivative contracts."

⁽²⁾ Transfers into Level 3 due to contracts with applied discount rate entered into during the third quarter of 2022.

⁽³⁾ Transfers out of Level 3 due to period of time remaining in derivative contract.

	Level 3 Assets		Level 3 Liabilities	
	Nord Pool swaps		LME forward financial sales contracts	FX swaps
For the three months ended September 30, 2021				
Balance as of July 1, 2021	\$ 1.5		\$ (17.9)	\$ (0.4)
Total realized/unrealized gains (losses)				
Included in net income (loss) ⁽¹⁾	—		(7.7)	(0.5)
Purchases, sales, settlements				
Purchases	—		—	—
Sales	—		—	—
Settlements	—		—	—
Transfers into Level 3 ⁽²⁾	—		—	—
Transfers out of Level 3 ⁽³⁾	—	(1.5)	11.0	—
Balance as of September 30, 2021	\$ —		\$ (14.6)	\$ (0.9)
Change in unrealized gains (losses) ⁽¹⁾	\$ —		\$ (7.7)	\$ (0.5)

⁽¹⁾ Gains and losses are presented in the Consolidated Statement of Operations within the line item "Net gain (loss) on forward and derivative contracts."

⁽²⁾ Transfers into Level 3 due to contracts with applied discount rate entered into during the third quarter of 2021.

⁽³⁾ Transfers out of Level 3 due to period of time remaining in derivative contract.

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For the nine months ended September 30, 2022	Level 3 Assets		Level 3 Liabilities		
	LME forward financial sales contracts	Nord Pool swaps	LME forward financial sales contracts	FX swaps	Casthouse currency hedges
Balance as of January 1, 2022	\$ —	\$ 0.2	\$ (5.1)	\$ (0.2)	\$ —
Total realized/unrealized gains (losses)					
Included in Net Income ⁽¹⁾	1.6	—	5.3	—	—
Purchases, sales, settlements					
Purchases					—
Sales					—
Settlements					—
Transfers into Level 3 ⁽²⁾	1.6	—	(2.5)	—	0.0
Transfers out of Level 3 ⁽³⁾	—	(0.2)	—	0.2	—
Balance as of September 30, 2022	\$ 3.2	\$ —	\$ (2.3)	\$ —	\$ 0.0
Change in unrealized gains (losses) ⁽¹⁾	\$ 1.6	\$ —	\$ 5.3	\$ —	\$ —

⁽¹⁾ Gains and losses are presented in the Consolidated Statement of Operations within the line item "Net gain (loss) on forward and derivative contracts."

⁽²⁾ Transfers into Level 3 due to contracts with applied discount rate entered into during the nine months ended September 30, 2022.

⁽³⁾ Transfers out of Level 3 due to period of time remaining in derivative contract.

For the nine months ended September 30, 2021	Level 3 Assets		Level 3 Liabilities	
	Nord Pool swaps	LME forward financial sales contracts	LME forward financial sales contracts	FX swaps
Balance as of January 1, 2021	\$ —	\$ 2.9	\$ 2.9	\$ 0.1
Total realized/unrealized gains (losses)				
Included in net income (loss) ⁽¹⁾	—	—	(28.0)	(0.5)
Purchases, sales, settlements				
Purchases				—
Sales				—
Settlements				—
Transfers into Level 3 ⁽²⁾	1.5	(1.0)	(1.0)	(0.4)
Transfers out of Level 3 ⁽³⁾	(1.5)	11.5	11.5	(0.1)
Balance as of September 30, 2021	\$ —	\$ —	\$ (14.6)	\$ (0.9)
Change in unrealized gains (losses) ⁽¹⁾	\$ —	\$ —	\$ (28.0)	\$ (0.5)

⁽¹⁾ Gains and losses are presented in the Consolidated Statement of Operations within the line item "Net gain (loss) on forward and derivative contracts."

⁽²⁾ Transfers into Level 3 due to contracts with applied discount rate entered into during the nine months ended September 30, 2021.

⁽³⁾ Transfers out of Level 3 due to period of time remaining in derivative contract.

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Our announcement on June 22, 2022 to curtail operations of the Hawesville smelter represented a significant adverse change in the extent and manner in which this smelter will be used, and we accordingly evaluated the Hawesville asset group for recoverability. As the carrying value of the Hawesville asset group was determined to not be recoverable based on the estimated undiscounted cash flows expected to be generated over the life of the asset group, we wrote the asset group down to its estimated fair value of \$15.0 million.

The following table presents the inputs for this non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy, along with information regarding the significant unobservable inputs used:

Non-Recurring Level 3 Fair Value Measurements:			As of September 30, 2022	
Asset / Liability	Valuation Technique	Significant Unobservable Input	Fair Value	Value/Range of Unobservable Input
Hawesville asset group	Market approach	Comparable transaction	\$15.0	\$15.0

6. Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") amounts are calculated by dividing net income (loss) allocated to common stockholders by the weighted average number of common shares outstanding during the period. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive securities.

The following table shows the basic and diluted earnings (loss) per share:

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	For the three months ended September 30,					
	2022			2021		
	Net Income (Loss)	Shares (in millions)	Per Share	Net Income (Loss)	Shares (in millions)	Per Share
Net income (loss)	\$ 44.3			\$ (52.4)		
Less: net income allocated to participating securities	2.7			—		
Basic EPS:						
Net income (loss) allocated to common stockholders	\$ 41.6	91.3	\$ 0.46	\$ (52.4)	90.1	\$ (0.58)
Effect of Dilutive Securities ⁽¹⁾ :						
Share-based compensation	(0.4)	1.4		—	—	
Convertible senior notes	0.7	4.6		—	—	
Diluted EPS:						
Net income (loss) allocated to common stockholders with assumed conversion	\$ 41.9	97.3	\$ 0.43	\$ (52.4)	90.1	\$ (0.58)

	For the nine months ended September 30,					
	2022			2021		
	Net Income (Loss)	Shares (in millions)	Per Share	Net Income (Loss)	Shares (in millions)	Per Share
Net income (loss)	\$ 99.4			\$ (227.5)		
Less: net income allocated to participating securities	6.0			—		
Basic EPS:						
Net income (loss) allocated to common stockholders	\$ 93.4	91.3	\$ 1.02	\$ (227.5)	90.1	\$ (2.52)
Effect of Dilutive Securities:						
Share-based compensation	(1.2)	1.7		—	—	
Convertible senior notes	2.1	4.6		—	—	
Diluted EPS:						
Net income (loss) allocated to common stockholders with assumed conversion	\$ 94.3	97.6	\$ 0.97	\$ (227.5)	90.1	\$ (2.52)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<i>Securities excluded from the calculation of diluted EPS (in millions)⁽¹⁾:</i>				
Share-based compensation	—	2.5	—	2.5
Convertible preferred shares	5.8	6.3	5.8	6.3
Convertible senior notes	—	4.8	—	4.8

⁽¹⁾ In periods when we report a net loss, all share-based compensation awards, convertible preferred shares and convertible senior notes are excluded from the calculation of diluted weighted average shares outstanding because of their anti-dilutive effect on earnings (loss) per share.

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7. Shareholders' Equity

Common Stock

As of September 30, 2022 and December 31, 2021, we had 195,000,000 shares of common stock, \$0.01 par value per share, authorized under our Restated Certificate of Incorporation, of which 98,533,750 shares were issued and 91,347,229 shares were outstanding at September 30, 2022, and 98,418,132 shares were issued and 91,231,611 shares were outstanding at December 31, 2021.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock which are currently outstanding, including our Series A Convertible Preferred Stock, or which we may designate and issue in the future.

Preferred Stock

As of September 30, 2022 and December 31, 2021, we had 5,000,000 shares of preferred stock, \$0.01 par value per share, authorized under our Restated Certificate of Incorporation. Our Board of Directors may issue preferred stock in one or more series and determine for each series the dividend rights, conversion rights, voting rights, redemption rights, liquidating preferences, sinking fund terms and the number of shares constituting that series, as well as the designation thereof. Depending upon the terms of preferred stock established by our Board of Directors, any or all of the preferred stock could have preference over the common stock with respect to dividends and other distributions and upon the liquidation of Century. In addition, issuance of any shares of preferred stock with voting powers may dilute the voting power of the outstanding common stock.

Series A Convertible Preferred Stock

Shares Authorized and Outstanding. In 2008, we issued 160,000 shares of our Series A Convertible Preferred Stock. Glencore holds all of the issued and outstanding Series A Convertible Preferred Stock. At September 30, 2022 and December 31, 2021, there were 58,046 shares and 58,542 shares of Series A Convertible Preferred Stock outstanding, respectively.

The issuance of common stock under our stock incentive programs, debt exchange transactions and any stock offering that excludes Glencore participation triggers anti-dilution provisions of the preferred stock agreement and results in the automatic conversion of Series A Convertible Preferred Stock shares into shares of common stock. The conversion ratio of preferred to common shares is 100 shares of common stock for each share of preferred stock.

The Common and Preferred Stock table below contains additional information about preferred stock conversions during the nine months ended September 30, 2022 and September 30, 2021.

Common and Preferred Stock Activity (in shares):	Preferred stock		Common stock	
	Series A Convertible	Treasury	Treasury	Outstanding
Beginning balance as of December 31, 2021	58,542	7,186,521		91,231,611
Conversion of convertible preferred stock	(496)	—		49,617
Issuance for share-based compensation plans	—	—		66,001
Ending balance as of September 30, 2022	58,046	7,186,521		91,347,229
Beginning balance as of December 31, 2020	63,589	7,186,521		90,055,797
Conversion of convertible preferred stock	(315)	—		31,465
Issuance for share-based compensation plans	—	—		41,856
Ending balance as of September 30, 2021	63,274	7,186,521		90,129,118

Stock Repurchase Program

In 2011, our Board of Directors authorized a \$60.0 million common stock repurchase program and during the first quarter of 2015, our Board of Directors increased the size of the program by \$70.0 million. Under the program, Century is authorized to repurchase up to \$130.0 million of our outstanding shares of common stock, from time to time, on the open market at

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prevailing market prices, in block trades or otherwise. The timing and amount of any shares repurchased will be determined by our management based on its evaluation of market conditions, the trading price of our common stock and other factors. The stock repurchase program may be suspended or discontinued at any time.

Shares of common stock repurchased are recorded at cost as treasury stock and result in a reduction of shareholders' equity in the consolidated balance sheets. From time to time, treasury shares may be reissued as contributions to our employee benefit plans and for the conversion of convertible preferred stock. When shares are reissued, we use an average cost method for determining cost. The difference between the cost of the shares and the reissuance price is added to or deducted from additional paid-in capital.

We have repurchased 7,186,521 shares of common stock under the program for an aggregate purchase price of \$86.3 million. We have made no repurchases since April 2015 and we have \$43.7 million remaining under the repurchase program authorization as of September 30, 2022.

8. Income Taxes

For the three months ended September 30, 2022 and September 30, 2021, we recorded an income tax expense of \$20.6 million and \$6.8 million, respectively, and for the nine months ended September 30, 2022 and September 30, 2021, we recorded an income tax expense of \$64.6 million and an income tax benefit of \$43.8 million, respectively. The change is primarily due to improved operational results over the comparison period.

Our income tax benefit or expense is based on an annual effective tax rate forecast, including estimates and assumptions that could change during the year. The application of the accounting requirements for income taxes in interim periods, after consideration of our valuation allowance on domestic losses, causes a significant variation in the typical relationship between income tax expense/benefit and pre-tax accounting income/loss as reported on the consolidated statement of operations.

As of September 30, 2022, all of Century's U.S. and certain foreign deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance.

The Inflation Reduction Act of 2022 was signed into law on August 16, 2022, and the CHIPS and Science Act of 2022 was signed into law on August 9, 2022. These laws implement new tax provisions, primarily a 15% corporate alternative minimum tax and a nondeductible 1% excise tax on the fair market value of stock repurchased by publicly traded corporations. As of September 30, 2022, we do not anticipate any material impact of these provisions which are effective January 1, 2023. The two acts also provide various tax credits, several of which are transferable or refundable, for the investment in or production of clean-energy effective January 1, 2023. Century will continue to evaluate potential tax benefits available under the acts as additional guidance is issued in future periods.

9. Inventories

Inventories consist of the following:

	September 30, 2022	December 31, 2021
Raw materials	\$ 62.7	\$ 132.9
Work-in-process	56.2	76.1
Finished goods	41.0	43.9
Operating and other supplies	223.3	172.7
Total inventories	<u>\$ 383.2</u>	<u>\$ 425.6</u>

Inventories are stated at the lower of cost or Net Realizable Value ("NRV") using the first-in, first-out or the weighted average cost method.

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10. Debt

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Debt classified as current liabilities:		
Hancock County industrial revenue bonds ("IRBs") due April 1, 2028, interest payable quarterly (variable interest rates (not to exceed 12%)) ⁽¹⁾	\$ 7.8	\$ 7.8
U.S. Revolving Credit Facility ⁽²⁾	63.5	63.6
Iceland Revolving Credit Facility ⁽³⁾	50.0	50.0
Debt classified as non-current liabilities:		
Grundartangi cashhouse facility, net of financing fees of \$0.6 million at September 30, 2022 ⁽⁴⁾	39.4	—
7.5% senior secured notes due April 1, 2028, net of financing fees of \$3.6 million at September 30, 2022, interest payable semiannually	246.4	245.8
2.75% convertible senior notes due May 1, 2028, net of financing fees of \$2.0 million at September 30, 2022, interest payable semiannually	84.3	84.0
Total	<u>\$ 491.4</u>	<u>\$ 451.2</u>

⁽¹⁾ The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRBs interest rate at September 30, 2022 was 2.60%.

⁽²⁾ We incur interest at a base rate plus applicable margin as defined within the agreement. The interest rate at September 30, 2022 was 6.75%.

⁽³⁾ We incur interest at LIBOR plus applicable margin as defined within the agreement. The interest rate at September 30, 2022 was 6.62%.

⁽⁴⁾ We incur interest at a base rate plus applicable margin as defined within the agreement. The interest rate at September 30, 2022 was 6.03%.

7.5% Senior Secured Notes due 2028

In April 2021, we issued \$250.0 million in aggregate principal amount of 7.5% senior secured notes due April 1, 2028 (the "2028 Notes"). We received proceeds of \$245.2 million, after payment of certain financing fees and related expenses. The 2028 Notes bear interest semi-annually in arrears on April 1 and October 1 of each year, which began on October 1, 2021, at a rate of 7.5% per annum in cash. The 2028 Notes are senior secured obligations of Century, ranking equally in right of payment with all existing and future senior indebtedness of Century, but effectively senior to unsecured debt to the extent of the value of collateral.

As of September 30, 2022, the total estimated fair value of the 2028 Notes was \$223.8 million. Although we use quoted market prices for identical debt instruments, the markets on which they trade are not considered to be active and are therefore considered Level 2 fair value measurements.

Convertible Notes due 2028

In April 2021, we completed a private offering of \$86.3 million aggregate principal amount of convertible senior notes due May 1, 2028 unless earlier converted, repurchased, or redeemed (the "Convertible Notes"). The Convertible Notes were issued at a price of 100% of their aggregate principal amount. We received proceeds of \$83.7 million, after payment of certain financing fees and related expenses. The Convertible Notes bear interest semi-annually in arrears on May 1 and November 1 of each year, which began on November 1, 2021, at a rate of 2.75% per annum in cash.

The initial conversion rate for the Convertible Notes is 53.3547 shares of the Company's common stock per \$1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately \$18.74 per share of the Company's common stock. The conversion rate and conversion price are subject to customary adjustments under certain circumstances in accordance with the terms of the indenture. As of September 30, 2022, the conversion rate remains unchanged.

The Convertible Notes are the Company's senior unsecured obligations and rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the

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Company's senior secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of the Company's subsidiaries.

As of September 30, 2022, the if-converted value of the Convertible Notes does not exceed the outstanding principal amount.

As of September 30, 2022, the total estimated fair value of the Convertible Notes was \$54.3 million. Although we use quoted market prices for identical debt instruments, the markets on which they trade are not considered to be active and are therefore considered Level 2 fair value measurements.

U.S. Revolving Credit Facility

We and certain of our direct and indirect domestic subsidiaries (the "Borrowers") have a senior secured revolving credit facility with a syndicate of lenders (as amended from time to time, the "U.S. revolving credit facility"). On June 14, 2022 we amended our U.S. revolving credit facility, increasing our borrowing capacity to \$250.0 million in the aggregate, including up to \$150.0 million under a letter of credit sub-facility. The U.S. revolving credit facility matures on June 14, 2027.

