UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number 001-34474

CENTURY ALUMINUM COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**13-3070826**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
One South Wacker Drive	**60606**
Suite 1000	(Zip Code)
Chicago	
Illinois	
(Address of principal executive offices)	

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)**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 and post 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 ☐ Accelerated Filer ☒ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Based upon the closing price of the registrant's common stock on the NASDAQ Global Select Market on June 30, 2021, the approximate aggregate market value of the common stock held by non-affiliates of the registrant was approximately $656,000,000. As of February 24, 2022, 91,231,611 shares of common stock of the registrant were issued and outstanding.

Documents Incorporated by Reference:

All or a portion of Items 10 through 14 in Part III of this Form 10-K are incorporated by reference to the Registrant's definitive proxy statement on Schedule 14A for its 2022 Annual Meeting of Stockholders, which will be filed within 120 days after the close of the fiscal year covered by this report on Form 10-K, or if the Registrant's Schedule 14A is not filed within such period, will be included in an amendment to this Report on Form 10-K which will be filed within such 120 day period.

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Forward-Looking Statements

This Annual Report on Form 10-K 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 (the "Securities Act"), and section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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 Annual Report on Form 10-K and in our other reports filed with the Securities and Exchange Commission (the "SEC"), for example, may include 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 and costs associated with our other key raw materials, including power;
- Our assessment of the supply and availability of our key materials, including any potential curtailment of power to our 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 operations, global supply chains or workforce;
- 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 restart of the remaining curtailed production at Hawesville and bringing the smelter back to full production and expectations as to the timing, costs and benefits associated with this restart project;
- 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 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 or regulation, including, without limitation, sanctions or other similar remedies or restrictions or any changes in interpretation of existing laws or regulations;
- 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 labor unions or future representation by a union of our employees;
- Our assessment of any information technology-related risks, including the risk from cyberattacks or other data security breaches, including the cybersecurity incident that occurred on February 16, 2022; 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 Item 1A. Risk Factors in this Annual Report on Form 10-K, our 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.

PART I

Throughout this Annual Report on Form 10-K, and unless expressly stated otherwise or as the context otherwise requires, "Century Aluminum Company," "Century Aluminum," "Century," the "Company," "we," "us," and "our" refer to Century Aluminum Company and its subsidiaries.

Item 1. Business

Overview

Century Aluminum Company is a global producer of primary aluminum and operates aluminum reduction facilities, or "smelters," in the United States and Iceland. Aluminum is an internationally traded commodity, and its price is effectively determined on the London Metal Exchange (the "LME"), plus applicable regional and value-added product premiums. Our primary aluminum reduction facilities produce standard-grade and value-added primary aluminum products. Our current annual production capacity is approximately 1,016,000 tonnes per year ("tpy"). We produced approximately 784,000 tonnes of primary aluminum in 2021.

In addition to our primary aluminum assets, we own a carbon anode production facility located in the Netherlands ("Vlissingen"). Carbon anodes are consumed in the production of primary aluminum. Vlissingen supplies carbon anodes to our aluminum smelter in Grundartangi, Iceland. Each of our aluminum smelters in the United States produces anodes at on-site facilities.

At Century, we strive to provide innovative and reliable aluminum products to our customers, best-in-class returns for our stakeholders and a safe and environmentally sustainable workplace for our people and the communities in which we operate. We seek to responsibly operate our businesses to maintain a strong balance sheet through commodity cycles, while investing to lower our cost structure, expand our production and increase our competitiveness.

Century has invested significant capital in recent years to increase our production and grow our product portfolio to include more value-added aluminum products to better serve our customers in the U.S. and Europe. We believe that our focus on lowering costs and decommoditizing our product line will enable us to deliver profitable long-term growth and to differentiate ourselves from overseas competitors with longer supply lines into the markets in which we serve.

Century conducts our business with a focus on sustainability, as well as the health and safety, and socioeconomics of our people and the communities in which we operate. Through our Natur-Al™ product line, we are able to provide our customers and communities with low-carbon aluminum products that enable the broader energy transition movement.

We operate our business through one reportable segment, primary aluminum. Additional information about our segment reporting and certain geographic information is available in Note 17. Business Segments to the consolidated financial statements included herein.

Century Aluminum Company is a Delaware corporation with our principal executive offices located at One South Wacker Drive, Suite 1000, Chicago, Illinois 60606.

Primary Aluminum Facilities

Overview of Facilities

We operate three U.S. aluminum smelters, in Hawesville, Kentucky ("Hawesville"), Robards, Kentucky ("Sebree") and Goose Creek, South Carolina ("Mt. Holly"), and one aluminum smelter in Grundartangi, Iceland ("Grundartangi").

Grundartangi

The Grundartangi facility, located in Grundartangi, Iceland, is a primary aluminum reduction facility owned and operated by our wholly-owned subsidiary, Nordural Grundartangi ehf, and is our most modern facility. Grundartangi is currently in the process of a multi-year expansion project that has brought the annual primary aluminum production capacity to current capacity of approximately 317,000 tonnes and is expected to ultimately increase annual production capacity at Grundartangi to approximately 325,000 tonnes. Grundartangi produces standard-grade aluminum ingot and a primary foundry alloy product, which is a value-added product that is sold at a premium to standard-grade aluminum.

In addition, in late 2021 Century began construction of a new billet casthouse at Grundartangi (the "Casthouse Project"). The new value-added casthouse will have a capacity of 150,000 tonnes of billet production and is expected to start production in the first quarter of 2024. The Casthouse Project will also increase Grundartangi's annual capacity to produce primary foundry alloys from its current 60,000 tonnes of capacity to 120,000 tonnes of capacity. This incremental billet and primary foundry alloy capacity displaces standard-grade ingot production, raising expected total value-added product premiums for Grundartangi products. The billet produced at the Grundartangi casthouse is expected to be low-carbon aluminum or Natur-Al™.

Hawesville

Hawesville, located adjacent to the Ohio River near Hawesville, Kentucky, is a primary aluminum reduction facility owned and operated by our wholly-owned subsidiary, Century Kentucky, Inc. ("CAKY"). Hawesville has an annual production capacity of approximately 250,000 tonnes of primary aluminum.

Approximately 60% of Hawesville's capacity was curtailed in the fourth quarter of 2015 as a result of significant declines in the LME price for aluminum. We are currently in the process of a multi-year project that began in 2018 to restart Hawesville's previously curtailed capacity and return the plant to a production level of approximately 200,000 MT per annum (80% of capacity). Our Hawesville facility experienced several equipment issues in late December 2020 that partially reduced the plant's production level; however, the process of returning to our planned operating level of 80% of capacity at Hawesville began in the second quarter of 2021 and is now complete. The rebuild of the fifth and final potline is expected to be completed over the next several years subject to market conditions.

Hawesville produces standard-grade and high purity aluminum that can be cast into sow or delivered directly to nearby customers as molten metal.

Hawesville is our largest U.S. smelter and is the largest producer of high purity primary aluminum in North America. Four of Hawesville's five potlines are capable of producing high purity aluminum which is sold at a premium to standard-grade aluminum and is used extensively by the defense industry as well as for aerospace and other applications.

Sebree

Sebree, located adjacent to the Green River near Robards, Kentucky, is a primary aluminum reduction facility owned and operated by our wholly-owned subsidiary, Century Aluminum Sebree LLC ("Century Sebree"). Sebree has an annual production capacity of approximately 220,000 tonnes of primary aluminum. Sebree produces standard-grade aluminum that can be cast into sow and value-added products, including billet, that are sold at a premium to standard-grade aluminum or delivered directly to nearby customers as molten metal. In 2019, we expanded the smelter's overall output by adding 20,000 tonnes of additional secondary (scrap reprocessing) capacity.

Mt. Holly

Mt. Holly, located in Goose Creek, South Carolina, is a primary aluminum reduction facility owned and operated by our wholly-owned subsidiary, Century Aluminum of South Carolina, Inc. ("CASC"). Mt. Holly has an annual production capacity of approximately 229,000 tonnes of primary aluminum. In December 2020, we began a multi-year project to restore previously curtailed capacity at Mt. Holly. The initial phase, which will return Mt. Holly to approximately 170,000 MT per annum (75% of capacity), is progressing and is expected to be completed in the second quarter of 2022, subject to market conditions. See "Key Production Costs — Electrical Power Supply Agreements" below for further discussion of our power arrangements at Mt. Holly.

Mt. Holly produces standard-grade aluminum that is cast into sow as well as several value-added products, including billet and foundry products. These value-added primary aluminum products are sold at a premium to standard-grade aluminum.

__Primary Aluminum Production Capacity__

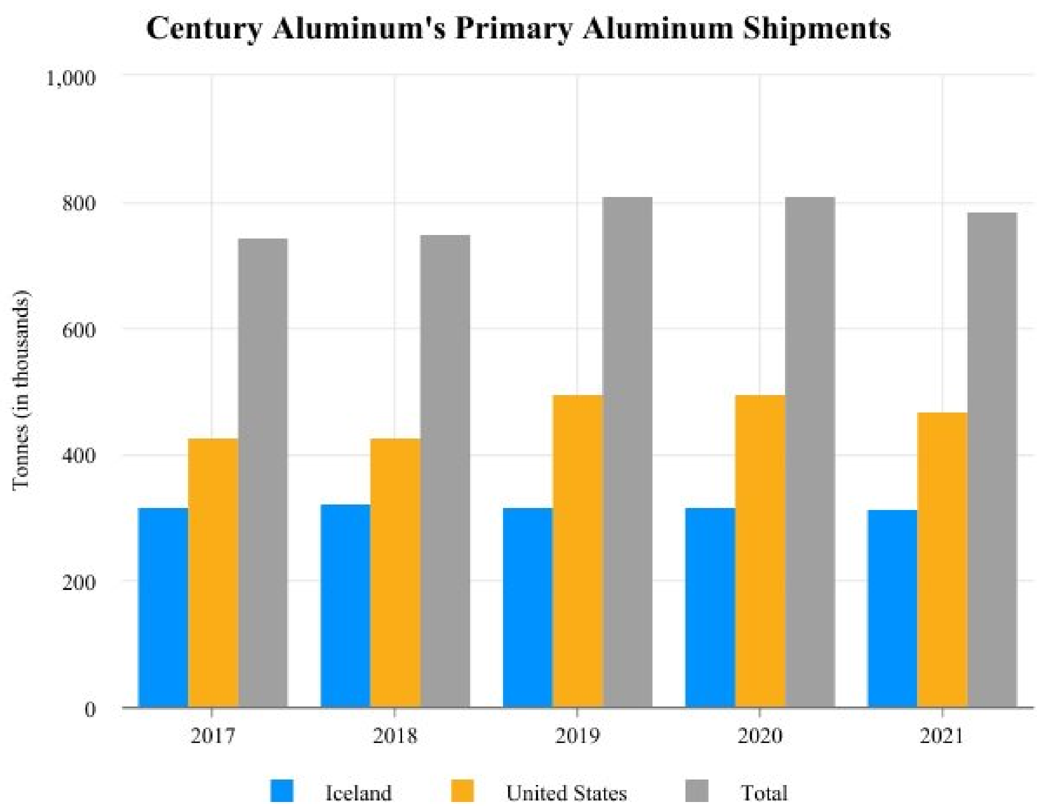
Our primary aluminum smelters and their respective primary aluminum capacities are shown in the following table:

Facility	Ownership Percentage	Operational	Annual Production Capacity (tpy) [1]	Actual 2021 Annual Production (tpy)
Grundartangi, Iceland	100%	1998	317,000	315,000
Hawesville, Kentucky, USA	100%	1970	250,000	172,000
Sebree, Kentucky, USA	100%	1973	220,000	209,000
Mt. Holly, South Carolina, USA	100%	1980	229,000	88,000
			1,016,000	784,000

(1) The tonnes per year (tpy) figures in this column reflect an estimate of the facility's total production capacity based on plant design, historical operating results and operating efficiencies and does not necessarily represent each facility's maximum production capability.