Any letters of credit issued and outstanding under the U.S. revolving credit facility reduce our borrowing availability on a dollar-for-dollar basis. At September 30, 2022, there were \$63.5 million in outstanding borrowings and \$39.9 million of outstanding letters of credit issued under our U.S. revolving credit facility. Principal payments, if any, are due upon maturity of the U.S. revolving credit facility and may be prepaid without penalty.

<u>Status of our U.S. revolving credit facility:</u>	September 30, 2022
Credit facility maximum amount	\$ 250.0
Borrowing availability	190.3
Outstanding letters of credit issued	39.9
Outstanding borrowings	63.5
Borrowing availability, net of outstanding letters of credit and borrowings	86.9

Iceland Revolving Credit Facility

Our wholly-owned subsidiary, Nordural Grundartangi ehf ("Grundartangi"), has entered into a \$80.0 million revolving credit facility agreement with Landsbankinn hf., dated November 2013, as amended (the "Iceland revolving credit facility"). On September 28, 2022, we further amended the Iceland revolving credit facility and increased the facility amount to \$100.0 million in the aggregate. Under the terms of the Iceland revolving credit facility, when Grundartangi borrows funds it will designate a repayment date, which may be any date prior to the maturity of the Iceland revolving credit facility. At September 30, 2022, there were \$50.0 million in outstanding borrowings under our Iceland revolving credit facility. The Iceland revolving credit facility has a term through November 2024.

<u>Status of our Iceland revolving credit facility:</u>	September 30, 2022
Credit facility maximum amount	\$ 100.0
Borrowing availability	100.0
Outstanding letters of credit issued	—
Outstanding borrowings	50.0
Borrowing availability, net of borrowings	50.0

Grundartangi Casthouse Facility

Our wholly-owned subsidiary, Grundartangi, has entered into an eight-year Term Facility Agreement with Arion Bank hf, dated November 2021, as amended (the "Casthouse Facility") to provide for borrowings up to \$130.0 million associated with construction of the new billet casthouse at Grundartangi (the "casthouse project"). Under the Casthouse Facility, repayments of principal amounts will be made in equal quarterly installments equal to 1.739% of the principal amount, the first payment occurring in July 2024, with the remaining 60% of the principal amount to be paid no later than the termination date in December 2029. As of September 30, 2022, there were \$40.0 million in outstanding borrowings under the Casthouse Facility.

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Surety Bond Facility

As part of our normal business operations, we are required to provide surety bonds or issue letters of credit in certain states in which we do business as collateral for certain workers' compensation obligations. In June 2022, we entered into a surety bond facility with an insurance company to provide such bonds when applicable. As of September 30, 2022, we had issued surety bonds totaling \$6.6 million. As we had previously guaranteed our workers' compensation obligations through issuance of letters of credit against our revolving credit facility, the surety bond issuance increases credit facility availability.

Iceland Term Facility

Our wholly-owned subsidiary, Grundartangi, has entered into a Term Facility Agreement with Arion Bank hf, dated September 2022, (the "Iceland Term Facility") to provide for borrowings up to €13.6 million. Repayments of principal amounts will be made in equal monthly installments, the first payment occurring in February 2023, with the remainder of the principal amount to be paid no later than the termination date in January 2024. Borrowings under the Iceland Term Facility will bear interest at a rate equal to 3.2% plus EUR EURIBOR 1 month as published at any time by the European Money Markets Institute. As of September 30, 2022, there were no outstanding borrowings under the Iceland Term Facility.

11. Commitments and Contingencies

We have pending against us or may be subject to various lawsuits, claims and proceedings related primarily to employment, commercial, stockholder, environmental, safety and health matters and are involved in other matters that may give rise to contingent liabilities. While the results of such matters and claims cannot be predicted with certainty, we believe that the ultimate outcome of any such matters and claims will not have a material adverse impact on our financial condition, results of operations or liquidity. However, because of the nature and inherent uncertainties of litigation and estimating liabilities, should the resolution or outcome of these actions be unfavorable, our business, financial condition, results of operations and liquidity could be materially and adversely affected.

In evaluating whether to accrue for losses associated with legal or environmental contingencies, it is our policy to take into consideration factors such as the facts and circumstances asserted, our historical experience with contingencies of a similar nature, the likelihood of our prevailing and the severity of any potential loss. For some matters, no accrual is established because we have assessed our risk of loss to be remote. Where the risk of loss is probable and the amount of the loss can be reasonably estimated, we record an accrual, either on an individual basis or with respect to a group of matters involving similar claims, based on the factors set forth above. While we regularly review the status of, and our estimates of potential liability associated with, contingencies to determine the adequacy of any associated accruals and related disclosures, the ultimate amount of loss may differ from our estimates.

Legal Contingencies

Ravenswood Retiree Medical Benefits

In November 2009, Century Aluminum of West Virginia ("CAWV") filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW"), the USW's local and certain CAWV retirees, individually and as class representatives ("CAWV Retirees"), seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USW and representatives of a retiree class filed a separate suit against CAWV, Century Aluminum Company, Century Aluminum Master Welfare Benefit Plan, and various John Does with respect to the foregoing. On August 18, 2017, the District Court for the Southern District of West Virginia approved a settlement agreement in respect of these actions, pursuant to which, CAWV agreed to make payments into a trust for the benefit of the CAWV Retirees in the aggregate amount of \$23.0 million over the course of ten years. Upon approval of the settlement, we paid \$5.0 million to the aforementioned trust in September 2017 and recognized a gain of \$5.5 million to arrive at the then-net present value of \$12.5 million. CAWV has agreed to pay the remaining amounts under the settlement agreement in annual increments of \$2.0 million for nine years. As of September 30, 2022, \$2.0 million is recorded in other current liabilities and \$4.7 million is recorded in other liabilities.

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PBGC Settlement

In 2013, we entered into a settlement agreement with the Pension Benefit Guaranty Corporation (the "PBGC") regarding an alleged "cessation of operations" at our Ravenswood facility (the "PBGC Settlement Agreement"). Pursuant to the terms of the PBGC Settlement Agreement, we agreed to make additional contributions (above any minimum required contributions) to our defined benefit pension plans totaling approximately \$17.4 million. Under certain circumstances, in periods of lower primary aluminum prices relative to our cost of operations, we were able to defer one or more of these payments, provided that we provide the PBGC with acceptable security for such deferred payments. We did not make any contributions for the three month periods ended September 30, 2022, or 2021. We historically elected to defer certain payments under the PBGC Settlement Agreement and provided the PBGC with the appropriate security. In October 2021, we amended the PBGC Settlement Agreement such that we removed the deferral mechanism and agreed to contribute approximately \$2.4 million per year to our defined benefit pension plans for a total of approximately \$9.6 million, over the next four years beginning on November 30, 2022 and ending on November 30, 2025, subject to acceleration if certain terms and conditions are met in such amendment.

Power Commitments and Contingencies

Hawesville

Hawesville has a power supply arrangement with Kenergy and EDF Trading North America, LLC ("EDF") which provides market-based power to the Hawesville smelter. Under this arrangement, the power companies purchase power on the open market and pass it through to Hawesville at Midcontinent Independent System Operator ("MISO") pricing plus transmission and other costs. The power supply arrangement with Kenergy has an effective term through December 2023. The arrangement with EDF to act as our market participant with MISO has an effective term through May 2023. On April 26, 2022 EDF gave notice that it would no longer serve as the MISO Market Participant for Hawesville. The notice terminated EDF's contract, effective May 31, 2023, to purchase power from MISO for resale to Kenergy, which then resells the power to Hawesville. Century is in discussions with other companies, currently authorized as MISO Market Participants, to replace EDF and expects to have a replacement Market Participant in place prior to the expiration of the contract with EDF.

In connection with the temporary curtailment of production at Hawesville, energy use at the smelter has been significantly reduced. However, such reduction in energy use does not reduce Hawesville's capacity payment obligation to MISO which extends through May 2023.

Sebree

Sebree has a power supply arrangement with Kenergy and EDF which provides market-based power to the Sebree smelter. Similar to the arrangement at Hawesville, the power companies purchase power on the open market and pass it through to Sebree at MISO pricing plus transmission and other costs. The power supply arrangement with Kenergy has an effective term through December 2023. The arrangement with EDF to act as our market participant with MISO has an effective term through May 2023. On April 26, 2022 EDF gave notice that it would no longer serve as the MISO Market Participant for Sebree. The notice terminated EDF's contract, effective May 31, 2023, to purchase power from MISO for resale to Kenergy, which then resells the power to Sebree. Century is in discussions with other companies, currently authorized as MISO Market Participants, to replace EDF and expects to have a replacement Market Participant in place prior to the expiration of the contract with EDF.

Mt. Holly

Century Aluminum of South Carolina, Inc. has a power supply agreement with Santee Cooper that has an effective term from April 1, 2021 through December 2023. Under this power supply agreement, 100% of Mt. Holly's electrical power requirements are supplied from Santee Cooper's generation at cost of service based rates. The contract provides sufficient energy to allow Mt. Holly to produce at 75% of full production capacity.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

Grundartangi

Grundartangi has power purchase agreements for approximately 545 MW with HS Orka hf ("HS"), Landsvirkjun and Orkuveita Reykjavíkur ("OR") to provide power to its Grundartangi smelter. These power purchase agreements expire on various dates from 2026 through 2036 (subject to extension). The power purchase agreements with HS and OR provide power at LME-based variable rates for the duration of these agreements. In July 2021, Grundartangi reached an agreement with Landsvirkjun for an extension of its existing 161 MW power contract that would have expired in December 2023. Under the terms of the extension, Landsvirkjun will continue to supply power to Grundartangi from January 1, 2024 through December 31, 2026 and will increase the existing contract from 161 MW to 182 MW over time to provide the necessary flexibility to support the most recent capacity creep requirements and future growth opportunities for value-added products at the Grundartangi plant, including the Grundartangi casthouse project. In September 2022, this agreement was amended to provide for 42 MW at a fixed price and 119 MW at rates linked to Nord Pool plus transmission through 2023 and beginning January 1, 2024 through December 31, 2026, this agreement allows for fixed rates plus a small variable rate portion of the full 182 MW. Grundartangi also has a 25 MW power purchase agreement with Landsvirkjun at LME-based variable rates.

Other Commitments and Contingencies

Labor Commitments

The bargaining unit employees at our Grundartangi, Vlissingen, Hawesville and Sebree facilities are represented by labor unions, representing approximately 58% of our total workforce.

Approximately 87% of Grundartangi's work force is represented by five labor unions, governed by a labor agreement that establishes wages and work rules for covered employees. This agreement is effective through December 31, 2024.

100% of Vlissingen's work force is represented by the Federation for the Metal and Electrical Industry ("FME"), a Netherlands' employers' organization for companies in the metal, electronics, electrical engineering and plastic sectors. The FME negotiates working conditions with trade unions on behalf of its members, which, when agreed upon, are then applicable to all employees of Vlissingen. The current labor agreement is effective through November 30, 2022. On September 22, 2022, a new labor agreement was reached which will go into effect on December 1, 2022, and expire on May 31, 2024.

Approximately 42% of our U.S. based work force is represented by USW through separately negotiated labor agreements for each facility. The labor agreement for Hawesville employees is effective through April 1, 2026. Upon announcement of the temporary curtailment, Hawesville and the USW local union entered into effects bargaining. An agreement was reached on July 19, 2022, covering the curtailment period. Century Sebree's labor agreement with the USW for its employees is effective through October 28, 2023. Mt. Holly employees are not represented by a labor union.

Contingent obligations

We have a contingent obligation in connection with the "unwind" of a contractual arrangement between Century Aluminum of Kentucky ("CAKY"), Big Rivers Electric Corporation and a third party and the execution in July 2009 of a long-term cost-based power contract with Kenergy, a member of a cooperative of Big Rivers. This contingent obligation consists of the aggregate payments made to Big Rivers by the third party on CAKY's behalf in excess of the agreed upon base amount under the long-term cost-based power contract with Kenergy. As of September 30, 2022, the principal and accrued interest for the contingent obligation was \$29.1 million, which was fully offset by a derivative asset. We may be required to make installment payments for the contingent obligation in the future. These payments are contingent based on the LME price of primary aluminum and the level of Hawesville's operations. As of September 30, 2022, the LME forward market prices do not exceed the threshold for payment. In addition, based on the current level of Hawesville's operations, including the temporary curtailment, we believe that we will not be required to make payments on the contingent obligation during the term of the agreement, which expires in 2028. There can be no assurance that circumstances will not change thus accelerating the timing of such payments.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

12. Components of Accumulated Other Comprehensive Loss

<i>Components of AOCL:</i>	September 30, 2022	December 31, 2021
Defined benefit plan liabilities	\$ (92.3)	\$ (86.7)
Unrealized gain (loss) on financial instruments	1.8	1.9
Other comprehensive loss before income tax effect	(90.5)	(84.8)
Income tax effect ⁽¹⁾	2.3	2.5
Accumulated other comprehensive loss	<u>\$ (88.2)</u>	<u>\$ (82.3)</u>

⁽¹⁾ The allocation of the income tax effect to the components of other comprehensive loss is as follows:

	September 30, 2022	December 31, 2021
Defined benefit plan liabilities	\$ 2.6	\$ 2.9
Unrealized loss on financial instruments	(0.4)	(0.4)

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

The following table summarizes the changes in the accumulated balances for each component of AOCL:

	Defined benefit plan and other postretirement liabilities	Unrealized gain (loss) on financial instruments	Total, net of tax
Balance, July 1, 2022	\$ (82.6)	\$ 1.7	\$ (80.9)
Net amount reclassified to net income (loss)	(7.3)	0.0	(7.3)
Balance, September 30, 2022	<u>\$ (89.9)</u>	<u>\$ 1.7</u>	<u>\$ (88.2)</u>
Balance, July 1, 2021	\$ (118.1)	\$ 1.7	\$ (116.4)
Net amount reclassified to net income (loss)	1.2	0.0	1.2
Balance, September 30, 2021	<u>\$ (116.9)</u>	<u>\$ 1.7</u>	<u>\$ (115.2)</u>
Balance, December 31, 2021	\$ (84.0)	\$ 1.7	\$ (82.3)
Net amount reclassified to net income (loss)	(5.9)	0.0	(5.9)
Balance, September 30, 2022	<u>\$ (89.9)</u>	<u>\$ 1.7</u>	<u>\$ (88.2)</u>
Balance, December 31, 2020	\$ (120.6)	\$ 1.8	\$ (118.8)
Net amount reclassified to net income (loss)	3.7	(0.1)	3.6
Balance, September 30, 2021	<u>\$ (116.9)</u>	<u>\$ 1.7</u>	<u>\$ (115.2)</u>

Reclassifications out of AOCL were included in the consolidated statements of operations as follows:

AOCL Components	Location	Three months ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
Defined benefit plan and other postretirement liabilities	Cost of goods sold	\$ 0.4	\$ 0.7	\$ 1.3	\$ 2.2
	Other income (expense) - net	(8.0)	—	(8.0)	—
	Selling, general and administrative expenses	0.2	0.2	0.5	0.6
	Other operating (income) expense - net	0.2	0.4	0.7	1.2
	Income tax effect	(0.1)	(0.1)	(0.3)	(0.3)
	Net of tax	<u>\$ (7.3)</u>	<u>\$ 1.2</u>	<u>\$ (5.8)</u>	<u>\$ 3.7</u>
Unrealized loss on financial instruments	Cost of goods sold	\$ 0.0	\$ 0.0	\$ (0.1)	\$ (0.1)
	Income tax effect	0.0	0.0	0.0	0.0
	Net of tax	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

13. Components of Net Periodic Benefit Cost

	Pension Benefits			
	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Service cost	\$ 1.1	\$ 1.2	\$ 3.2	\$ 3.5
Interest cost	2.6	2.4	7.7	7.3
Expected return on plan assets	(5.9)	(5.6)	(17.6)	(16.8)
Amortization of prior service costs	0.0	0.0	0.1	0.1
Amortization of net loss	0.9	1.5	2.6	4.5
Net periodic benefit cost (income)	<u>\$ (1.3)</u>	<u>\$ (0.5)</u>	<u>\$ (4.0)</u>	<u>\$ (1.4)</u>

	Other Postretirement Benefits			
	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Service cost	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.2
Interest cost	0.9	0.6	2.2	1.8
Amortization of prior service cost	(0.3)	(0.8)	(1.3)	(2.4)
Amortization of net loss	0.2	0.6	1.0	1.7
Curtailement gain, net	(8.0)	—	(8.0)	—
Net periodic benefit cost (income)	<u>\$ (7.2)</u>	<u>\$ 0.5</u>	<u>\$ (6.0)</u>	<u>\$ 1.3</u>

We measure our obligations under our defined benefit plan and other post retirement benefits annually or more frequently at interim periods when a significant event occurs. ASC 715, Compensation-Retirement Benefits, defines a curtailment as an event that significantly reduces the expected years of future service of present employees or eliminates defined benefits for some or all of a significant number of employees. In the third quarter, we took actions to re-measure certain other postretirement benefits triggered by the Hawesville smelter curtailment, leading to a non-cash OPEB curtailment gain, net totaling \$8.0 million for the three and nine months ended September 30, 2022.