__Primary Aluminum Shipment Volume__

The following table shows our primary aluminum shipment volumes since 2017.



Carbon Anode Production Facility

__Vlissingen__

In addition to our primary aluminum assets, we own a carbon anode production facility located in Vlissingen, Netherlands, which is owned and operated by our wholly-owned subsidiary, Century Aluminum Vlissingen B.V. Vlissingen has an annual carbon anode production capacity of approximately 163,000 tonnes. We acquired Vlissingen in 2012 and restarted the facility in late 2013 with an initial carbon anode production capacity of 75,000 tonnes. Since the acquisition, we have completed a variety of expansion projects and efficiency programs in order to more than double the plant's production capacity. With these expansion projects and efficiency programs in place, we expect Vlissingen will be able to supply approximately 93% to 98% of Grundartangi's carbon anodes requirements at current production levels. Each of our smelters in the United States produces anodes at on-site facilities.

Pricing

Pricing for primary aluminum products is typically comprised of three components: (i) the base commodity price, which is based on quoted prices on the LME, plus (ii) any regional premium (e.g., the Midwest premium for metal sold in the United States and the European Duty Paid premium for metal sold into Europe) plus (iii) any value-added product premium. Our operating results are highly sensitive to changes in the LME price of primary aluminum and the amount of regional premiums and value-added product premiums. As a result, from time to time, we assess the appropriateness of mitigating the effects of fluctuations in the aluminum price through the use of fixed-price commitments, LME-linked supply contracts and other financial instruments. See Item 7A. Quantitative and Qualitative Disclosures about Market Risk for further discussion of how we manage our exposure to market risk.

Customer Base

We have historically derived substantially all of our consolidated net sales of primary aluminum from a small number of customers. For the year ended December 31, 2021, we derived approximately 60% of our consolidated sales from Glencore plc and its affiliates (together, "Glencore") and approximately 14% of our consolidated sales from Southwire Company ("Southwire"). We currently have agreements in place to sell a substantial portion of our 2022 production to these customers. We expect that the rest of our 2022 customer base will remain fairly concentrated among a small number of customers under short-term contracts.

Both Glencore and Southwire purchase aluminum produced at our U.S. smelters at prices based on the LME price for primary aluminum plus the Midwest premium plus any additional market-based product premiums. Glencore also purchases aluminum produced at our Grundartangi, Iceland smelter at prices based on the LME plus the European Duty Paid premium plus any additional market-based product premiums. Glencore beneficially owns 42.9% of our outstanding common stock (46.4% on a fully diluted basis). See Note 2. Related Party Transactions to the consolidated financial statements included herein for additional information concerning our relationship with Glencore.

Key Production Costs

Alumina, electrical power, calcined petroleum coke and liquid pitch (the key raw materials for carbon anodes), and labor are the principal components of our cost of production. These components together represented over 75% of our cost of goods sold for the year ended December 31, 2021. For a description of certain risks related to our raw materials, electrical power, labor and other key supplies, see Item 1A. Risk Factors in this Annual Report on Form 10-K.

Alumina Supply Agreements

While Century may enter into other purchases of alumina as market conditions change, a summary of our principal alumina supply agreements is provided below:

Supplier	Quantity	Term	Pricing [3]
Concord Resources Ltd.	Approximately 180,000 tpy	Through December 2022	LME-linked
Concord Resources Ltd.	Approximately 600,000 tpy	Through December 2024	Fixed, LME-linked, and API-linked components
Glencore[1]	Variable	Through December 2021	LME-linked
Glencore[2]	Variable	Through December 2023	LME-linked
Glencore	Approximately 140,000 tpy	Through June 30, 2022	Fixed and API-linked components

(1) Under the terms of this agreement, Glencore provides alumina supply for all of Century's requirements net of other contractual commitments.
(2) Under the terms of this agreement, Glencore will provide alumina supply for all of Mt. Holly's requirements for the calendar years 2022-2023.
(3) "API" refers to a published alumina price index.

Electrical Power Supply Agreements

The table below summarizes our long-term power supply agreements:

Facility	Supplier	Term	Pricing
Grundartangi	Landsvirkjun Orkuveita Reykjavíkur ("OR") HS Orka hf ("HS")	Through 2026 - 2036	Fixed price and variable rate linked to (i) the LME price for primary aluminum or (ii) the Nord Pool power market
Hawesville	Kenergy Corporation ("Kenergy")	Through December 31, 2023[1]	Variable rate based on market prices
Sebree	Kenergy	Through December 31, 2023[1]	Variable rate based on market prices
Mt. Holly	Santee Cooper	Through December 31, 2023	Cost of service based rate

(1) Under the terms of this agreement, the contract is automatically extended year-to-year unless either party gives notice at least one year before the end date.

Electrical power represents one of the largest components of our cost of goods sold. From time to time, we may enter into forward contracts or other hedging arrangements to mitigate our electrical power or natural gas price risk. The paragraphs below summarize the sources of power and the long-term power arrangements for each of our operations.

Grundartangi. Power is currently supplied to Grundartangi from hydroelectric and geothermal sources under long-term power purchase agreements with three separate power suppliers - HS, Landsvirkjun and OR. These power purchase agreements expire on various dates from 2026 through 2036 (subject to extension). In July 2021, Grundartangi reached an agreement with Landsvirkjun for an extension of its existing 161 MW power contract 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 Casthouse Project. Historically, all of the power supplied to Grundartangi has been delivered at prices indexed to the price of primary aluminum. Since November 2019, the price of approximately 30% of Grundartangi’s power requirements has been linked to the market price for power in the Nord Pool power market, the trading market for power in the Nordic countries and certain other areas of Europe. As of December 31, 2021, we had entered into financial contracts to fix the forward price of approximately 60% and 55% of Grundartangi's Nord Pool based power requirements for the years ending December 31, 2022 and December 31, 2023, respectively. We continue to monitor power prices and may enter into further similar financial contracts in the future. Each power purchase agreement contains take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreement.