14. Derivatives

As of September 30, 2022, we had an open position of 148,416 tonnes related to LME forward financial sales contracts to fix the forward LME aluminum price. These contracts are expected to settle monthly through December 2024. We also had an open position of 48,750 tonnes related to MWP forward financial sales contracts to fix the forward MWP price. These contracts are expected to settle monthly through December 2022. We have also entered into financial contracts with various counterparties to offset fixed price sales arrangements with certain of our customers ("fixed for floating swaps") to remain exposed to the LME and MWP aluminum prices. As of September 30, 2022, we had 1,014 tonnes related to fixed for floating swaps that will settle monthly through February 2023.

We have entered into financial contracts to hedge a portion of Grundartangi's exposure to the Nord Pool power market ("Nord Pool power price swaps"). All of our Nord Pool power price swaps will cash settle monthly through December 2023. Because the Nord Pool power price swaps are settled in Euros, we have entered into financial contracts to hedge the risk of fluctuations associated with the Euro ("FX swaps"). As of September 30, 2022, we had an open position related to the FX swaps of €37.9 million that will settle monthly through December 2023.

During the third quarter of 2022, we entered certain floating Nord Pool financial contracts to unwind a portion of our fixed contract position as a result of the recent power agreement amendment, making us predominantly hedged against Nord Pool power price fluctuations during 2023. As of September 30, 2022, we had an open net position of 1,239,497 MWh related to the Nord Pool power price swaps. The pricing relationship between the fixed and floating Nord Pool contracts created a realized gain of \$16.0 million, which we recognized for the three and nine months ended September 30, 2022.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in millions, except share and per share amounts)
(Unaudited)

We have entered into financial contracts to fix a portion of our exposure to the Indiana Hub power market at our Kentucky plants ("Indiana Hub power price swaps"). As of September 30, 2022, we had an open position of 219,360 MWh. The Indiana Hub power price swaps are expected to settle monthly through December 2023.

We have entered into forward contracts to hedge the risk of fluctuations associated with the Icelandic Krona (ISK) and Euro for contracts related to the construction of the Grundartangi casthouse denominated in these currencies ("casthouse currency hedges"). As of September 30, 2022, we had an open position related to the ISK casthouse swaps of \$52.0 million that will settle monthly through July 2023. As of September 30, 2022, we had an open position related to the Euro casthouse swaps of \$13.8 million that will settle monthly through February 2024.

Our agreements with derivative counterparties contain certain provisions requiring collateral to be posted in the event the market value of our position exceeds the margin threshold limit of our master agreement with the counterparty. As of September 30, 2022 and December 31, 2021, the Company had recorded restricted cash of \$0.0 million and \$8.6 million, respectively, as collateral related to open derivative contracts under the master arrangements with our counterparties.

The following table sets forth the Company's derivative assets and liabilities that were accounted for at fair value and not designated as cash flow hedges as of September 30, 2022 and December 31, 2021, respectively:

	Asset Fair Value	
	September 30, 2022	December 31, 2021
Commodity contracts ⁽¹⁾	\$ 229.0	\$ 42.9
Foreign exchange contracts ⁽²⁾	—	—
Total	\$ 229.0	\$ 42.9

	Liability Fair Value	
	September 30, 2022	December 31, 2021
Commodity contracts ⁽¹⁾	\$ 16.4	\$ 143.3
Foreign exchange contracts ⁽²⁾	13.7	2.9
Total	\$ 30.1	\$ 146.2

⁽¹⁾ Commodity contracts reflect our outstanding LME forward financial sales contracts, MWP forward financial sales contracts, fixed for floating swaps, Nord Pool power price swaps, and Indiana Hub power price swaps. At September 30, 2022, \$0.5 million of Due to affiliates, \$4.5 million of Due to affiliates - less current portion, \$0.8 million of Due from affiliates, and \$0.2 million of Due from affiliates - less current portion were related to commodity contracts with Glencore. At December 31, 2021, \$17.1 million of Due to affiliates, and \$21.9 million of Due to affiliates - less current portion were related to commodity contract liabilities with Glencore.

⁽²⁾ Foreign exchange contracts reflect our outstanding FX swaps and the casthouse currency hedges.

The following table summarizes the net gain (loss) on forward and derivative contracts:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Commodity contracts ⁽¹⁾	\$ 120.0	\$ (75.6)	\$ 301.3	\$ (235.2)
Foreign exchange contracts	(7.4)	(1.4)	(13.6)	(3.2)
Total	\$ 112.6	\$ (77.0)	\$ 287.7	\$ (238.4)

⁽¹⁾ For the three months ended September 30, 2022, \$13.1 million of the net gain was with Glencore, and for the three months ended September 30, 2021, \$26.3 million of the net loss was with Glencore. For the nine months ended

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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(Unaudited)

September 30, 2022, \$19.4 million of the net gain was with Glencore, and for the nine months ended September 30, 2021, \$79.8 million of the net loss was with Glencore.

15. Subsequent Events

On October 10, 2022, Grundartangi borrowed €13.6 million on the Iceland Term Facility.

As previously disclosed, our wholly owned subsidiary, Mt. Holly Commerce Park LLC, entered into a binding agreement on August 3, 2022, subject to ordinary course conditions, to sell approximately 133 acres of land. This agreement was terminated on October 28, 2022.

FORWARD-LOOKING STATEMENTS

This quarterly report includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to the "safe harbor" created by section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended. Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may."

Forward-looking statements in this quarterly report and in our other reports filed with the Securities and Exchange Commission (the "SEC"), for example, may include, but are not limited to, statements regarding:

- Our assessment of global and local financial and economic conditions;
- Our assessment of the aluminum market and aluminum prices (including premiums);
- Our assessment of alumina pricing, the outlook on when energy prices, both in the United States and Europe, may return to more normalized levels, costs associated with our other key raw materials and supply and availability of those key raw materials, including power (and related natural gas and coal), and the likelihood and extent of any power curtailments;
- Our assessment of power prices and availability for our U.S. and Vlissingen operations;
- The impact of the COVID-19 pandemic, and governmental guidance and regulations aimed at addressing the pandemic, including any possible impact on our business, operations, financial condition, results of operation, global supply chains or workforce;
- The impact of the war in Ukraine, including any sanctions and export controls targeting Russia and businesses tied to Russia and to sanctioned entities and individuals, including any possible impact on our business, operations, financial condition, results of operations, and global supply chains;
- The future financial and operating performance of the Company and its subsidiaries;
- Our ability to successfully manage market risk and to control or reduce costs;
- Our plans and expectations with respect to future operations of the Company and its subsidiaries, including any plans and expectations to curtail or restart production, including the expected impact of any such actions on our future financial and operating performance;
- Our plans and expectations with regards to future operations of our Mt. Holly smelter, including our expectations as to the restart of curtailed production at Mt. Holly, including the timing, costs and benefits associated with this restart project;
- Our plans with regards to future operations of our Hawesville smelter, including our expectations as to the timing, costs and benefits associated with restarting curtailed production;
- Our plans and expectations with regards to the Grundartangi casthouse project, including our expectations as to the timing, costs and benefits associated with the Grundartangi casthouse project;
- Our ability to successfully obtain and/or retain competitive power arrangements for our operations;
- The impact of Section 232 relief, including tariffs or other trade remedies, the extent to which any such remedies may be changed, including through exclusions or exemptions, and the duration of any trade remedy;
- The impact of any new or changed law, regulation, including, without limitation, sanctions or other similar remedies or restrictions;
- Our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets and liabilities;
- Our ability to access existing or future financing arrangements and the terms of any such future financing arrangements;
- Our ability to repay or refinance debt in the future;
- Our ability to recover losses from our insurance;
- Our assessment and estimates of our pension and other postretirement liabilities, legal and environmental liabilities and other contingent liabilities;
- Our assessment of any future tax audits or insurance claims and their respective outcomes;
- Negotiations with current labor unions or future representation by a union of our employees;
- Our assessment of any information technology-related risks, including the risks from the previously disclosed February 2022 cyber incursion event; and
- Our future business objectives, plans, strategies and initiatives, including our competitive position and prospects.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are based on current expectations and

assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Important factors that could cause actual results and events to differ from those described in such forward-looking statements can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in other filings made with the SEC. Although we have attempted to identify those material factors that could cause actual results or events to differ from those described in such forward-looking statements, there may be other factors that could cause actual results or events to differ from those anticipated, estimated or intended. Many of these factors are beyond our ability to control or predict. Given these uncertainties, the reader is cautioned not to place undue reliance on our forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Management's Discussion and Analysis ("MD&A") provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Century Aluminum Company and should be read in conjunction with the accompanying consolidated financial statements and related notes thereto. This MD&A contains "forward-looking statements" - see "Forward-Looking Statements" above.

Overview

We are a global producer of primary aluminum with aluminum reduction facilities, or "smelters," in the United States and Iceland. The key determinants of our results of operations and cash flows from operations are as follows:

- the price of primary aluminum, which is based on the London Metal Exchange ("LME") and other exchanges, plus any regional premiums and value-added product premiums;
- the cost of goods sold, the principal components of which are electrical power, alumina, carbon products and labor, which in aggregate represent more than 75% of our cost of goods sold; and
- our production volume and product mix.

Recent Developments

Hawesville temporary curtailment

On June 22, 2022, we announced that we would temporarily idle all of our production capacity at our Hawesville smelter, as a direct result of historically high energy costs and declining LME prices. As part of this action, we issued a notice to most of the employees at the facility pursuant to the Worker Adjustment and Retraining Notification ("WARN") Act regarding our intentions to temporarily curtail Hawesville plant operations by no later than August 20, 2022. We have since fully curtailed all of our production at the facility and expect to continue to maintain the plant with the intention of restarting operations when market conditions permit, including energy prices returning to more normalized levels and aluminum prices maintaining levels that can support the on-going costs and capital expenditures necessary to restart and operate the plant.

As the curtailment represents a significant adverse change in the extent and manner in which the Hawesville smelter will be used, we accordingly evaluated the Hawesville asset group for recoverability. As the carrying value of the Hawesville asset group was determined to not be recoverable based on the estimated undiscounted cash flows expected to be generated over the life of the asset group, an impairment charge of \$159.4 million was recognized to write down the asset group to its estimated fair value. We recognized \$12.6 million of expense through the third quarter related to wages and severance triggered by our issuance of the WARN notice and excess capacity charges, partially offset by final plant idling activities. We also recognized a non-cash OPEB curtailment gain, net totaling \$8.0 million for the three and nine months ended September 30, 2022. See [Note 13. Components of net periodic benefit cost](#) to the consolidated financial statements included herein for additional information.

Pricing of aluminum

The overall price of primary aluminum consists of three components: (i) the base commodity price, which is based on quoted prices on the LME and other exchanges; plus (ii) any regional premium (e.g., the Midwest premium for metal sold in the United States ("MWP") and the European Duty Paid premium for metal sold into Europe ("EDPP")); plus (iii) any value-added product premium. Each of these price components has its own drivers and variability.

The aluminum price is influenced by a number of factors, including global supply-demand balance, inventory levels, speculative activities by market participants, production activities by competitors and political and economic conditions, as well as production costs in major production regions. These factors can be highly speculative and difficult to predict which can lead to significant volatility in the aluminum price. Increases or decreases in primary aluminum prices result in increases and decreases in our revenues (assuming all other factors are unchanged). From time to time, we may seek to manage our exposure to fluctuations in the LME price of primary aluminum and/or associated regional premiums through financial instruments designed to protect our downside price risk exposure. Information regarding financial contracts is included in [Note 14. Derivatives](#) and risks associated with such financial contracts are disclosed specifically in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

We have seen declines in the pricing of aluminum through the third quarter of 2022, when compared to the aluminum prices that were generally increasing throughout 2021 and during the first quarter of 2022. The quarterly average LME price for primary aluminum was \$3,267 per tonne in the first quarter of 2022, decreasing to \$2,882 per tonne for the second quarter of 2022 and then to \$2,354 in the third quarter of 2022 compared to annual average of \$2,475 per tonne in 2021 and \$1,702 per

tonne in 2020. The quarterly average MWP price was \$583 per tonne for the third quarter of 2022, compared to \$805 per tonne for the second quarter of 2022, \$794 per tonne for the first quarter of 2022, and to annual average of \$581 per tonne in 2021 and \$267 per tonne in 2020. The quarterly average EDPP price was \$501 per tonne for the third quarter of 2022, compared to \$604 per tonne for the second quarter of 2022, \$489 per tonne for the first quarter of 2022 and to annual average of \$272 per tonne in 2021 and \$126 per tonne in 2020.

Results of Operations

The following discussion for the three and nine months ended September 30, 2022 reflects no change in production capacities, other than the curtailment of the Hawesville smelter, at our operating facilities.

Our net sales are impacted primarily by the LME price for aluminum, regional and value-added premiums, and the volume and product mix of aluminum we ship during the period. In general, our results reflect the LME and regional premium pricing on an approximately one to three month lag basis reflecting contractual terms with our customers.

Electrical power, alumina, carbon products and labor are the principal components of our cost of goods sold. Power costs can be volatile as a result of a number of factors beyond our control. See “Item 1A. Risk Factors - Increases in energy costs adversely affect our business, financial position, results of operations and liquidity” in our Annual Report on Form 10-K for the year ended December 31, 2021. Power costs at our Kentucky plants are impacted by capacity demand charges, which are determined based on available power generating capacity in MISO, from which we purchase energy. The price of such capacity is set by auction in April. Our expected capacity demand costs for power are expected to be approximately \$11.5 million per quarter after June 1, 2022 (notwithstanding the curtailment at Hawesville), in addition to the market price of power used.

The recent increase in energy costs has adversely affected our business, and is expected to continue to adversely affect our business over the near term until power prices return to more normalized levels and/or LME prices improve. Increased domestic energy costs have resulted in the curtailment of our Hawesville facility as described above. In Europe, increased energy prices affect both our Grundartangi operations (a portion of our power is linked to the Nord Pool power market) and our Vlissingen facility in the Netherlands, which utilizes natural gas to produce anodes used in our Grundartangi operations. The energy market in Europe is materially dependent upon imported natural gas from Russia, and the threat of Russia further reducing or terminating natural gas supply to Europe creates uncertainty with respect to the price and availability of natural gas, which could adversely affect operations at Vlissingen, and in turn operations at Grundartangi, if we are not able to source an alternative supply of anodes.

In general, our results reflect the market cost of alumina on an approximately three-month lag reflecting the terms of our alumina contracts and inventory levels.

	Quarter ended		Nine months ended	
	Sequential		Year-to-date	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
	(in millions, except per share data)			
NET SALES:				
Related parties	\$ 404.9	\$ 483.5	\$ 1,321.5	925.3
Other customers	232.3	373.1	925.9	628.1
Total net sales	637.2	856.6	2,247.4	1,553.4
Gross profit (loss)	(43.0)	15.9	66.1	54.8
Net income (loss)	44.3	37.4	99.4	(227.5)
INCOME (LOSS) PER COMMON SHARE:				
Basic	\$ 0.46	\$ 0.38	\$ 1.02	\$(2.52)
Diluted	\$ 0.43	\$ 0.36	\$ 0.97	\$(2.52)

SHIPMENTS - PRIMARY ALUMINUM⁽¹⁾

	United States		Iceland		Total	
	Tonnes	Sales \$ (in millions)	Tonnes	Sales \$ (in millions)	Tonnes	Sales \$ (in millions)
2022						
3 rd Quarter	95,502	\$ 320.3	78,223	\$ 283.7	173,725	\$ 604.0
2 nd Quarter	139,630	\$ 564.8	74,454	\$ 273.2	214,084	\$ 838.0
1 st Quarter	134,953	\$ 494.8	76,458	\$ 247.5	211,411	\$ 742.3
2021						
3 rd Quarter	117,951	\$ 366.6	78,144	\$ 207.6	196,095	\$ 574.2
2 nd Quarter	112,792	\$ 314.0	78,102	\$ 180.1	190,894	\$ 494.1
1 st Quarter	116,437	\$ 275.6	79,260	\$ 164.2	195,697	\$ 439.8

⁽¹⁾ Excludes scrap aluminum, purchased aluminum and alumina sales.