Hawesville. CAKY is party to 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. Both of these agreements extend automatically year to year thereafter unless a one year notice of termination is given by either party.

Sebree. Century Sebree is party to 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. Both of these agreements extend automatically year to year thereafter unless a one year notice of termination is given by either party.

Mt. Holly. CASC is party to an agreement with Santee Cooper for power to the Mt. Holly smelter. Under this contract, 100% of Mt. Holly's electrical power requirements are supplied from Santee Cooper's generation at cost of service based rates. This power agreement provides sufficient energy to allow the smelter to implement a restart project to increase its production to 75% of Mt. Holly's full production capacity. The agreement with Santee Cooper has a term through December 31, 2023.

See Note 15. Commitments and Contingencies to the consolidated financial statements included herein for additional information concerning our power arrangements.

Employees and Human Capital Resources

We believe our employees are key to achieving our business goals and growth strategy. As of December 31, 2021, we had 2,512 employees. Of these, 1,787 were domiciled in the United States, 71 in the Netherlands and 654 in Iceland.

Health, Safety and Wellness. Nothing is more important than the health and safety of our employees and the members of the communities in which we do business. We continuously assess the risks our employees face at our facilities and we work to mitigate those risks through frequent training and other preventative safety and health programs and on the job training. We strive for zero injuries and accidents, to foster systems and processes aimed to continuously improve our health and safety performance and to integrate risk management relating to health and safety into all aspects of our operations. We emphasize the importance of safety goals by including safety performance as one of the metrics for determining payouts under our annual incentive awards to our executives. The safety focus of the Company is evident in our approach to the COVID-19 pandemic over recent years. During this time, we have taken, and continue to take, measures to protect the health and safety of our employees during the pandemic, including requirements regarding wearing masks, social distancing, cleaning and sanitation procedures, and temperature checks as well as providing vaccination clinics on site. We have also developed and implemented protocols across our operations to address actual and suspected COVID-19 cases and potential exposure of our employees.

Compensation and Benefits. The Company's non-union employees are all eligible to participate in the Company paid health, vision, dental, life, prescription and long-term disability insurance plans. The Company also provides employees with paid supplemental life and accident insurance plan. The Company offers employees the opportunity to contribute to a Flexible Spending Account and a Health Savings Account. The Company also offers employees a 401(k) retirement plan with a Company match. As part of our Century Well-being program, and in an effort to encourage employees to participate, Century provides financial incentives to its employees who choose to participate. Our Century Well-being program is specifically designed for Century employees and the unique health issues they may encounter and includes health benefits at no cost to our employees centered around diabetes management, mental health and substance abuse and counseling, and musculoskeletal conditions.

Diversity and Inclusion. The Company is committed to promoting equal employment opportunity in all of our operations and providing a safe and respectful workplace that reflects the diversity of the communities in which we operate. It is the Company's policy, specifically noted in the Company's Code of Ethics, that we do not tolerate discrimination in any form on the basis of race, color, religion, sex, sexual orientation, age, national origin, disability, or genetic information as defined in the Genetic Information Nondiscrimination Act of 2008, whether or not such discrimination violates law, and to comply fully with all laws prohibiting discrimination and promoting opportunity and advancement in employment. This policy extends to all aspects of employment opportunity including recruitment, hiring, compensation, benefits, promotion, transfer, layoff, recall, reduction in force, termination, retirement, placement, training and all other privileges, terms and conditions of employment.

Talent Development. We continue to make progress in enhancing our internal performance management and talent management systems in an effort to continue to recognize and promote outstanding employees. We have worked to streamline the process for our employees and ensure they have the opportunity to provide input as part of the review process. We attend recruiting events at local colleges and institutes in our communities and offer educational opportunities to our employees to help them develop additional skills and knowledge and continue the process of developing leaders within Century's ranks.

Labor Agreements

The bargaining unit employees at our Grundartangi, Vlissingen, Hawesville and Sebree facilities are represented by labor unions, representing 63% of our total workforce. Our employees at Mt. Holly are not represented by a labor union.

A summary of our key labor agreements is provided below:

Facility	Organization	Term
Grundartangi	Icelandic labor unions	Through December 31, 2024
Hawesville	United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW")	Through April 1, 2026
Sebree	USW	Through October 28, 2023
Vlissingen	Federation for the Metal and Electrical Industry ("FME")	Through November 30, 2022

Approximately 86% of Grundartangi's workforce is represented by five labor unions, governed by a labor agreement that establishes wages and work rules for covered employees. The current agreement is effective through December 31, 2024.

100% of Vlissingen's work force is represented by the 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.

Approximately 55% of our U.S. based workforce is represented by the USW. CAKY's Hawesville employees represented by the USW are under a collective bargaining agreement that expires on April 1, 2026. Century Sebree's employees represented by the USW are under a collective bargaining agreement that expires on October 28, 2023.

Competition

The market for primary aluminum is global, and demand for aluminum varies widely from region to region. We compete with aluminum producers within the U.S. and internationally as well as with producers of alternative materials such as steel, copper, carbon fiber, composites, plastic and glass, each of which may be substituted for aluminum in certain applications. Our competitive position depends, in part, on the availability of electricity, alumina and our other key raw materials to our operations at competitive prices. We face global competition from companies who may have access to these key production costs at lower prices, and they may also receive various subsidies from local, state and federal governments. Many of our competitors are also larger than we are and have vertically integrated operations with superior cost positions. As a result, these companies may be better able to withstand reductions in price or other adverse industry or economic conditions.

Competitive Advantages

While we face significant competition, we also have several competitive advantages. We believe our key competitive advantages are:

Focus on Primary Aluminum Business. We operate principally in the production of primary aluminum. By concentrating our activities in primary aluminum production, we are able to focus our resources on optimizing the cost effectiveness of our existing operations, minimizing overhead costs and maintaining a market position where our products are ultimately targeted toward a broad range of end uses.