(in millions)	Quarter ended		Nine months ended	
	Sequential		Year-to-date	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
Net sales	\$ 637.2	\$ 856.6	\$ 2,247.4	\$ 1,553.4

Net sales (excluding scrap aluminum, purchased aluminum and alumina sales) decreased by \$234.0 million for the three months ended September 30, 2022, compared to the three months ended June 30, 2022, primarily driven by unfavorable LME and premium price realizations of \$81.6 million and unfavorable volume of \$152.2 million primarily attributable to the full curtailment of our Hawesville smelter.

Net sales (excluding scrap aluminum, purchased aluminum and alumina sales) increased by \$676.2 million for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily driven by favorable LME and premium price realizations of \$569.3 million and favorable volume and sales mix of \$106.9 million driven by the restart at our Mt. Holly facility and higher value-added product premiums, partially offset by full the curtailment of our Hawesville smelter.

(in millions)	Quarter ended		Nine months ended	
	Sequential		Year-to-date	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
Gross profit (loss)	\$ (43.0)	\$ 15.9	\$ 66.1	\$ 54.8

Gross profit decreased by \$58.9 million for the three months ended September 30, 2022, compared to the three months ended June 30, 2022, primarily driven by unfavorable metal price realization of \$81.6 million, unfavorable volume mix of \$44.9 million primarily attributable to the full curtailment of our Hawesville smelter, and unfavorable power price realization of \$29.1 million, partially offset by decreased operating costs of \$57.6 million as a result of the full curtailment of our Hawesville smelter and other cost savings from our remaining operating smelters and favorable raw material price realization of \$30.3 million.

Gross profit increased by \$11.3 million for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily driven by favorable metal price realization of \$569.3 million and favorable volume and sales mix of \$70.2 million driven by the restart at our Mt. Holly facility and higher value-added product premiums, net of the \$27.4 million impact of the full curtailment of our Hawesville smelter. The change is partially offset by unfavorable raw material price realization of \$298.7 million, unfavorable power price realization of \$281.8 million and higher operating costs of \$48.0 million.

<i>(in millions)</i>	Quarter ended		Nine months ended	
	<i>Sequential</i>		<i>Year-to-date</i>	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
Asset impairment charge	\$ —	\$ 159.4	\$ 159.4	\$ —

An asset impairment charge of \$159.4 million was recognized in the period ended September 30, 2022 as a result of the temporary curtailment of the Hawesville facility, announced during June 2022. As the curtailment represents a significant adverse change in the extent and manner in which Hawesville will be used, we accordingly evaluated the Hawesville asset group for recoverability which resulted in the recognized impairment charge of \$159.4 million.

<i>(in millions)</i>	Quarter ended		Nine months ended	
	<i>Sequential</i>		<i>Year-to-date</i>	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
Selling, general and administrative expenses	\$ 8.7	\$ 5.8	\$ 26.2	\$ 39.0

Selling, general and administrative expenses increased by \$2.9 million for the three months ended September 30, 2022, compared to the three months ended June 30, 2022, primarily driven by share-based compensation costs as a result of quarter over quarter changes in the Company's stock price.

Selling, general and administrative expenses decreased by \$12.8 million for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021, primarily driven by a reduction in share-based compensation costs during 2022 resulting from the reduction in the Company's stock price year over year.

<i>(in millions)</i>	Quarter ended		Nine months ended	
	<i>Sequential</i>		<i>Year-to-date</i>	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
Net gain (loss) on forward and derivative contracts	\$ 112.6	\$ 231.8	\$ 287.7	\$ (239.2)

For the three months ended September 30, 2022, net gain (loss) on forward and derivative contracts decreased by \$119.2 million primarily driven by smaller quarter over quarter decreases in LME, MWP, and Nord Pool forward prices as compared to prior quarter over quarter changes in forward prices.

Net gain (loss) on forward and derivative contracts improved by \$526.9 million from a loss of \$239.2 million for the nine months ended September 30, 2021 to a gain of \$287.7 million for the nine months ended September 30, 2022, primarily driven by decreases in LME and MWP forward prices, and increased gains on Nord Pool derivative contracts due to Nord Pool power forward price increases.

<i>(in millions)</i>	Quarter ended		Nine months ended	
	<i>Sequential</i>		<i>Year-to-date</i>	
	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2021
Income tax benefit (expense)	\$ (20.6)	\$ (42.3)	\$ (64.6)	\$ 43.8

For the three months ended September 30, 2022, income tax expense decreased by \$21.7 million compared to the three months ended June 30, 2022, primarily driven by higher power prices at Grundartangi and unfavorable LME price realization.

For the nine months ended September 30, 2022, income tax expense increased by \$108.4 million compared to the nine months ended September 30, 2021, primarily driven by favorable LME price realization. See [Note 8. Income Taxes](#) to the consolidated financial statements included herein for additional information.

Liquidity and Capital Resources

Liquidity

Our principal sources of liquidity are available cash and cash flows from operations. We also have access to our existing U.S. and Iceland revolving credit facilities (collectively, the "revolving credit facilities") and have raised capital in the past through public equity and debt markets. We regularly explore various other financing alternatives. Our principal uses of cash include the funding of operating costs (including post-retirement benefits), debt service requirements, capital expenditures, investments in our growth activities and in related businesses, working capital and other general corporate requirements.

We believe that cash provided from operations and financing activities will be adequate to cover our operations and business needs over the next twelve months. As of September 30, 2022, we had cash and cash equivalents of approximately \$64.8 million and unused availability under our revolving credit facilities of \$136.9 million and Iceland Term Facility of €13.6 million, resulting in a total liquidity position of approximately \$215.1 million.

Available Cash

Our available cash and cash equivalents balance at September 30, 2022 was \$64.8 million compared to \$29.0 million at December 31, 2021.

Sources and Uses of Cash

Our statements of cash flows are summarized below:

	Nine Months Ended September 30,	
	2022	2021
	(in millions)	
Net cash provided by (used in) operating activities	\$ 57.2	\$ (12.1)
Net cash used in investing activities	(70.1)	(45.7)
Net cash provided by financing activities	38.2	42.4
Change in cash, cash equivalents and restricted cash	\$ 25.3	\$ (15.4)

The change from net cash used in operating activities during the nine months ended September 30, 2021 to net cash provided by operating activities during the nine months ended September 30, 2022 was primarily driven by net income during the first three quarters, partially offset by changes in working capital. The changes in working capital are primarily attributable to timing of receivable collections, timing of raw material receipts, and pricing increases.

The increase in net cash used in investing activities was primarily due to higher spending on capital projects during the nine months ended September 30, 2022, driven by capital investments in the Mt. Holly restart project and the Grundartangi cashhouse project.

The change in net cash provided by financing activities was primarily due to borrowings under the Grundartangi cashhouse debt facility in 2022 as compared to net borrowing on our revolving credit facilities in 2021.

Availability Under Our Credit Facilities

The U.S. revolving credit facility, dated May 2018 (as amended, the "U.S. revolving credit facility"), previously provided for borrowings of up to \$220.0 million, including up to \$110.0 million under a letter of credit sub-facility. In June 2022, we entered into a Fourth Amendment to our existing \$220.0 million U.S. revolving credit facility, increasing the maximum capacity from \$220.0 million to \$250.0 million, including up to \$150.0 million under a letter of credit sub-facility. The U.S. revolving credit facility matures in June 2027. Any letters of credit issued and outstanding under the U.S. revolving credit facility reduce our borrowing availability on a dollar-for-dollar basis.

We have also entered into, through our wholly-owned subsidiary Nordural Grundartangi ehf ("Grundartangi"), a \$50.0 million revolving credit facility, dated November 2013, as amended (the "Iceland revolving credit facility"). On February 4, 2022, we amended the Iceland revolving credit facility and increased the facility amount to \$80.0 million in the aggregate. On

September 28, 2022, we further amended the Iceland revolving credit facility and increased the facility amount to \$100.0 million in the aggregate. The Iceland revolving credit facility matures in November 2024.

The availability of funds under our credit facilities is limited by a specified borrowing base consisting of certain accounts receivable, inventory and qualified cash deposits which meet the lenders' eligibility criteria. Increases in the price of aluminum and/or restarts of previously curtailed operations, for example, increase our borrowing base by increasing our accounts receivable and inventory balances; decreases in the price of aluminum and/or curtailments of production capacity would decrease our borrowing base by reducing our accounts receivable and inventory balances. As of September 30, 2022, our U.S. revolving credit facility had a borrowing base of \$190.3 million, \$63.5 million in borrowings and \$39.9 million in letters of credit outstanding. Of the outstanding letters of credit, \$26.6 million are related to our power commitments and \$13.3 million are primarily for the purpose of securing certain debt and workers' compensation commitments. As of September 30, 2022, our Iceland revolving credit facility had a borrowing base of \$100.0 million and \$50.0 million in outstanding borrowings.

As of September 30, 2022, our credit facilities had \$136.9 million of net availability after consideration of our outstanding borrowings and letters of credit. We may borrow and make repayments under our credit facilities in the ordinary course based on a number of factors, including the timing of payments from our customers and payments to our suppliers.

Our credit facilities contain customary covenants, including restrictions on mergers and acquisitions, indebtedness, affiliate transactions, liens, dividends and distributions, dispositions of collateral, investments and prepayments of indebtedness, including in the U.S. revolving credit facility, a springing financial covenant that requires us to maintain a fixed charge coverage ratio of at least 1.0 to 1.0 as of any date of determination on which availability under the U.S. revolving credit facility is less than or equal to \$25.0 million, or 10% of the borrowing base, but not less than \$17.85 million. We intend to maintain availability to comply with these levels any time we would not meet the ratio, which could limit our ability to access the full amount of our availability under our U.S revolving credit facility. Our Iceland revolving credit facility contains a covenant that requires Grundartangi to maintain a minimum equity ratio. As of September 30, 2022, we were in compliance with all such covenants or maintained availability above such covenant triggers.

Grundartangi Casthouse Facility

On November 2, 2021, Grundartangi entered into an eight-year Term Facility Agreement with Arion Bank hf, to provide for borrowings up to \$130.0 million in connection with the casthouse project at Grundartangi (the "Casthouse Facility"). Under the Casthouse Facility, repayments of principal amounts will be made in equal quarterly installments equal to 1.739% of the principal amount, the first payment occurring in July 2024, with the remaining 60% of the principal amount to be paid no later than the termination date. The Casthouse Facility will mature in December 2029. The Casthouse Facility bears interest at a rate equal to USD LIBOR 3 month plus an applicable margin. As of September 30, 2022 there were \$40.0 million in borrowings outstanding under the Casthouse Facility.

The Casthouse Facility also contains customary covenants, including restrictions on mergers and acquisitions, indebtedness, preservation of assets, and dispositions of assets and contains a covenant that requires Grundartangi to maintain a minimum equity ratio. As of September 30, 2022, we were in compliance with all such covenants.

Senior Notes and Convertible Senior Notes

In April 2021, we issued \$250.0 million principal of senior secured notes that will mature on April 1, 2028 (the "2028 Notes"), unless earlier refinanced in accordance with their terms. Interest on the 2028 Notes is payable semi-annually on April 1 and October 1 of each year, at a rate of 7.5% per year. The indenture governing the 2028 Notes contains customary covenants which may limit our ability, and the ability of certain of our subsidiaries, to: (i) incur additional debt; (ii) incur additional liens; (iii) pay dividends or make distributions in respect of capital stock; (iv) purchase or redeem capital stock; (v) make investments or certain other restricted payments; (vi) sell assets; (vii) issue or sell stock of certain subsidiaries; (viii) enter into transactions with shareholders or affiliates; and (ix) effect a consolidation or merger.

In April 2021, we issued \$86.3 million in aggregate principal amount of Convertible Notes (the "Convertible Notes"), that will mature on May 1, 2028, unless earlier converted, repurchased or redeemed. The principal included the full exercise of the option by the initial purchasers of the Convertible Notes to purchase \$11.3 million of additional principal amount. The Convertible Notes bear interest semi-annually in arrears on May 1 and November 1 of each year, at a rate of 2.75% per annum in cash.

Iceland Term Facility

Our wholly-owned subsidiary, Grundartangi, has entered into a Term Facility Agreement with Arion Bank hf, dated September 2022, (the "Iceland Term Facility") to provide for borrowings up to €13.6 million. Under the Iceland Term Facility,

repayments of principal amounts will be made in equal monthly installments, the first payment occurring in February 2023, with the remainder of the principal amount to be paid no later than the termination date in January 2024. Borrowings under the Iceland Term Facility will bear interest at a rate equal to 3.2% plus EUR EURIBOR 1 month as published at any time by the European Money Markets Institute. As of September 30, 2022, there were no outstanding borrowings under the Iceland Term Facility.

Supplemental Guarantor Financial Information

The Company has filed a Registration Statement on Form S-3 (the "Universal Shelf Registration Statement") with the SEC pursuant to which the Company may, from time to time, offer an indeterminate amount of securities, which may include securities that are guaranteed by certain of the Company's subsidiaries. As of September 30, 2022, we have not issued any debt securities pursuant to the Universal Shelf Registration Statement. However, any securities that we may issue in the future may limit our ability, and the ability of certain of our subsidiaries, to pay dividends or make distributions in respect of capital stock.

"Guarantor Subsidiaries" refers to all of our material domestic subsidiaries except for Nordural US LLC, Century Aluminum Development LLC and Century Aluminum of West Virginia, Inc. The Guarantor Subsidiaries are 100% owned by Century. All guarantees will be full and unconditional; all guarantees will be joint and several. Our foreign subsidiaries, together with Nordural US LLC, Century Aluminum Development LLC and Century Aluminum of West Virginia, Inc., are collectively referred to as the "Non-Guarantor Subsidiaries". We allocate corporate expenses or income to our subsidiaries and charge interest on certain intercompany balances.

The following summarized financial information of both the Company and the Guarantor Subsidiaries ("Guarantors") is presented on a combined basis. Intercompany balances and transactions between the Company and the Guarantors have been eliminated and the summarized financial information does not reflect investments of the Company or the Guarantors in the Non-Guarantor Subsidiaries ("Non-Guarantors"). The Company's or Guarantors' amounts due from, amounts due to, and transactions with the Non-Guarantors are disclosed below:

	September 30, 2022	December 31, 2021
Current assets	\$ 300.7	\$ 395.3
Non-current assets	734.6	935.3
Current liabilities	293.2	375.1
Non-current liabilities	491.6	556.1
		Nine Months Ended September 30, 2022
Net sales		\$ 1,443.0
Gross profit (loss)		(21.5)
Income (loss) before income taxes		(144.5)
Net income (loss)		99.4

As of September 30, 2022 and December 31, 2021, an intercompany receivable due to the Company and Guarantors from the Non-Guarantors totaled \$6.4 million and \$15.1 million, respectively, and an intercompany non-current loan due to the Company from the Non-Guarantors totaled \$498.6 million and \$544.2 million, respectively.

Contingent Commitments

We have a contingent obligation in connection with the "unwind" of a contractual arrangement between Century Aluminum of Kentucky ("CAKY"), Big Rivers Electric Corporation and a third party and the execution in July 2009 of a long-term cost-based power contract with Kenergy, a member of a cooperative of Big Rivers. This contingent obligation consists of the aggregate payments made to Big Rivers by the third party on CAKY's behalf in excess of the agreed upon base amount under the long-term cost-based power contract with Kenergy. As of September 30, 2022, the principal and accrued interest for the contingent obligation was \$29.1 million, which was fully offset by a derivative asset. We may be required to make installment payments for the contingent obligation in the future. These payments are contingent based on the LME price of primary aluminum and the level of Hawesville's operations. As of September 30, 2022, based on the LME forward market prices and our expected level of Hawesville operations, we believe that we will not be required to make payments on the

contingent obligation during the term of the agreement, which expires in 2028. There can be no assurance that circumstances will not change thus accelerating the timing of such payments.

Employee Benefit Plan Contributions

In 2013, we entered into a settlement agreement with the Pension Benefit Guaranty Corporation (the "PBGC") regarding an alleged "cessation of operations" at our Ravenswood facility (the "PBGC Settlement Agreement"). Pursuant to the terms of the PBGC Settlement Agreement, we agreed to make additional contributions (above any minimum required contributions) to our defined benefit pension plans totaling approximately \$17.4 million. Under certain circumstances, in periods of lower primary aluminum prices relative to our cost of operations, we were able to defer one or more of these payments, provided that we provide the PBGC with acceptable security for such deferred payments. We did not make any contributions for the three months ended September 30, 2022, and 2021. We historically elected to defer certain payments under the PBGC Settlement Agreement and provided the PBGC with the appropriate security. In October 2021, we amended the PBGC Settlement Agreement such that we removed the deferral mechanism and agreed to contribute approximately \$2.4 million per year to our defined benefit pension plans for a total of approximately \$9.6 million, over the next four years beginning on November 30, 2022 and ending on November 30, 2025, subject to acceleration if certain terms and conditions are met in such amendment.

Section 232 Aluminum Tariff

On March 23, 2018, the U.S. implemented a 10% tariff on imported primary aluminum products into the U.S. These tariffs are intended to protect U.S. national security and incentivize the restart of primary aluminum production in the U.S., reducing reliance on imports and ensuring that domestic producers, like Century, can supply all the aluminum necessary for critical industries and national defense. In addition to primary aluminum products, the tariffs also cover certain other semi-finished products. All imports that directly compete with our products are covered by the tariff, with the exception of imports from Australia, Canada and Mexico. Additionally, primary aluminum imports from Argentina are allowed up to an annual quota limit of 169,000 metric tonnes, the first 18,000 metric tonnes of imports from the European Union and the first 900 metric tonnes of imports from the United Kingdom are also allowed duty free. Imports that receive a product exclusion from the Department of Commerce may also enter the US duty free. In July 2022, the International Trade Commission (ITC) initiated a review of the Section 301 and 232 duties as required by law every four years. The process will conclude no later than March 15, 2023.

Other Items

During 2021, we initiated efforts to restart the curtailed capacity at our Mt. Holly facility. The project was completed during the second quarter of 2022, resulting in total production of 75% of Mt. Holly's full capacity.

During 2021, we announced plans for construction of a new billet casthouse at Grundartangi. The Grundartangi casthouse project began in late 2021 and is expected to continue through the second half of 2023. The Grundartangi casthouse project will be fully funded through the Casthouse Facility. The project is progressing and is expected to be completed on-time, subject to market conditions.

In 2011, our Board of Directors approved a \$60.0 million common stock repurchase program and subsequently increased this program by \$70.0 million in the first quarter of 2015. Under the program, Century is authorized to repurchase up to \$130.0 million of our outstanding shares of common stock, from time to time, on the open market at prevailing market prices, in block trades or otherwise. The timing and amount of any shares repurchased will be determined by our management based on its evaluation of market conditions, the trading price of our common stock and other factors. We made no repurchases during the years ended 2019, 2020, and 2021. As of September 30, 2022, we had \$43.7 million remaining under the repurchase program authorization. The repurchase program may be expanded, suspended or discontinued by our Board, in its sole discretion, at any time.

In November 2009, Century Aluminum of West Virginia, Inc. ("CAWV") filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW"), the USW's local and certain CAWV retirees, individually and as class representatives ("CAWV Retirees"), seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USW and representatives of a retiree class filed a separate suit against CAWV, Century Aluminum Company, Century Aluminum Master Welfare Benefit Plan, and various John Does with respect to the foregoing. On August 18, 2017, the District Court for the Southern District of West Virginia approved a settlement agreement in respect of these actions, pursuant to which, CAWV agreed to make payments into a trust for the benefit of the CAWV Retirees in the aggregate amount of \$23.0 million over the course of ten years. Upon approval of the settlement, we paid \$5.0 million to the aforementioned trust in September 2017 and agreed to pay the remaining amounts under the settlement agreement in annual increments of \$2.0 million for nine years. At September 30, 2022, we had \$2.0 million in other current liabilities and \$4.7 million in other liabilities related to this agreement.

We are a defendant in several actions relating to various aspects of our business. While it is impossible to predict the ultimate disposition of any litigation, we do not believe that any of these lawsuits, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or liquidity. See [Note 11, Commitments and Contingencies](#) to the consolidated financial statements included herein for additional information.

Capital Resources

We intend to finance our future capital expenditures from available cash, cash flows from operations and if necessary, borrowing under our existing revolving credit facilities. For major investment projects we would likely seek financing from various capital and loan markets and may potentially pursue the formation of strategic alliances. We may be unable, however, to issue additional debt or equity securities, or enter into other financing arrangements on attractive terms, or at all, due to a number of factors including a lack of demand, unfavorable pricing, poor economic conditions, unfavorable interest rates, or our financial condition or credit rating at the time. Future uncertainty in the U.S. and international markets and economies may adversely affect our liquidity, our ability to access the debt or capital markets and our financial condition.

Capital expenditures incurred for the nine months ended September 30, 2022 were \$14.6 million, excluding expenditures of \$16.2 million associated with the restart project at Mt. Holly and \$28.5 million associated with the Grundartangi casthouse project. We estimate our total capital spending in 2022, excluding the Mt. Holly restart project and the Grundartangi casthouse project, will be approximately \$25.0 to \$30.0 million related to our ongoing investment and sustainability projects at our plants.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Commodity Price and Raw Material Costs Sensitivities

Aluminum is an internationally traded commodity, and its price is effectively determined on the LME plus any regional premium (e.g. the Midwest premium for aluminum sold in the United States and the European Duty Paid premium for metal sold into Europe) and any product premiums. From time to time, we may manage our exposure to fluctuations in the LME price of primary aluminum and/or associated regional premiums through financial instruments designed to protect our downside price risk exposure. From time to time, we also enter into financial contracts to offset fixed price sales arrangements with certain of our customers (the "fixed for floating swaps").

We are also exposed to price risk for alumina which is one of the largest components of our cost of goods sold. Certain of the alumina we purchase is priced based on a published alumina index. As a result, our cost structure is exposed to market fluctuations and price volatility. Because we sell our products based principally on the LME price for primary aluminum, regional premiums and value-added product premiums, we are not able to directly pass on increased production costs to our customers. From time to time, we may manage our exposure to fluctuations in our alumina costs by purchasing certain of our alumina requirements under supply contracts with prices tied to the same indices as our aluminum sales contracts (the LME price of primary aluminum).

Market-Based Power Price Sensitivity

Market-Based Electrical Power Agreements

Hawesville and Sebree have market-based electrical power agreements pursuant to which EDF and Kenergy purchase electrical power on the open market and pass it through at MISO energy pricing, plus transmission and other costs incurred by them. See [Note 11. Commitments and Contingencies](#) to the consolidated financial statements included herein for additional information about these market-based power agreements.

Power is supplied to Grundartangi from hydroelectric and geothermal sources under long-term power purchase agreements. These power purchase agreements, which will expire on various dates from 2026 through 2036 (subject to extension), currently primarily provide power at LME-based variable rates. At this time, the price of approximately 20-25% of Grundartangi's power requirements is linked to the market price for power in the Nord Pool power market.

From time to time, we may manage our exposure to fluctuations in the market price of power through financial instruments designed to protect our downside risk exposure.

Electrical Power Price Sensitivity

Power represents one of our largest operating costs, so changes in the price and/or availability of market power could significantly impact the profitability and viability of our operations. Given our market-based power supply agreements, we have electrical power price risk for our operations, whether due to fluctuations in the price of power (whether it be the cost of energy itself, generation capacity costs, or transmission costs) available on the MISO or Nord Pool power markets or the price of natural gas. Transmission line outages, reduction in power production by power suppliers, problems with grid stability or limitations on energy import capability could also increase power prices, disrupt production through pot instability or force a curtailment of all or part of the production at these facilities. In addition, indirect factors that lead to power cost increases, such as any disruptions in supply of natural gas or coal, increasing prices for natural gas or coal, fluctuations in or extremes in weather patterns or new or more stringent environmental regulations may severely impact our financial condition, results of operations and liquidity.

The consumption shown in the table below reflects each operation at 100% capacity and does not reflect partial production curtailments.

	Hawesville	Sebree	Mt. Holly	Grundartangi	Total
Expected average load (in megawatts ("MW"))	482	385	400	537	1,804
Quarterly estimated electrical power usage (in megawatt hours ("MWh"))	1,055,580	843,150	876,000	1,176,030	3,950,760
Quarterly cost impact of an increase or decrease of \$1 per MWh (in millions)	\$ 1.1	\$ 0.8	\$ 0.9	\$ 1.2	\$ 4.0
Annual expected electrical power usage (in MWh)	4,222,320	3,372,600	3,504,000	4,704,120	15,803,040
Annual cost impact of an increase or decrease of \$1 per MWh (in millions)	\$ 4.2	\$ 3.4	\$ 3.5	\$ 4.7	\$ 15.8

Foreign Currency

We are exposed to foreign currency risk due to fluctuations in the value of the U.S. dollar as compared to the Icelandic krona ("ISK"), the Euro, the Chinese renminbi and other currencies. Grundartangi's labor costs, costs associated with the casthouse project, part of its maintenance costs and other local services are denominated in ISK and a portion of its anode costs are denominated in Euros and Chinese renminbi. We also have deposits denominated in ISK in Icelandic banks and our estimated payments of Icelandic income taxes and any associated refunds are denominated in ISK. Further, Vlissingen's labor costs, maintenance costs and other local services are denominated in Euros and our existing Nord Pool power price swaps described above are settled in Euros. As a result, an increase or decrease in the value of those currencies relative to the U.S. dollar would affect Grundartangi's and Vlissingen's operating margins.

We may manage our foreign currency exposure by entering into foreign currency forward contracts or option contracts for forecasted transactions and projected cash flows for foreign currencies in future periods. For example, we have entered into the FX swaps to hedge the risk of fluctuations associated with the Euro in connection with our Nord Pool power price swaps.

Natural Economic Hedges

Any analysis of our exposure to the commodity price of aluminum should consider the impact of natural hedges provided by certain contracts that contain pricing indexed to the LME price for primary aluminum. Certain of our alumina contracts and a substantial portion of Grundartangi's electrical power requirements are indexed to the LME price for primary aluminum and provide a natural hedge for a portion of our production.

Risk Management

Any metals, power, natural gas and foreign currency risk management activities are subject to the control and direction of senior management within guidelines established by Century's Board of Directors. These activities are regularly reported to Century's Board of Directors.

Fair Values and Sensitivity Analysis

The following tables present the fair value of our derivative assets and liabilities as of September 30, 2022 and the effect on the fair value of a hypothetical ten percent (10%) adverse change in the market prices in effect at September 30, 2022. Our risk management activities do not include any trading or speculative transactions.

	Asset Fair Value	Fair Value with 10% Adverse Price Change
Commodity contracts ⁽¹⁾	\$ 229.0	\$ 188.0
Total	\$ 229.0	\$ 188.0

	<u>Liability Fair Value</u>	<u>Fair Value with 10% Adverse Price Change</u>
Commodity contracts ⁽¹⁾	\$ 16.4	\$ 16.8
Foreign exchange contracts ⁽²⁾	13.7	24.6
Total	<u>\$ 30.1</u>	<u>\$ 41.4</u>

⁽¹⁾ Commodity contracts reflect our outstanding LME forward financial sales contracts, MWP forward financial sales contracts, fixed for floating swaps, Nord Pool power price swaps and Indiana Hub power price swaps.

⁽²⁾ Foreign exchange contracts reflect our outstanding FX swaps and the casthouse currency hedges.

Item 4. Controls and Procedures**a. Evaluation of Disclosure Controls and Procedures**

As of September 30, 2022, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our management, including the Chief Executive Officer and Principal Financial Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2022.

b. Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2022, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are a party from time to time in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to result in a material adverse effect on our financial condition, results of operations or liquidity. For information regarding legal proceedings pending against us at September 30, 2022, refer to [Note 11. Commitments and Contingencies](#) to the consolidated financial statements included herein.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. You should carefully consider the risk factors in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our other filings made with the Securities and Exchange Commission. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 5. Other Information

Disclosure pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (“ITRA”), effective August 10, 2012, added a new subsection (r) to Section 13 of the Exchange Act, which requires issuers that file periodic reports with the SEC to disclose in their annual and quarterly reports whether, during the reporting period, they or any of their “affiliates” (as defined in Rule 12b-2 under the Exchange Act) have knowingly engaged in specified activities or transactions relating to Iran, including activities not prohibited by U.S. law and conducted outside the U.S. by non- U.S. affiliates in compliance with applicable laws. Issuers must also file a notice with the SEC if any disclosable activity under ITRA has been included in an annual or quarterly report.

Because the SEC defines the term “affiliate” broadly, our largest stockholder may be considered an affiliate of the Company despite the fact that the Company has no control over its largest stockholder’s actions or the actions of its affiliates. As such, pursuant to Section 13(r)(1)(D)(iii) of the Exchange Act, the Company hereby discloses the following information provided by our largest stockholder regarding transactions or dealings with entities controlled by the Government of Iran (“the GOI”):

During the quarter ended September 30, 2022, non-U.S. affiliates of the largest stockholder of the Company (“the non-U.S. Stockholder Affiliates”) entered into sales contracts for agricultural products with, or for delivery to or from Iranian entities wholly or majority owned by the GOI. The non-U.S. Stockholder Affiliates performed their obligations under the contracts in compliance with applicable sanction laws and, where required, with the necessary prior approvals by the relevant governmental authorities.

The gross revenue of the non-U.S. Stockholder Affiliates related to the contracts did not exceed the value of USD \$492 million for the quarter ended September 30, 2022.

The non-U.S. Stockholder Affiliates do not allocate net profit on a country-by-country or activity-by-activity basis, but estimate that the net profit attributable to the contracts would not exceed a small fraction of the gross revenue from such contracts. It is not possible to determine accurately the precise net profit attributable to such contracts.

The contracts disclosed above do not violate applicable sanctions laws administered by the U.S. Department of the Treasury, Office of Foreign Assets Control, and are not the subject of any enforcement action under Iran sanction laws.

The non-U.S. Stockholder Affiliates expect to continue to engage in similar activities in the future in compliance with applicable economic sanctions and in conformity with U.S. secondary sanctions.

The Company and its global subsidiaries had no transactions or activities requiring disclosure under ITRA, nor were we involved in the transactions described in this section. As of the date of this report, the Company is not aware of any other activity, transaction or dealing by it or any of its affiliates during the quarter ended September 30, 2022 that requires disclosure in this report under Section 13(r) of the Exchange Act.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
10.1	Amendment to Revolving Credit Facility, dated September 28, 2022, between Nordural Grundartangi ehf. as borrower, and Landsbankinn hf				X
10.2	Term Facility Agreement, dated as of September 29, 2022, by and between Nordural Grundartangi ehf. as borrower, and Arion Bank hf				X
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer				X
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer				X
32.1	Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Chief Executive Officer				X
32.2	Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Principal Financial Officer				X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				
101.SCH	Inline XBRL Taxonomy Extension Schema				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Century Aluminum Company

Date: November 7, 2022

By: /s/ GERALD C. BIALEK
Gerald C. Bialek
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: November 7, 2022

By: /s/ ROBERT HOFFMAN
Robert Hoffman
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Amendment

to the Committed Revolving Credit Facility in the original amount of USD 50.000.000,-, between Nordural Grundartangi ehf., reg. no: 570297-2609, as the Borrower and Landsbankinn hf., reg. no. 471008-0280, as the Bank, dated November 27th 2013 as amended from time to time (hereinafter referred to as the "Agreement").

The Borrower and the Bank have agreed to make the following amendments to the Agreement:

1) Facility Amount

Definition of "Facility Amount" in Clause 1.1 of the Agreement shall hereafter be as follows:

""Facility Amount"

means USD 100.000.000 (one hundred million US dollars)."

2) Margin

Definition of "Margin" in Clause 1.1 of the Agreement shall hereafter be as follows:

""Margin"

means 3,10% (three point ten per cent) per annum."

3) Interest

- a. Definition of "LIBOR" in Clause 1.1 of the Agreement shall be deleted.
- b. The following definitions shall be added to Clause 1.1 of the Agreement as follows:

""SOFR"

means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day, as such rate appears on the SOFR Administrator's Website on the immediately succeeding Business Day."

""SOFR Administrator"

means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate."

""SOFR Administrator Website"

means the website of SOFR Administrator at any given time."

""Rate of Interest"

means the Daily Simple SOFR plus the Margin."

""Daily Simple SOFR"

means, for any day (a "SOFR Interest Day"), an interest rate per annum equal to the greater of (a) SOFR for that day that is 10 - ten -Business Days prior to (i) if such SOFR Interest Day is a Business Day, such SOFR Interest Day or (ii) if such SOFR Interest Day is not a Business Day the Business Day immediately preceding such SOFR Interest Day and (b) the floor which is



0,00%. Any change in Daily Simple SOFR due to change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower."

c. Clause 7.1. of the Agreement shall hereafter be as follows:

"The rate of interest applicable to the Loan and payable by the Borrower for each Interest Period shall be applicable Daily Simple SOFR plus the Margin per annum. For all Loans, the amount of interest accrued and payable on the Loans for any day will be equal to the product of (i) the outstanding principal amount of the Loans on such day multiplied by (ii) (a) the Rate of Interest for such day divided by (b) 360."

d. Clause 5.2. of the Agreement shall hereafter be as follows:

"The Borrower may, by giving no less than 10 Business Days prior written notice to the Bank, prepay without penalty or premium (except incurred breakage costs as calculated by the Bank) any Loan on a Business Day in whole or in part."

e. All references to LIBOR in the Agreement shall hereafter be to Daily Simple SOFR.