Strong Internal Growth Opportunities. Over the past several years, we have undertaken various expansion programs at all of our operating facilities and continue to pursue additional internal growth opportunities. We are currently in the process of a multi-year project at Hawesville to restart previously curtailed capacity. Through December 31, 2021, we have rebuilt or restarted 200,000 tonnes of production (Hawesville's current production capacity) and can restart another 50,000 tonnes of production capacity in the future subject to market conditions. At Sebree, in 2019, we expanded the smelter’s overall output by adding 20,000 tonnes of additional secondary (scrap reprocessing) capacity. At Mt. Holly, a restart project is underway to increase its production to 75% of Mt. Holly's full production capacity which we expect to be completed in the second half of 2022, plus an additional 57,000 tonnes of production in the future provided we are able to obtain sufficient energy at competitive rates.

At our Grundartangi, Iceland smelter, we are in the process of a multi-year project that is expected to ultimately increase annual production capacity to approximately 325,000 tonnes. In late 2021, Century began construction on the Casthouse Project. The new value-added casthouse will have a capacity of 150,000 tonnes of billet production and is expected to start production in the first quarter of 2024. The billet produced at the Grundartangi casthouse is expected to be low-carbon aluminum or Natur-Al™. At Vlissingen, since our purchase of this facility, we have completed a variety of expansion projects and efficiency programs in order to more than double the plant's production capacity. With these expansion projects and efficiency programs in place, we expect Vlissingen to be able to supply approximately 93% to 98% of Grundartangi’s carbon anode requirements at current production levels. We continue to pursue additional internal growth opportunities to maximize efficiencies and improve overall performance.

Sustainability. Our Natur-Al™ aluminum produced at our Grundartangi, Iceland smelter has one of the lowest carbon footprints in the industry due to Grundartangi’s access to clean hydroelectric and geothermal power sources and the operating expertise of our excellent workforce. Century Aluminum Company and our Grundartangi smelter have also been certified against the Aluminium Stewardship Initiative (ASI) Performance Standard for responsible production, sourcing and stewardship of aluminum. In addition to providing additional value to our customers, our low carbon footprint in Iceland mitigates our exposure to current or future carbon regulations. Century is also committed to exploring additional opportunities to reprocess and reuse scrap aluminum in its operations going forward and to reduce our carbon footprint across our operations.

Duty Free Access to our Major Customer Markets. Our facilities benefit from international and national trade laws and regulations. For example, the European Union imposes import tariffs on primary aluminum from producers outside the European Economic Area (the "EEA"), which includes Iceland, and the U.S. currently imposes a 10% tariff on certain primary aluminum imports into the United States. Our U.S. and Icelandic businesses currently access these respective markets duty-free which provides us with an advantage over our competitors who sell into these markets under these tariff regimes.

Close Proximity to our Major Customers in the Two Shortest Aluminum Markets in the World. The U.S. and the E.U. are the second and third largest aluminum consuming regions in the world, but do not produce enough aluminum domestically to satisfy their own demand. Our production locations within these markets provide us with a significant competitive advantage over our foreign competitors by providing our customers with short, reliable supply chains, better technical service and opportunities for value added collaboration. Our U.S. facilities benefit from the proximity to our U.S. customer base, allowing us to capture the Midwest premium and providing a competitive advantage in freight costs over our foreign competitors. The proximity to our customers also allows us to deliver a portion of our Kentucky production in molten form, saving casting costs, and providing a competitive advantage over other potential suppliers. In Iceland, our proximity to European markets provides a competitive advantage for Grundartangi, allowing us to capture the European Duty Paid Premium and other logistical benefits compared to our competitors outside the EEA.

Diverse Value Added Product and Secondary Market Portfolio. We have the ability across our operations to cast a variety of aluminum products, both in terms of shapes and alloys. These high purity and value-added primary aluminum products are sold at a premium to standard-grade aluminum. Our Hawesville plant is the largest producer of high purity aluminum in North America. Four of Hawesville's five potlines are capable of producing high purity aluminum, which is used extensively by the defense industry as well as for certain aerospace applications. Both Sebree and Mt. Holly have value-added casthouses that have the ability to produce large volumes of billet, slab and other value-added products. We have just started construction on the Grundartangi casthouse which will enable Grundartangi to produce Natur-Al™ billet and other value-added products and service the European market.

Access to Market Power. Our Kentucky operations benefit from market-based power contracts that provide electricity to these operations at competitive prices.

Experienced Management Team. Our management team includes executives and managers with significant experience in the aluminum industry, the broader metals and mining sector, the development of large and complex projects and the functional disciplines we require to manage and grow our business. In addition, the managers of our production facilities have substantial backgrounds and expertise in the technical and operational aspects of these plants.

For additional information, see Item 1A. Risk Factors. We may be unable to continue to compete successfully in the highly competitive markets in which we operate.

Government Regulations

Our facilities and operations are subject to various laws and regulations in the countries in which we operate, including, but not limited to, environmental laws and regulations. We have spent, and expect to continue to spend, significant amounts for compliance with those various laws and regulations, including environmental laws and regulations. In addition, some of our past manufacturing activities or those of our predecessors have resulted in environmental consequences that require remedial measures. Under certain environmental laws, which may impose liability regardless of fault, we may be liable for the costs of remediation of contaminated property, including our current and formerly owned or operated properties or adjacent areas, or for the amelioration of damage to natural resources. We believe, based on currently available information, that compliance with existing laws and regulations has not had a material adverse effect upon our capital expenditures, earnings and our competitive position. Furthermore, we believe, based on currently available information, that our current liabilities are not likely to have a material adverse effect on Century. However, we cannot predict the requirements of future laws and future requirements at current or formerly owned or operated properties or adjacent areas or the outcome of certain existing litigation to which we are a party. Such future requirements or events may result in unanticipated costs or liabilities that may have a material adverse effect on our financial condition, results of operations or liquidity. More information concerning our contingencies can be found in Note 15. Commitments and Contingencies to the consolidated financial statements included herein.

There is also increasing focus and scrutiny from both the United States government, foreign governments and other regulatory authorities on greenhouse gas ("GHG") emissions and potential impacts relating to climate change. We continuously review our own GHG and other emissions streams and seek to limit the impact of our operations on the communities in which we operate. Future laws, regulations, or policies that are enacted in response to concerns over GHG emissions and climate change, such as mandatory reporting and disclosure obligations, carbon tax, any "cap and trade" programs or similar regulatory measures, could significantly increase our operational and compliance burdens and costs. We continuously review and monitor climate change related proposed legislation for potential impacts on Century and our operations. For more information on the risk of climate change related legislation, laws and regulations, see Item 1A. Risk Factors.

Intellectual Property

We own or have rights to use a number of intellectual property rights relating to various aspects of our operations. We do not consider our business to be materially dependent on any of these intellectual property rights.

Available Information

Additional information about Century may be obtained from our website, which is located at www.centuryaluminum.com. Our website provides access to periodic filings we have made through the EDGAR filing system of the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports. We also make available on our website a copy of our code of ethics that applies to all employees and ownership reports filed on Forms 3, 4 and 5 by our directors, executive officers and beneficial owners of more than 10% of our outstanding common stock. Reports that we have filed with the SEC are also available on the SEC website at www.sec.gov. In addition, we will make available free of charge copies of our Forms 10-K, Forms 10-Q and Forms 8-K upon request. Requests for these documents can be made by contacting our Investor Relations Department by mail at: One South Wacker Drive, Suite 1000, Chicago, IL 60606, or by phone at: (312) 696-3101. Information contained in our website is not incorporated by reference in, and should not be considered a part of, this Annual Report on Form 10-K.

Item 1A. Risk Factors

The following describes certain of the risks and uncertainties we face that could materially and adversely affect our business, financial condition and results of operation, and cause our future results to differ materially from our current results and from those anticipated in our forward-looking statements. These risk factors should be considered together with the other risks and uncertainties described in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere herein. This list of material risk factors is not all-inclusive or necessarily in order of importance.

Risk Factor Summary

Risks Related to our Industry and Business
- Declines in the market price (including premiums) for primary aluminum
- Excess capacity and overproduction of aluminum
- Increases in energy costs and loss or disruption of our supply of power
- Inability to compete
- Impact of Covid-19 pandemic and other future pandemics
- Curtailment of our production capacities and/or aluminum reduction facilities
- Casthouse Project at Grundartangi and related financing
- Inability to realize benefits from capital projects
- "Take-or-pay" obligations under our raw material and services contracts
- Small customer base
- Requirement to maintain substantial resources for operations
- Exposure to political, economic, regulatory, currency and other risks related to our international operations
- Unpredictable events affecting operations
- Impact of our hedging transactions

Risks Related to Labor and Employees
- Failure to maintain labor relations
- Increased labor costs and labor shortages at our operations

Risks Related to Indebtedness and Financing
- Deterioration in our credit rating or financial condition
- Failure to generate sufficient cash flow for debt service requirements
- Levels of indebtedness and/or any future indebtedness
- Interest rate risk
- Covenants and restrictions in debt instruments
- Dependence on intercompany transfers
- Potential dilution of ownership interests upon conversion of the Convertible Notes
- Impact of accounting method for settlement of Convertible Notes
- Effect of the capped call transactions on Century stock and value of notes and related counterparty risk

Risks Related to Cybersecurity
- Failure of IT systems, network disruptions, cyber-attacks, and other security data breaches

Risks Related to Legal, Regulatory and Compliance Matters
- Effects of climate change, climate change legislation and/or environmental regulations
- Effects of health and safety laws and regulations
- Effects of trade laws or regulations
- Effects of litigation and legal proceedings
- Ability to use certain NOLs to offset future taxable income

Risks Related to Acquisition
- Effect of any future acquisitions on the Company and its operations

Risks Related to Stock Ownership
- Impact and influence from Glencore's ownership interests in Century

Risk Related to our Industry and Business

Declines in overall aluminum prices could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our operating results depend on the market for primary aluminum which can be volatile and subject to many factors beyond our control. The overall price of primary aluminum consists of three components: (i) the base commodity price, which is based on quoted prices on the LME; plus (ii) any regional premium (e.g., the Midwest premium for metal sold in the United States and the European Duty Paid premium for metal sold into Europe); plus (iii) any value-added product premium. Each of these three components has its own drivers of 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, 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. A deterioration in global economic conditions or a regional or worldwide financial downturn also has the potential to adversely affect future demand and prices for aluminum. Geopolitical uncertainty of any kind (including an outbreak or escalation of a regional conflict, such as the current situation in Ukraine), major public health issues (such as an outbreak of a pandemic or epidemic like COVID-19) or other unexpected events have the potential to negatively impact business confidence, potentially resulting in reduced global or regional demand for aluminum and increased price volatility. Such events may also impact prices by causing disruptions in our operations, supply chain, or workforce.

Declines in aluminum prices could cause us to curtail production at our operations or take other actions to reduce our cost of production, including deferring certain capital expenditures and maintenance costs and implementing workforce reductions. Any deferred costs achieved through such curtailments and other cost cutting measures could ultimately result in higher capital expenditures and maintenance costs than would have been incurred had such costs not been deferred and increase the costs to restore production capacity if market forces warrant. Declines in aluminum prices also negatively impact our liquidity by lowering our borrowing availability under our asset-based revolving credit facilities (due to a lower market value of our inventory and accounts receivable). These factors may have a material adverse effect on our liquidity, the amount of cash flow we have available for our capital expenditures and other operating expenses, our ability to access the credit and capital markets and our results of operations.

Excess capacity and overproduction of aluminum may materially disrupt global aluminum markets causing price deterioration which, in turn, could adversely impact our operating results, sales, margins and profitability.

Prior to 2021, global aluminum prices had been significantly depressed primarily due to large amounts of excess capacity and overproduction in China and other regions. Significant portions of global aluminum production would not be possible during such times without financial and other support and incentives from governments and state-owned entities. This oversupply caused global aluminum prices to be adversely impacted. Supply and demand in the aluminum market began to balance in 2021, however there is a risk that the market could again be saturated with excess capacity and overproduction. Overproduction and the export of heavily subsidized aluminum products may result in depressed prices and, in turn, have a material adverse impact on our operating results, sales, margins and profitability.