4) Other Provisions

The Borrower shall pay to the Bank an arrangement fee of USD 40.000. Furthermore, the Borrower shall pay to the bank a documentation fee of ISK 100.000. The Borrower accepts by signing this amendment that the arrangement fee will be charged of the Borrower's bank account no. 0186-38-100220 and the documentation fee will be charged of the Borrower's bank account no. 0186-26-20.

Otherwise as not specifically stated in this amendment, the Agreement shall be unaffected and continue to be fully enforceable by the Bank. In addition, all security of any kind originally granted in favor of the Bank to secure liability of the Borrower arising under the Agreement (whether or not assigned to the Bank) shall remain fully effective and such security shall secure all monies owed (now and in the future) by the Borrower to the Bank both under the Agreement as varied by the amendment and under any other document howsoever arising.

[Signature page follows]

The parties hereto have caused this amendment to be duly executed in Reykjavik on
— — — — — 2022.

In confirmation of the above, this document is attested with a hand-written signature and witnessed or signed with a valid electronic signature in accordance with Act No. 55/2019, on Electronic Identification and Trust Services for Electronic Commerce.

On behalf of the Borrower

On behalf of the Bank

Witnesses to the correct date and signature:

Name

Id. No.

Name

Id. No.

Undirritunarsfc'.la

F.h. Iantaka
Kristinn Bjarnason



UndirritaO af:
Kristinn Bjarnason
0508703839
Dags: 28.09.2022
Tfmi: 10:30:17
Astrella:
ViOskiptasamningur
(viOauki)
Signet ID: d1829acf-
654c-44dd-917e-

F.h. Landsbankans hf.



UndirritaO af:
Davro Bjornsson
2006587799
Dags: 28.09.2022
Tfmi: 09:31:22
Astrella:
ViOskiptasamningur
(viOauki)
Signet ID: d1829acf-
654c-44dd-917e-

F.h. Landsbankans hf.



UndirritaO af:
61afur Magnus
Magnusson
0105693899
Dags: 28.09.2022
Tfmi: 09:33:25
AstreOa:
ViOskiptasamningur
(viOauki)
Signet ID: d1829acf-

F.h. Landsbankans hf.



UndirritaO af:
Haukur 6marsson
1510715979
Dags: 28.09.2022
Tfmi: 09:41:09
Astrella:
ViOskiptasamningur
(viOauki)
Signet ID: d1829acf-
654c-44dd-917e-

29 SEPTEMBER 2022

Between

NORÐURÁL GRUNDARTANGI EHF.

(as Borrower)

and

ARION BANK HF.

(as Lender)

TERM FACILITY AGREEMENT



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THIS AGREEMENT is dated _____ September 2022 and made between:

- (1) **NORÐURÁL GRUNDARTANGI EHF.**, a private limited liability company incorporated and registered in Iceland with the registration number 570297-2609 (the "**Borrower**"); and
- (2) **ARION BANK HF.**, a limited liability company and licenced as a financial institution, incorporated and registered in Iceland with registration number 581008-0150 whose registered office is at Borgartún 19, 105 Reykjavik, Iceland (the "**Lender**").

The parties may hereinafter be jointly referred to as the "**parties**" and individually as "**party**".

BACKGROUND:

The Lender has agreed to provide the Borrower with a secured term loan facility of up to **EUR 13,600,000** – **Euros thirteen million six hundred thousand 00/100** subject to the terms and conditions of this Agreement.

AGREED TERMS:

1 DEFINITIONS

1.1 The following definitions apply in this Agreement.

- Affiliate:** in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.
- Arion Facility:** means the USD 130,000,000 Term Facility Agreement, dated 2 November 2021, as amended from time to time, between the Borrower and the Lender.
- Arion General Bond:** a first ranking general bond (i. Tryggingarbréf), in the amount of USD 430,000,000 creating security over the Property, registered by the Magistrate of the West Iceland Area as amended.
- Authorisation:** means an authorisation, consent, approval, resolution, ruling, licence, exemption, filing, notarisation or registration.
- Availability Period:** means the period from the date of this Agreement and until 12 October 2022.
- Bank Account:** means the Borrower's bank account at the Lender with the number 0358-38-000299.
- Base Interest Rate:** is the rate equal to EUR EURIBOR 1 month as published at any given time by the European Money Markets Institute and if the rate is less than zero, the Base Interest Rate shall be deemed to be zero.

Borrowed Money:

any indebtedness of the Borrower for or in respect of:

borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;

- (a) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (b) any credit facility (or dematerialised equivalent);
- (c) monies raised by selling, assigning, or discounting receivables or other financial assets on terms that recourse may be had to the Borrower if those receivables or financial assets are not paid when due;
- (d) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 90 days;
- (e) any rental or hire charges under finance leases (whether for land, machinery, equipment or otherwise);
- (f) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Borrower's performance of contracts; and
- (g) any other transaction that has the commercial effect of borrowing; and
- (h) any guarantee, counter-indemnity or other assurances against financial loss that the Borrower has given for any of the items referred to in paragraphs (a) to (h) of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

Business Day:

a day other than a Saturday, Sunday, or public holiday in Iceland when banks in Reykjavik are open for business.

Change of Control:

any person or group of persons acting in concert gains Control of the Borrower.

Commitment:

the principal amount of the Facility set out in clause 2, to the extent not cancelled or reduced under this Agreement.

- Control:**
- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of that company; or
 - (ii) appoint or remove all of the directors or other equivalent officers of that company, or the number of directors, or other equivalent officers, required to adopt any decision at that company's board meetings; or
 - (iii) give directions with respect to the operating and financial policies of that company which the directors or other equivalent officers of that company are obliged to comply with.

(b) The holding of more than one-half of the issued share capital of that company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Disruption Event:

either or both of:

- (a) an event (not caused by, and outside the control of, either party) that materially disrupts the systems for payment or communication, or the financial markets needed, in each case, to enable either payment to be made or transactions to be carried out under the Finance Documents; or
- (b) any other event (not caused by, and outside the control of, the party whose operations are disrupted) occurs, that results in disruption (of a technical or systems-related nature) to the treasury or payments operations of a party and which prevents either or both parties from:
 - (i) performing its payment obligations under the Finance Documents; or
 - (ii) communicating with the other party as required by the terms of the Finance Documents.

Drawdown Date: the date on which a Loan is made or is to be made.

Drawdown Request: a drawdown request, substantially in the form set out in Schedule 2 (*Drawdown Request*).

Event of Default: any event or circumstance specified as such in clause 17.

Facility:	the term loan facility made available under this Agreement.
Finance Document:	this Agreement, the Security Document, any Drawdown Request, the Intercreditor Agreement, and any other document designated as such by both the Lender and the Borrower.
GAAP:	in relation to the Borrower, generally accepted accounting principles in Iceland including IFRS.
Grundartangi Holding Company:	means Norðurál ehf., registration number 470404-2130, owner of the entire share capital (100%) of the Borrower.
Hedging Arrangements:	means any derivative transaction entered into in connection with protection against or benefit from any identified risk exposure in the operations of the Borrower.
Hedging Security:	means any Security provided under a Hedging Arrangement.
IFRS:	international accounting standards within the meaning of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards to the extent applicable to the relevant financial statements
Increased Costs:	any: <ul style="list-style-type: none"> (a) reduction in the rate of return from the Facility or on the overall capital of the Lender or its Affiliates; (b) additional or increased cost; or (c) reduction of any amount due and payable under any Finance Document, <p>which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the Lender having entered into the Commitment or the Lender funding or performing its obligations under any Finance Document.</p>
Intercreditor Agreement:	means the intercreditor and security sharing agreement, dated 2 December 2021.
Interest Payment Date:	means the 12 th day of each month.
Interest Period;	has the meaning given to the term in clause 6.3
Landsbankinn Facility:	means the USD 50,000,000, original amount, Committed Revolving Credit Facility Agreement, dated 27 November 2013, as amended from time to time, between the Borrower and Landsbankinn hf.
Landsbankinn General Bond:	means the USD 385,000,000 general bond originally executed on 9 February 2005 between the Borrower and Kaupthing Bank hf., as agent and trustee, which was

amended and restated on 27 November 2013 under which the Borrower undertakes to Landsbankinn hf., as pledgee, to pay or discharge in full its inventory etc. (*veð í vörubirgðum*) and general receivables (*vörureikningsveð*) against all present and future obligations and liabilities pursuant to the Landsbankinn Facility.

Loan: the principal amount of the loan made or to be made by the Lender to the Borrower under this Agreement or (as the context requires) the principal amount outstanding for the time being of that loan.

Margin: means 3.2% per annum.

Material Adverse Effect: any event or circumstance which, in the reasonable and justified opinion of the Lender:

- (a) is likely to materially and adversely affect the Borrower's ability to perform or otherwise comply with all or any of its obligations under the Finance Documents; or
- (b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Borrower; or
- (c) is likely to result in any Finance Document not being legal, valid and binding on, and enforceable in accordance with its terms against, the Borrower and, in the case of the Security Documents, not providing to the Lender security over the assets expressed to be subject to a security interest under the Security Documents.

Original Financial Statements: the audited financial statements of the Borrower for its financial year ended 2021.

Permitted Financial Indebtedness: means Borrowed Money:

- (a) incurred under or permitted by the Finance Documents;
- (b) arising under the Arion Facility;
- (c) arising under the Landsbankinn Facility;
- (d) arising under a Permitted Guarantee;
- (e) arising under a Hedging Arrangements;
- (f) any loan or obligations incurred by the Borrower from its Affiliates which is subordinated towards the Borrower's obligations towards the Lender under any Finance Document; or
- (g) only loan or obligation incurred by the Borrower, so long as the aggregate amount of (i) total Borrowed Money and (ii) Permitted Guarantee (taken together)

does not in the aggregate exceed the Total Borrowed Money Limit;

provided that for purposes of calculating the Total Borrowed Money Limit, (i) any and all Hedging Arrangements not secured with a Hedging Security in the Property and (ii) any and all loans or obligations incurred by Borrower from its Affiliates on an arms' length basis as set forth herein and which are subordinated towards the Borrower's obligations towards the Lender under any Finance Document, in each case pursuant to the terms of this Agreement, shall be excluded.

Permitted Guarantee: means a guarantee given by the Borrower in respect of any obligation of any person, with the aggregate amount of (i) any such guarantee and (ii) any Permitted Financial Indebtedness (taken together) not exceeding the Total Borrowed Money Limit; provided that for purposes of calculating the Total Borrowed Money Limit, (i) any and all Hedging Arrangements not secured with a Hedging Security in the Property and (ii) any and all loans or obligations incurred by Borrower from its Affiliates on an arms' length basis as set forth herein and which are subordinated towards the Borrower's obligations towards the Lender under any Finance Document, in each case pursuant to the terms of this Agreement, shall be excluded.

Permitted Security: means:

- (a) the Arion General Bond;
- (b) the Landsbankinn General Bond; and
- (c) any Hedging Security.

Potential Event of Default: any event or circumstance specified in clause 17.1 to clause 17.17 that would, on the giving of notice, expiry of any grace period or making of any determination under the Finance Documents, or satisfaction of any other condition (or any combination thereof), become an Event of Default.

Property: means collectively the properties of the Borrower at Katanesvegur 5, Hvalfjarðarsveit, property number F2235409 measuring in the aggregate 197,8101 square meters, and includes buildings permanently attached thereto, whether completed or under construction at any time, including for the avoidance of doubt the assets specified in the Arion General Bond which includes, *inter alia*, the assets which have been permanently equipped in the Borrower's operations as further set out in Article 24 of Act no. 75/1997 on Contractual Liens.

Security:	any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Agent:	is the security agent under the Intercreditor Agreement.
Security Documents:	each of the documents listed as being a Security Document in clause 16, and any other document entered into by the Borrower creating or expressed to create any Security over all or any part of its assets in respect of its obligations under any of the Finance Documents.
Settlement Agreement:	has the meaning given to the term in clause 5.1 of Schedule 1.
Tax:	any tax, levy, impost, duty or other charge, fee, deduction or withholding of a similar nature (including any penalty or interest payable in connection with the failure to pay, or delay in paying, any of these) incurred or derived from any Finance Document.
Termination Date:	means 12 January 2024.
Total Borrowed Money Limit:	means USD 480,000,000 (or its equivalent as converted at the midrate of the USD (“miðgengi”) applicable at any time) at any time, which shall, for the avoidance of doubt, include the maximum amount of the Facility, the Arion Facility, the Landsbankinn Facility, and any Hedging Arrangements secured with a Hedging Security in the Property. Furthermore, for the avoidance of doubt, Total Borrowed Money Limit shall specifically exclude (i) any and all Hedging Arrangements not secured with a Hedging Security in the Property and (ii) any and all loans or obligations incurred by Borrower from its Affiliates on an arms’ length basis as set forth herein and which are subordinated towards the Borrower’s obligations towards the Lender under any Finance Document, in each case pursuant to the terms of this Agreement.
Total Facility Amount:	the maximum principal amount of the Facility referred to in clause 2.
Unpaid Sum:	means any sum due and payable but unpaid by the Borrower under the Finance Documents.

1.2 In this Agreement:

- (a) A reference to a clause or Schedule is to a clause of, or Schedule to, this Agreement unless the context requires otherwise.
- (b) A reference to **continuing** in relation to an Event of Default means an Event of Default which has not been waived.

- (c) A reference to **this Agreement** (or any provision of it), the Finance Documents or any other document shall be construed as a reference to this Agreement, that provision or that document as it is in force for the time being and as amended, varied or supplemented in accordance with its terms or with the agreement of the relevant parties.
 - (d) A reference to a time of day is to Reykjavík time.
 - (e) A reference to the **Borrower** and the **Lender** shall include their respective successors, permitted transferees and permitted assigns.
- 1.3 Clause, Schedule, and paragraph headings shall not affect the interpretation of this Agreement.

2 THE FACILITY

The Lender grants to the Borrower a secured term loan facility of a total principal amount of **EUR 13,600,000** on the terms, and subject to the conditions, of this Agreement.

3 PURPOSE

- 3.1 The Borrower shall apply all money borrowed under this Agreement towards general corporate purposes of the Borrower.
- 3.2 The Lender is not obliged to monitor or verify how any amount advanced under this Agreement is used.

4 CONDITIONS PRECEDENT

- 4.1 The Borrower shall deliver a Drawdown Request, and the obligations of the Lender under this Agreement shall only arise once the Lender has received all the documents and evidence specified in Schedule 1 (*Conditions precedent*) in form and substance satisfactory to the Lender. The Lender shall notify the Borrower promptly upon being so satisfied.
- 4.2 The Lender's obligation to make the Loan is subject to the further conditions' precedent that, on both the date of the Drawdown Request and the proposed Drawdown Date:
- (a) the representations and warranties in clause 13 are true and correct and will be true and correct immediately after the Lender has made the proposed Loan; and
 - (b) no Event of Default or Potential Event of Default is continuing or might result from the proposed Loan.
- 4.3 The conditions specified in this clause 4 are inserted solely for the Lender's benefit. The Lender may waive them, in whole or in part and with or without conditions, without prejudicing the Lender's right to require subsequent fulfilment of such conditions.

5 DRAWDOWN

- 5.1 The Borrower may utilise the Facility in a single drawdown anytime during the Availability Period by delivering to the Lender a notice in the form set forth in Schedule 2 (*Drawdown Request*) hereto.
- 5.2 The Borrower shall deliver a completed Drawdown Request to the Lender by not later than 10.00 am two Business Days prior to the proposed Drawdown Date (or such shorter time as agreed by the parties).
- 5.3 A Drawdown Request:
- (a) shall only be complete if the requested Drawdown Date is at least a Business Day before the end of the Availability Period; and
 - (b) once it has been delivered, is irrevocable.

6 INTEREST

- 6.1 The interest rate on the Loan is floating and non-indexed (*óverðtryggt*) and is the percentage rate per annum, to be the total of:
- (a) the Margin; and
 - (b) the Base Interest Rate.
- 6.2 If the Base Interest Rate ceases to be available (for whatever reason and whether temporarily or permanently) the Base Interest Rate shall be replaced with an alternative base interest rate by the Lender at his sole discretion considering similar facility agreements and aiming to achieve the same commercial result.
- 6.3 Interest shall accrue daily from the Drawdown Date of the Loan and paid in arrears on each Interest Payment Date, the first Interest Payment Date being 12 October 2022. Each interest period shall be 1 month, with the first interest period commencing on the Drawdown Date (the "**Interest Period**"), save for the first Interest Period which shall end on the first Interest Payment Date.