Increases in energy costs adversely affect our business, financial position, results of operations and liquidity.

Electrical power represents one of the largest components of our cost of goods sold. As a result, the availability of electricity at competitive prices is critical to the profitability of our operations.

In the U.S., our Hawesville and Sebree plants receive all of their electricity requirements under market-based electricity contracts. Since November 2019, the price of approximately 30% of Grundartangi’s power requirements has been linked to the market price for power in the Nord Pool power market. These market-based contracts expose us to price volatility and fluctuations due to factors beyond our control and without any direct relationship to the price of primary aluminum. For example, extreme weather events in mid-February 2021 across the United States resulted in increases to power prices for our Kentucky plants, which had an impact on our results in the first quarter of 2021. Additionally, in 2021, due in large part to low reservoir levels in Europe and low natural gas inventory in Europe, the monthly Nord Pool power prices increased from an average of 45.81 euros per MWh in January 2021 to 147.18 euros per MWh in December 2021. Market-based electricity contracts expose us to market price volatility and fluctuations driven by, among other things, coal and natural gas prices, renewable energy production, regulatory changes and weather events, in each case, without any direct relationship to the price of primary aluminum. There can be no assurance that our market-based power supply arrangements will result in favorable electricity costs. Any increase in our electricity and energy prices not tied to corresponding increases in the LME price could have a material adverse effect on our business, financial position, results of operations and liquidity.

Loss or disruptions in our supply of power and other power-related events could adversely affect our business, financial condition or results of operations.

We use large amounts of electricity to produce primary aluminum. Any loss or disruption of the power supply which reduces the amperage to our equipment or causes an equipment shutdown would result in a reduction in the volume of molten aluminum produced, and prolonged losses of power may result in the hardening or "freezing" of molten aluminum in the pots where it is produced, which could require an expensive and time consuming restart process, if a restart is possible at all.

Disruptions in the supply of electrical power to our facilities can be caused by a number of circumstances, including, but not limited to, unusually high demand, blackouts, equipment or transformer failure, human error, malicious acts including cyber attacks, natural disasters, weather events or other catastrophic events. Our market-based power supply arrangements further increase the risk that disruptions in the supply of electrical power to our domestic operations could occur. Under these arrangements, we have greater exposure to transmission line outages, problems with grid stability and limitations on energy import capability. An alternative supply of power in the event of a disruption may not be feasible. If events such as the above occur, it could have a material adverse effect on our business, financial condition or results of operation.

Power disruptions have had a material negative impact on our results of operations in the past. We operate our smelters at close to peak amperage. Accordingly, even partial failures of high voltage equipment could affect our production. Disruptions in the supply of electrical power that do not result in production curtailment could cause us to experience pot instability that could decrease levels of productivity and incur losses.

We maintain property and business interruption insurance to mitigate losses resulting from catastrophic events, but are required to pay significant amounts under the deductible and self-insured retention provisions of those insurance policies. In addition, the coverage under those policies may not be sufficient to cover all losses, or may not cover certain events. Certain of our insurance policies do not cover any losses that may be incurred if our suppliers are unable to provide power under certain circumstances. Certain losses or prolonged interruptions in our operations may trigger a default under certain of our outstanding indebtedness and could have a material adverse effect on our business, financial position, results of operations and liquidity.

We may be unable to continue to compete successfully in the markets in which we operate.

The global primary aluminum industry in which we operate is highly competitive. Aluminum also competes with other materials, such as steel, copper, plastics, composite materials and glass, among others, for various applications and uses. Many of our competitors are larger than we are and have greater financial and technical resources than we do. These larger competitors may be better able to withstand reductions in price or other adverse industry or economic conditions. Similarly, many of our competitors may receive various subsidies from local, state and federal governments and have vertically integrated upstream operations with resulting superior cost positions to ours and may be better able to withstand reductions in price or other adverse industry or economic conditions, including inflationary impacts. If we are not able to compete successfully, our business, financial position, results of operations and cash flows could be materially and adversely affected.

Public health pandemics, epidemics or similar public health threats, including the coronavirus disease 2019 (COVID-19), could have a material adverse effect on our business, outlook, financial condition, results of operations and liquidity.

The global markets in which we operate have been impacted by and continue to be impacted by the COVID-19 pandemic. Our business has been impacted by the COVID-19 pandemic and in the future could be adversely affected by the COVID-19 pandemic or other health pandemics, epidemics or similar public health threats.

Our operating results depend on the market for primary aluminum which can be volatile and subject to many factors beyond our control. At the onset of the COVID-19 pandemic in early 2020, the pandemic disrupted the global economy and created significant volatility in the primary aluminum industry. Such adverse impacts to the global market included the drop in the LME price for primary aluminum to $1,457 in April 2020 from $1,772 at the start of 2020. However, we have seen some measurable improvement in the global market for aluminum along with an increase in the price for our product and a return to more stability in the market since April 2020.

Our business also depends on the ability of our employees to travel to our aluminum smelting facilities and operate our facilities. During the course of the COVID-19 pandemic, we implemented several new policies and procedures to protect the health and safety of our workforce, including continuous disinfecting of our workplaces, social distancing policies, and wearing masks in accordance with the Centers for Disease Control Prevention guidelines. Beginning in the first quarter of 2021, there has been a trend in the United States and other areas of the world of increased availability of vaccines to combat COVID-19, as well as a relaxing of restrictions on individual, business, and government activities both domestically and abroad. The relaxing of restrictions and the existence and spread of variant strains of COVID-19 has and may lead to a further rise in infections in our workforce. In the event of a new spike in COVID-19 cases, the emergence of another variant or another pandemic in the future, our operations could be disrupted to varying degrees up to and including a shutdown, which could have a material adverse effect on our business, outlook, financial condition, results of operations and liquidity.