7 DEFAULT INTEREST

- 7.1 If the Borrower fails to make any payment due under this Agreement on the due date for payment, default interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), at the rate of 500

basis points which shall be added to the aggregated interest rate as determined pursuant to clause 6.1.

- 7.2 Interest accrued under clause 7.1 shall be immediately payable by the Borrower on demand by the Lender.
- 7.3 Interest accrued under clause 7.1 shall be compounded with the Unpaid Sum as frequently as permitted by law.

8 REPAYMENT

- 8.1 Repayments of principal amounts shall be made in equal monthly instalments on each Interest Payment Date, for the first time on 12 February 2023 and the final repayment of any Unpaid Sum on the Termination Date.

9 PREPAYMENT AND CANCELLATION

- 9.1 The Borrower may, at his sole discretion, prepay the Loan, in part or in full, without penalty, subject to the terms of this Agreement, by giving the Lender at least 30 days' notice.

9.2 Illegality

- (a) The Lender may require the Borrower to prepay the Loan, if:
- (i) any law or regulation is introduced or changed, or there is any change in the way any court or regulatory authority interprets or applies any law or regulation; or
 - (ii) complying with any direction, request or requirement (whether or not having the force of law) from any monetary agency, central bank, or governmental or regulatory authority; or
 - (iii) any judgment, order or direction of any court, tribunal or authority binding on the Lender,

makes it unlawful for the Lender to make the Loan or allow the Loan to remain outstanding or fund or maintain the Commitment or allow the Commitment to remain outstanding.

- (b) To require prepayment under paragraph (a), the Lender shall give written notice to the Borrower demanding prepayment and giving the date for that prepayment. The date for prepayment shall be:
- (i) 30 Business Days from the date of the notice; or
 - (ii) if earlier, the date the Lender certifies to be the last date for payment under any law, regulation, regulatory requirement, request, judgment, order or direction specified in paragraph 9.2.

9.3 Change of Control

- (a) The Borrower shall promptly notify the Lender if:
- (i) there is a Change of Control, or

- (ii) the Borrower becomes aware of circumstances that is reasonably likely to lead to a Change of Control.
- (b) If the Borrower provides notice under paragraph (a) the Lender may cancel the Commitment and declare the Loan, accrued interest and all other amounts due under this Agreement due and payable on the date on which the Change of Control occurs. To do this, the Lender must give the Borrower 20 Business Days' notice. On prepayment in accordance with this paragraph (b), the Commitment shall be automatically reduced to zero and the Facility cancelled.
- (c) In the event a Change of Control transaction results in the Borrower ceasing to be part of the Century Aluminium Company group without the prior written consent of the Lender, the Lender shall be authorised to cancel the Commitment and declare the Loan, accrued interest and all other amounts due under this Agreement immediately due and payable.

9.4 Repayment, prepayment, and cancellation general provision

- (a) Any prepayment or cancellation notice that the Borrower gives under this Agreement shall be irrevocable. A prepayment notice shall oblige the Borrower to prepay the Loan as set out in that notice.
- (b) The Borrower may not re-borrow any part of the Facility which has either been repaid or prepaid under this Agreement and no amount of the Commitment cancelled under this Agreement may be reinstated.
- (c) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid, without premium or penalty.
- (d) If the Borrower does not make a prepayment on the date for prepayment specified in this Agreement or gives a prepayment notice but fails to make the prepayment on the date specified in the prepayment notice, the default interest provisions of clause 7 shall apply to the unpaid prepayment amount.

10 PAYMENTS

10.1 The currency of account shall be EUR and all payments that the Borrower makes under this Agreement shall be made:

- (a) in full, without any deduction (except as allowed by clause 12.1), set-off or counterclaim; and
- (b) in immediately available cleared funds on the due date to an account which the Lender may specify to the Borrower for the purpose.

10.2 Any payment under any Finance Document which is due to be made on a day which is not a Business Day shall be made on the next Business Day in the same calendar month (if there is

- one), or the immediately preceding Business Day (if there is not). Any interest or other amount accruing on a daily basis shall be calculated accordingly.
- 10.3 If either the Lender determines, or the Borrower notifies the Lender, that a Disruption Event has occurred:
- (a) the Lender shall consult and agree with the Borrower the changes (if any) needed to the operation or administration of the Facility as the Lender, in its absolute discretion, deems necessary in the circumstances;
 - (b) the Lender shall not be obliged to consult the Borrower about any such changes if in its opinion it is not practical to do so in the circumstances; and
 - (c) any change made or agreed under this clause 10.3 shall (whether or not an event is finally determined to be a Disruption Event) be binding on the parties as an amendment or variation of the Finance Documents notwithstanding the provisions of clause 20.
- 10.4 If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender shall apply that payment in settlement of the obligations of the Borrower in the order determined by the Lender in its absolute discretion. The provisions of this clause 10.4 shall override any appropriation made by the Borrower.
- 10.5 The Borrower shall pay costs, expenses, Taxes and the like (and any interest payable on those amounts) in the currency in which they are incurred, as/if applicable.

11 FEES, CHARGES AND EXPENSES

- 11.1 The Borrower shall pay to the Lender an arrangement fee of 0.5 per cent of the Total Facility Amount irrespective of whether the Facility is drawn or not, which shall be paid by the Borrower by the Lender deducting the amount of the arrangement fee from the Loan on disbursement.
- 11.2 The Borrower shall, promptly on demand, pay to the Lender:
- (a) any out-of-pocket expenses reasonably incurred by the Lender in connection with the negotiation, preparation, execution and perfection of the Finance Documents and other documents referred to them; and
 - (b) any fees, reasonably incurred in relation to any amendment, extension, waiver, consent, or suspension of rights (or any proposal for any of these) relating to a Finance Document or a document referred to in any of them.
- 11.3 The Borrower shall, on demand, pay to the Lender the amount of all costs and expenses (including legal and out-of-pocket expenses) reasonably incurred by the Lender in connection with enforcing, preserving any rights under any Finance Document.
- 11.4 The Borrower shall pay any stamp, documentary and other similar duties, as applicable, and Taxes to which the Finance Documents may be subject to or give rise and shall indemnify the

Lender against any losses or liabilities which it may incur as a result of any delay or omission by the Borrower in paying any such duties or taxes.

- 11.5 The Lender shall be authorised to withdraw any and all payments, fees, charges and expenses, payable by the Borrower to the Lender pursuant to any Finance Document, from the Borrower's account held with the Lender when such fees, charges and expenses become due, without any prior consent to the Borrower or notification to the Borrower.

12 ADDITIONAL PAYMENT OBLIGATIONS

12.1 Taxes

The Borrower shall pay and, within three Business Days of demand, indemnify the Lender against any cost, loss or liability that the Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document, as applicable.

12.2 Increased costs

- (a) Subject to clause 12.2 (c), within three Business Days of a demand by the Lender, the Borrower shall pay the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of:
- (i) the introduction of, or any change in (or in the interpretation, administration or application of), any law or regulation by any governmental or regulatory authority; or
 - (ii) compliance with any applicable law or regulation made after the date of this Agreement.
- (b) If the Lender intends to make a claim under clause 12.2 (a), it shall notify the Borrower of the event that will cause that claim in writing. As soon as practicable after a demand by the Borrower, the Lender shall provide a certificate confirming the amount of its Increased Costs.
- (c) Clause 12.2 (a) does not apply to any Increased Cost that is due to the breach of any law or regulation by the Lender or its Affiliates which results in Increased Costs which is solely applicable to the Borrower as opposed to any Increased Costs which may be applicable to other customers of the Lender which shall not come under this clause 12.2(c).

13 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

The Borrower represents and warrants, on the date of this Agreement:

13.1 Status:

- (a) It is a duly incorporated private limited liability company validly existing under the laws of Iceland.
- (b) It has the power to own its assets and carry on its business as it is currently being conducted.

- (c) It has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of the Finance Documents and the transactions contemplated by them.
 - (d) No limit on its powers will be exceeded as a result of the borrowing or grant of security or guarantee contemplated by the Finance Documents.
- 13.2 The entry into and performance by it of, and the transactions contemplated by, the Finance Documents, do not and will not contravene or conflict with:
 - (a) its articles of association;
 - (b) any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
 - (c) any law or regulation or judicial or official order, applicable to it.
- 13.3 It has obtained all required authorisations to enable it to enter into, exercise its rights and comply with its obligations in the Finance Documents and to make them admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.
- 13.4 Its obligations under the Finance Documents are legal, valid, binding, and enforceable in accordance with their terms.
- 13.5 The Security Documents create (or, once entered into, will create) valid, legally binding, and enforceable Security for the obligations expressed to be secured by it in favour of the Lender, having the first priority and ranking and ranking ahead of all (if any) Security and rights of third parties except those preferred by law.
- 13.6 It is not necessary to file, record or enrol any Finance Document with any court or other authority or pay any stamp, registration or similar taxes relating to any Finance Document or the transactions contemplated by any Finance Document.
- 13.7 No deduction for, or on account of, Tax is required from any payment that the Borrower may make under any Finance Document.
- 13.8 No Event of Default or Potential Event of Default has occurred or is continuing or is reasonably likely to result from making the Loan or the entry into, the performance of, or any transaction contemplated by the Finance Documents.
- 13.9 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or to which any of its assets is subject which has or is likely to have a Material Adverse Effect.
- 13.10 No litigation, arbitration or administrative proceedings are taking place, pending or, to the Borrower's knowledge, threatened against it, by any of its directors or any of its assets, which might reasonably be expected to have a Material Adverse Effect.
- 13.11 The Original Financial Statements were prepared in accordance with GAAP consistently applied unless expressly disclosed to the Lender in writing to the contrary before the date of

this Agreement and gives a true and fair view of the Borrower's financial condition and operations during the relevant accounting period and was approved by the Borrower's directors.

13.12 There has been no material adverse change in the business, assets, financial condition, trading position or prospects of the Borrower since the date of the Original Financial Statements.

13.13 The information, in written or electronic format, supplied by, or on its behalf, to the Lender in connection with the Facility and the Finance Documents was, at the time it was supplied or at the date it was stated to be given (as the case may be):

- (a) if it was factual information, complete, true, and accurate in all material respects;
- (b) if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair and made on reasonable grounds; and
- (c) if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
- (d) not misleading in any material respect, nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded, or updated by more recent information supplied by, or on behalf of, the Borrower to the Lender.

13.14 The Borrower has not breached any law or regulation which breach has or is likely to have a Material Adverse Effect.

13.15 The Borrower's payment obligations under the Finance Documents rank at least pari passu with all existing and future unsecured and unsubordinated obligations (including contingent obligations), except for those mandatorily preferred by law applying to companies generally.

13.16 The Borrower is the legal and beneficial owner of, and has good, valid, and marketable title to, all its assets and no Security exists over its assets, except for the Permitted Security.

13.17 Each of the representations and warranties in this clause 13 is deemed to be repeated by the Borrower on:

- (a) the date of any Drawdown Request;
- (b) any Drawdown Date; and
- (c) at the first date of each Interest Period;

by reference to the facts and circumstances existing on each such date.

14 INFORMATION UNDERTAKINGS

The undertakings in this Clause 14 (*Information Undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.



14.1 Financial statements

The Borrower shall supply electronically to the Lender:

- (a) as soon as they are available, but in any event within 4 Months after the end of each of its Financial Years its audited consolidated financial statements for that Financial Year;
- (b) as soon as they are available, but in any event within 2 Months after the end of each Financial Quarter of each of its Financial Year its quarterly management statements; and
- (c) as soon as they become available, but in any event within 2 Months after the end of each financial half year, its unaudited financial statements for that financial half reviewed by an auditor.

14.2 Requirements as to financial statements

The Borrower shall ensure that the financial statements delivered to the Lender shall:

- (a) are certified by a director of the Borrower as giving a true and fair view of its financial condition as at the date at which those financial statements were drawn up;
- (b) be prepared in accordance with consistently applied GAAP and using accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements; and
- (c) have been approved by the Borrower's directors.

14.3 Information: miscellaneous

The Borrower shall supply to the Lender,

- (a) promptly, after becoming aware of them, details of any litigation, arbitration or administrative proceedings or claim of the kind described in clause 13.10;
- (b) promptly, all notices or other documents submitted by the Borrower to its creditors or any such notices which are received by the Borrower's from its creditor(s) which derive from the underlying finance documents or any circumstances which may be of significance to the underlying finance documents or the contractual relationship between the Borrower and the relevant creditor from the same; all notifications in relation to all changes in the composition of the board of directors of the Borrower, and if such changes occur, that the new members of the board of directors shall sign and deliver all such documents as considered necessary at the Lender's sole discretion, to maintain the validity and enforceability of all Finance Documents. The above-mentioned changes to the board of directors shall be notified promptly and, in any case never later than five (5) Business Days after the changes were approved; and
- (c) promptly, such financial or other information as the Lender may, from time to time, reasonably request.

14.4 Notification of default

Borrower will notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

14.5 “Know your customer” checks

If the Lender is obliged for any reason to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower will, promptly on the request of the Lender, supply (or procure the supply of) such documentation and other evidence as is reasonably requested in order for the Lender to be able to carry out, and be satisfied that it has complied with, all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

15 GENERAL UNDERTAKINGS

The Borrower covenants with the Lender that, as from the date of this Agreement until all its liabilities under the Finance Documents have been discharged:

Authorisations

15.1 It will promptly obtain all Authorisations required under any applicable law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability, and admissibility in evidence of the Finance Documents according to Icelandic law.

15.2 It will comply, in all respect, with all applicable laws, if failure to do so has or is likely to have a Material Adverse Effect.

Change of business, activities and articles of association

15.3 It will carry on and conduct its business in a proper and efficient manner as currently conducted and will not make any material change to the general nature or scope of its business as carried on at the date of this Agreement without the prior written approval of the Lender.

15.4 The Borrower shall not materially change its articles of association, business or activities without the prior approval of the Lender.

Merger

15.5 The Borrower shall not enter into any amalgamation, demerger, merger, or corporate reconstruction without the prior written approval of the Lender.

Pari passu ranking

15.6 The Borrower shall ensure that any of its unsecured and unsubordinated obligations and liabilities under the Finance Documents rank, and will continue to rank, at least pari passu with all existing and future unsecured and unsubordinated obligations (including contingent obligations), except for those mandatorily preferred by law of general application to companies.

Subordination

15.7 The Borrower shall ensure that all current and future obligations incurred by it from its Affiliates is subordinated towards the Borrower’s obligations towards the Lender under any Finance Document. The subordination shall include provisions that (i) the ranking of any security provided under such obligations incurred by the Borrower from its Affiliates shall be subordinated to the ranking of security provided for the benefit of the Lender, (ii) any obligation to pay such subordinated debt shall only arise after payment obligations pursuant

to this agreement have been satisfied and (iii) any enforcement action (however defined) under such subordinated debt prior to a enforcement under this Agreement are prohibited, unless with the prior written consent of the Lender excluding the current intercompany loans for the amount of USD 23,000,000 which the Borrower has informed the Lender of (bonds issued on 19 May 2014 with ISIN IS0000024842 and 19 December 2012 IS0000022622).

Preservation of assets

- 15.8 The Borrower shall maintain in good working order and condition (ordinary wear and tear excepted) the Property and all other material assets necessary in the conduct of its business.

Insurance

- 15.9 The Borrower shall at all times maintain insurances on and in relation to its business and assets, including but not limited to, the Property, against those risks and to the extent as is usual for companies carrying on the same or substantially similar business, and the insurance coverage shall in any event not be lower than the current insurance coverage as informed by the Borrower to the Lender. In the event of the Borrower incurring any additional Permitted Financial Indebtedness after the date of this Agreement, the Borrower shall increase its insurance coverage to adequately reflect the additional Permitted Financial Indebtedness, and the increase of the insurance coverage shall therefore be pro rata to the additional Permitted Financial Indebtedness.

- 15.10 All insurances must be with reputable independent insurance companies or underwriters.

Disposals

- 15.11 It will not sell, assign, lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its assets without the prior written approval of the Lender, other than:

- (a) trading stock, i.e. inventory, in the ordinary course of its business;
- (b) assets exchanged for other assets comparable or superior as to type, value, and quality; and
- (c) assets whose market value is worth less than USD 2,000,000 (or its equivalent in another currency or currencies) in any Financial Year.

Financial indebtedness

- 15.12 Except as permitted under paragraph 15.13 below, the Borrower will not incur or allow to remain outstanding any Borrowed Money, except for refinancing of its existing debt and customary indebtedness in the ordinary course of business, with such refinancing and indebtedness always being subject to the prior written approval of the Lender.

- 15.13 Paragraph 15.12 does not apply to Permitted Financial Indebtedness.

Loans or credit

- 15.14 The Borrower will not be a creditor, towards any person other than Grundartangi Holding Company and/or its Affiliates which shall always be conducted on arm's length basis as further set out in clause 15.18, outside of the ordinary course of business as this is conducted at the signing of this Agreement, in respect of any obligations which would come under Borrowed Money.

No guarantees or indemnities

- 15.15 The Borrower shall not incur or allow to remain outstanding any guarantee or indemnity in respect of any obligation of any person, including but not limited to any such arrangements in relation to any company which the Borrower Control without the prior written approval of the Lender, save for any Permitted Guarantee.

Negative Pledge

- 15.16 The Borrower shall not:
- (a) create, other than the Permitted Security, any Security for its obligations or the obligations of others without offering the Lender pro rata and pari passu share in such Security and always provided that (i) the obligations do not result in the Borrower exceeding the Total Borrowed Money Limit, (ii) the lender under such obligation acceding to the Intercreditor Agreement, and (iii) no changes being made to the Intercreditor Agreement in relation to such additional security;
 - (b) sell, transfer, or otherwise dispose of any of its receivables on recourse terms;
 - (c) enter into and provide any Affiliate any loan, mortgage, lien, guarantee or any analogous burden unless on arm's length term cf. clause 15.18 and subordinated 15.7; or
 - (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Borrowed Money or of financing the acquisition of an asset.

- 15.17 Paragraph 15.16 shall not apply to any Security which is a Permitted Security or Permitted Guarantee.

Arm's length basis

- 15.18 It will not without the prior written consent of the Lender, enter into any transaction with any person or enter into or continue business relations with its shareholders or companies which it Controls, employees, directors and/or related parties, except on proper commercial terms negotiated at arm's length.

Further assurance

- 15.19 The Borrower shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices, and instructions) as the Lender may reasonably specify at any time (and in such form as the Lender may reasonably require):
- (a) to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Security Documents) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by applicable law;
 - (b) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Documents.

- 15.20 The Borrower shall take all such action as is reasonably available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection, or maintenance of any Security conferred or intended to be conferred on the Lenders by or pursuant to the Finance Documents.

16 SECURITY

- 16.1 The Borrower, as a condition precedent for the disbursement of the Loan, shall provide the Lender with the following Security Documents securing the full and prompt payment of the Facility (the "**Security**"):

- (a) first ranking security pledge over all general claims (i. *almenn fjárfrafa*) deriving from the Settlement Agreement.
- (b) first ranking possessory pledge (i. *handveð*) over the Bank Account and all deposits on that account;
- (c) any security pursuant to the Intercreditor Agreement;

- 16.2 The Security shall be supported by the necessary resolutions, notices, certificates, and evidence as stipulated in Schedule 1 (*Conditions Precedent*) and as reasonably requested by the Lender from time to time.

- 16.3 The Lender as Security Agent

- (a) In the event the Lender will share the security created under the Arion General Bond with other lenders of the Borrower, the Lender will act as a security agent and take all necessary administrative and enforcement actions with respect to the collateral on behalf of the lenders ensuring that all lenders will benefit from *pari passu* ranking of the Arion General Bond.
- (b) The terms of such intercreditor and security sharing arrangements and the role of the Lender as security agent are set forth in the Intercreditor Agreement.

17 EVENTS OF DEFAULT

Each of the events or circumstances set out in this clause 17 is an Event of Default.

Non-payment

- 17.1 The Borrower fails to pay any sum payable by it under any Finance Document when due, unless its failure to pay is caused solely by:

- (a) an administrative error or technical problem and payment is made within three Business Days of its due date; or
- (b) a Disruption Event and payment is made within three Business Days of its due date.

Other obligations

- 17.2 The Borrower does not comply with the provisions of clause 14 (*Information Undertakings*) or clause 15 (*General Undertakings*).

- 17.3 No Event of Default under clause 17.2 above in relation to clauses 14 (*Information Undertakings*) or 15 (*General Undertakings*) shall occur, if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier (A) the Lender giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.

Misrepresentation

- 17.4 Any representation or warranty made, repeated, or deemed made by the Borrower in, or pursuant to, the Finance Documents is (or proves to have been) incomplete, untrue, incorrect, or misleading in any material respect when made, repeated, or deemed made.

Cross default

- 17.5 Failure by the Borrower to make payments when due of any obligation for Borrowed Money (other than in respect of this Agreement) and the aggregate amount of such failure combined exceeds USD 10,000,000 (or its equivalence in any other currency or currencies); or default by the Borrower, in the performance of any agreement under which any such obligation is created if the effect of such default is to cause such obligation to become due, or to permit the holder or holders of such obligation to declare such obligation due prior to its normal maturity.

Insolvency and Insolvency Proceedings

- 17.6 The value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities).

- 17.7 A moratorium is declared in respect of any indebtedness of the Borrower.

- 17.8 Any action, proceedings, procedure, or step is taken for:

- (a) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration, or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or
- (b) the composition, compromise, assignment, or arrangement with any creditor; or
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, manager, or other similar officer in respect of the Borrower or any of its assets; or
- (d) the enforcement of any Security over any assets of the Borrower, unless such action, proceeding, procedure or step is frivolous or vexatious and is discharged or dismissed within 14 days of commencement.

- 17.9 The Borrower commences negotiations, or enters into any composition, compromise, assignment, or arrangement, with one or more of its creditors (excluding the Lender) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties).

- 17.10 Any event occurs in relation to the Borrower similar to those in clause 17.6 to clause 17.9 (inclusive) under the laws of any applicable jurisdiction.

- 17.11 A winding-up petition that is frivolous or vexatious and is discharged, stayed, or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised shall be

excluded from clause 17.5 to clause 17.10. The ending of any moratorium referred to in clause 17.7 shall not remedy any Event of Default caused by that moratorium.

17.12 A distress, attachment, execution, expropriation, sequestration, or another analogous legal process is levied, enforced, or sued out on, or against, the Borrower's assets having an aggregate value of USD 10.000.000,- (or its equivalent in other currencies) and is not discharged or stayed within 14 days.

17.13 Any Security on or over the assets of the Borrower becomes enforceable.

Unlawfulness

17.14 Any provision of any Finance Document is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed, or ceases to be effective or to have full force and effect.

Repudiation

17.15 The Borrower repudiates or rescinds or shows an intention to repudiate or rescind any Finance Document.

Cessation of business

17.16 The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business, such instances to include circumstances such as suspension or curtailment of operation of one of the Borrower's potline, unless such curtailment occurs as a result of any incidence or circumstances which are beyond the control of the Borrower or its Affiliates and can therefore not be avoided by the Borrower or its Affiliates provided that the curtailment lapses within 30 days from occurrence.

Material adverse change

17.17 Any event occurs (or circumstances exist) which, in the reasonable opinion of the Lender, has or is likely to have a Material Adverse Effect.

Acceleration

17.18 On and at any time after the occurrence of an Event of Default, the Lender may:

(a) by written notice to the Borrower:

(i) cancel all outstanding obligations of the Lender under this Agreement whereupon they shall immediately be cancelled;

(ii) declare that the Loan (and all accrued interest and all other amounts accrued or outstanding under the Finance Documents) is immediately due and payable, whereupon they shall become immediately due and payable;

(iii) exercise any or all of its rights, remedies, powers, or discretions under the Security Document.

17.19 Instead of acceleration in accordance with clause 17.18 above due to an Event of Default, the Lender is entitled to raise the Margin by notification to the Borrower which shall in such event have two weeks to repay the Loan in accordance with the previous Margin without a repayment fee.

18 SET-OFF

- 18.1 The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Agreement. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 18.1 shall not limit or affect any other rights or remedies available to it under the Finance Documents or otherwise.
- 18.2 The Lender is not obliged to exercise any of its rights under clause 18.1, but if the rights are exercised, the Lender shall promptly notify the Borrower of the set-off that has been made.

19 CALCULATIONS, ACCOUNTS AND CERTIFICATES

- 19.1 Any interest, commission or fee under any Finance Document shall accrue on a day-to-day basis, calculated according to the number of actual days elapsed and a year of 360 days.
- 19.2 The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence and amount of the Borrower's obligations as recorded in them.
- 19.3 If the Lender issues any certificate, determination or notification of a rate or any amount payable under a Finance Document, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates.

20 REMEDIES, WAIVERS, AMENDMENTS AND CONSENTS

- 20.1 No amendment of any Finance Document shall be effective unless it is in writing and signed by, or on behalf of, each party to it (or its authorised representative).
- 20.2 A waiver of any right or remedy under any Finance Document or by law, or any consent given under any Finance Document, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 20.3 A failure or delay by a party to exercise any right or remedy provided under any Finance Document or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm any Finance Document. No single or partial exercise of any right or remedy provided under any Finance Document or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm any Finance Document by the Lender shall be effective unless it is in writing.
- 20.4 The rights and remedies provided under the Finance Documents are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

21 SEVERANCE

If any provision (or part of a provision) of a Finance Document is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of the relevant Finance Document.

22 ASSIGNMENT AND TRANSFER

22.1 The Lender may assign any of its rights under the Finance Documents or transfer all its rights or obligations.

22.2 The Borrower may not assign any of its rights or transfer any of its rights or obligations under any Finance Document, without the prior approval of the Lender.

23 NOTICES

23.1 Any notice or other communication given to a party under or in connection with the Finance Documents shall be:

- (a) in writing;
- (b) delivered by hand or by pre-paid first-class post or email; and
- (c) sent to:

(i) the Borrower at:

Skógarhlíð 12, 105 Reykjavík
Email: kristinn@nordural.is
Attention: Kristinn Bjarnason, CFO

(ii) the Lender at:

Borgartún 19, 105 Reykjavík
Email: petur.petursson @arionbanki.is and fts@arionbanki.is
Attention: Pétur Heide Pétursson, Corporate Banking.

or to any other address as is notified in writing by one party to the other from time to time.

23.2 Any notice or other communication given by either party shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post on the second Business Day after posting; and
- (c) if sent by email, when received in legible form.

A notice or other communication given as described in clause (a) or clause (c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

- 23.3 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

24 GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS

- 24.1 This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of the Republic of Iceland.

- 24.2 Each party irrevocably agrees that, subject as provided below, the District Court of Reykjavik shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation. Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

(Last page before schedules signature page)

SCHEDULE 1 CONDITIONS PRECEDENT

1. Constitutional Documents

- 1.1 Certificate of Incorporation (i. *Fyrirtækjavottorð*) for the Borrower, issued no earlier than three (3) days prior to date of this Agreement.
- 1.2 A copy of the articles of association of the Borrower.
- 1.3 A copy of the resolutions duly passed by the Borrower's board of directors:
 - (a) approving the entry into, and terms of, and transactions contemplated by, the Finance Documents and resolving that it execute, deliver and perform the Finance Documents;
 - (b) if applicable, authorising a specified person or persons to execute the Finance Documents on its behalf, to sign and/or dispatch all documents and notices (including, if relevant, any Drawdown Request) to be signed and/or despatched by it under or in connection with the Finance Documents;
 - (c) confirming no limit on the powers of the Borrower or its directors to borrow money, give guarantees or create security would be exceeded by its entry into or performance of its obligations under the Finance Documents; and
 - (d) confirming that entry into the Finance Documents is in the commercial interests of the Borrower (stating the reasons for such conclusion).
- 1.4 A certificate signed by a director of the Borrower confirming that borrowing the Loan or granting security or guarantee in respect of the Total Facility Amount would not mean any borrowing or security (or similar limit binding on the Borrower) would be exceeded.
- 1.5 All information required by the Lender to enable it to comply with all "know your customer" or similar identification procedures under all applicable laws and regulations

2. Finance Documents

- 2.1 This Agreement duly executed by the Borrower.
- 2.2 A Drawdown Request.
- 2.3 A copy of a Creditor Accession Undertaking in relation to the Intercreditor Agreement, whereunder the Lender is accepted as an Additional Lender (as the term is defined in the Intercreditor Agreement) and the Facility Agreement is added as an Additional Loan Document (as the term is defined in the Intercreditor Agreement), executed by the Lender.
- 2.4 The following **Security Documents** executed by the Borrower, in favour of the Lender:
 - (a) a bank accounts pledge agreement granting a 1st ranking possessory pledge over the Bank Account.

- (b) a general claim (i. *almenn fjárfrafa*) pledge agreement granting first ranking security pledge over all general claims (i. *almenn fjárfrafa*) deriving from the Settlement Agreement.
- 2.5 Copy of all notices required to be sent under the Security Documents executed by the relevant party duly acknowledged by the addressee.
- 3. Financial Information**
- 3.1 A copy of the Borrower's latest available audited financial statements.
- 3.2 A copy, certified by an authorised signatory of the Borrower to be a true copy, of the Original Financial Statements of the Borrower.
- 4. Fees**
- 4.1 Evidence that the costs and expenses then due from the Borrower pursuant to clause 11 have been paid or will be paid by the Drawdown Date.
- 5. Other documents and evidence**
- 5.1 A copy of a Confirmation of Termination of Swap Transactions in relation to an ISDA Master Agreement between Axpo Nordics AS and the Borrower, dated 13 December 2016. (the "**Settlement Agreement**").
- 5.2 A certified copy of any power of attorney under which the Borrower may execute this Agreement.
- 5.3 A copy of any other authorisation, document, opinion, or assurance which the Lender considers necessary for the entry into, and performance of, the transactions contemplated by the Finance Documents, or for the Finance Documents to be valid and enforceable.

SCHEDULE 2 DRAWDOWN REQUEST

To: Arion Bank hf. as Lender
Attention: Pétur Heide Pétursson, Corporate Banking
Date: [DATE]

Norðurál Grundartangi ehf.

EUR 13,600,000 Facility Agreement dated 29 September 2022 between Norðurál Grundartangi ehf. as borrower, and Arion Bank hf. as Lender (the "Facility Agreement")

We refer to the Facility Agreement. This is a Drawdown Request. Words and expressions defined in the Facility Agreement have the same meaning in this Drawdown Request.

We give you notice that we wish to draw down the following Loan on [DATE]:

Amount: EUR [AMOUNT]
Drawdown Date: [DATE]

The Loan is to be made available by credit to [ACCOUNT DETAILS].

We confirm that, on today's date and the proposed Drawdown Date:

1. The Warranties are true and correct and will be true and correct immediately after the proposed Loan.
2. No Event of Default or Potential Event of Default is continuing or would result from the proposed Loan.
3. The Proceeds of the Loan shall be used solely for the purpose set forth in the Agreement.

This Drawdown Request is irrevocable.

.....
For and on behalf of
Norðurál Grundartangi ehf.

THIS AGREEMENT has been entered into on the date stated at the beginning of it.

In confirmation of the above, this document is signed either by hand or with a valid electronic signature by the person or persons authorized to bind the Borrower and the Lender. In the case of an electronic signature, the signature is in accordance with Icelandic Act No. 55/2019 on Electronic Identification and Trust Services for Electronic Transactions. In the case of an electronic signature, this document is signed electronically and is then stored and accessible to customers under Digital documents in Online Banking and/or sent to the customer by e-mail.

BORROWER
NORÐURÁL GRUNDARTANGI EHF.

By: /s/ Kristinn Bjarnason

Name: Kristinn Bjarnason

Capacity: Power of Attorney

LENDER
ARION BANK HF.

By: /s/ Sigurbjörg Ólafsdóttir

Name: Sigurbjörg Ólafsdóttir

Title: Manager

By: /s/ Pétur Heide Pétursson

Name: Pétur Heide Pétursson

Title: Account Manager

(Signature page to a Facility Agreement)

**CERTIFICATION OF DISCLOSURE IN CENTURY ALUMINUM COMPANY'S
QUARTERLY REPORT FILED ON FORM 10-Q**

I, Jesse E. Gary, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Century Aluminum Company;
 - 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 - 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 - 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 - 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
-

Date: November 7, 2022

/s/ JESSE E. GARY

Name: Jesse E. Gary

Title: President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF DISCLOSURE IN CENTURY ALUMINUM COMPANY'S
QUARTERLY REPORT FILED ON FORM 10-Q**

I, Gerald C. Bialek, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Century Aluminum Company;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2022

/s/ GERALD C. BIALEK

Name: Gerald C. Bialek

Title: Executive Vice President and Chief Financial Officer

Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q of Century Aluminum Company (the "Company") for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jesse E. Gary, as President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. This Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JESSE E. GARY

By: Jesse E. Gary
Title: President and Chief Executive Officer (Principal Executive Officer)
Date: November 7, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q of Century Aluminum Company (the "Company") for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Gerald C. Bialek, as Executive Vice President and Chief Financial Officer and Principal Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. This Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GERALD C. BIALEK

By: Gerald C. Bialek
Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: November 7, 2022

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.