Any such events could also interfere with general commercial activity related to our supply chain and customer base, which could have an adverse effect on our financial condition and operational results. Raw material suppliers, including those we currently use, may not be available or may be delayed in shipments to us, impacting our ability to deliver our products to our customers thereby negatively impacting our operational results and financial condition. Further, if our customers' businesses are similarly affected, they might delay, reduce or even eliminate purchases from us, which could adversely affect our results of operations.

The ultimate severity, magnitude and duration of COVID-19 is uncertain, rapidly changing and hard to predict. The extent to which COVID-19 may adversely impact our business depends on future developments, which are highly uncertain and unpredictable, such as the ultimate duration and scope of the outbreak, the spread and rise of any different variants of the COVID-19 virus, the pandemic's impact on our customers and suppliers, the effectiveness and adoption of COVID-19 vaccines and therapeutics, governmental actions relating to the prevention of the spread of the virus, and whether the pandemic leads to recessionary conditions in any of our key markets or in global markets generally. The potential future impact of the COVID-19 pandemic on our business, results of operations and financial performance is difficult to predict and will depend on future developments, and such effects could exist for an extended period of time. While we expect the COVID-19 pandemic to continue to impact our results of operations, cash flows and financial position, the current level of uncertainty over the economic and operational impacts of the COVID-19 pandemic means the related impact to our business cannot be reasonably estimated at this time.

To the extent the COVID-19 pandemic or similar event adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described herein.

Curtailment of aluminum production at our facilities could have a material adverse effect on our business, financial position, results of operations and liquidity.

The continued operation of our smelters depends on the market for primary aluminum and our underlying costs of production. There can be no assurance that future deterioration in the price of aluminum or increases in our costs of production, including power, will not result in additional production curtailments at our smelters.

Curtailing production requires us to incur substantial expenses, both at the time of the curtailment and on an ongoing basis. Our facilities are subject to contractual and other fixed costs that continue even if we curtail operations at these facilities. These costs reduce the cost saving advantages of curtailing unprofitable aluminum production. If we are unable to realize the intended cost saving effects of any production curtailment, we may have to seek bankruptcy protection or be forced to divest some or all of our assets. The process of restarting production following curtailment is also expensive, time consuming and labor-intensive and there is no guarantee that once a curtailment has occurred that the plant will ever return to operation. As a result, any decision to restart production would likely require market conditions significantly better than the market conditions at the time the decision to curtail was made. Any curtailments of our operations, or actions taken to seek bankruptcy protection or divest some or all of our assets, could have a material adverse effect on our business, financial position, results of operations and liquidity.

The restart of curtailed capacity at our Mt. Holly smelter is subject to certain risks and uncertainties.

Upon the finalization of the three-year power agreement with Santee Cooper at our Mt. Holly smelter in early 2021, we began the process of restarting capacity at Mt. Holly that had been previously curtailed. This power contract with Santee

Cooper provides sufficient energy to allow the smelter to implement a restart project to increase its current production to 75% of Mt. Holly's full production capacity. The profitability of this restart project is subject to certain market assumptions that are subject to risks outside of our control, specifically the LME price of aluminum, price and availability of raw materials and price levels of premiums. Changes in these inputs may result in actual costs and returns that materially differ from the estimated costs and returns and our financial position and results of operations may be negatively affected as a result. Changes in these inputs may also make the Mt. Holly restart project uneconomic and we may decide at any time not to continue to fund this investment and thereby delay or stop the restart.

There can be no assurance that we will be able to restart capacity at Mt. Holly within our projected budget and schedule. In addition to changes in market assumptions, other unforeseen difficulties could increase the cost of the project, delay the project or render the project not feasible. Our ability to finance the project could also be impacted by our cash position and results of operations. Any delay in the completion of the project, unexpected or increased costs or inability to fund the project could have a material adverse effect on our business, financial position, results of operations and liquidity.

The restart of production at our Hawesville smelter is subject to certain risks and uncertainties.

We are currently in the process of a multi-year project at our Hawesville aluminum smelter that began in 2018 to restart previously curtailed capacity and return the plant to a production level of approximately 200,000 MT per annum (80% of capacity). Our Hawesville facility experienced several equipment issues in late December 2020 that partially reduced the plant's production level; however, the process of returning to our planned operating level of 80% of capacity began in the second quarter of 2021 and is now complete. The rebuild of the fifth and final potline is expected to be completed over the next several years subject to market conditions. The decision to continue with the Hawesville restart project is based on certain market assumptions that are subject to risks outside of our control, specifically the LME price of aluminum, price and availability of raw materials and price levels of premiums. Changes in these inputs may result in actual costs and returns that materially differ from the estimated costs and returns and our financial position and results of operations may be negatively affected as a result. Changes in these inputs may also make the Hawesville restart project uneconomic and we may decide at any time to discontinue the unfinished portions of the project.

There can be no assurance that we will be able to restore Hawesville to full production within our projected budget and schedule. In addition to changes in market assumptions, other unforeseen difficulties could increase the cost of the project, delay the project or render the project not feasible. Our ability to finance the project could also be impacted by our cash position and results of operations. Any delay in the completion of the project, unexpected or increased costs or inability to fund the project could have a material adverse effect on our business, financial position, results of operations and liquidity.

The casthouse project at our Grundartangi smelter and related financing are subject to certain risks and uncertainties and we may be unable to realize the expected benefits of this project.

On November 3, 2021, we announced plans for construction of a new billet casthouse at Grundartangi. The new value-added casthouse will have a capacity of 150,000 tonnes of billet production and is expected to start production in the first quarter of 2024. Our ability to complete this Casthouse Project and the timing and costs of doing so are subject to various risks and certain market assumptions, many of which are beyond our control. Changes in our inputs, whether costs or availability, may result in actual costs and returns that materially differ from the estimated costs and returns and our financial position and results of operations may be negatively affected as a result. There can be no assurance that we will be able to complete the Casthouse Project within our projected budget and schedule. In addition to changes in market assumptions, other unforeseen difficulties could increase the cost of the project, delay the project or render the project not feasible. Any delay in the completion of the project, unexpected or increased costs or inability to fund the project could have a material adverse effect on our business, financial position, results of operations and liquidity.

In connection with the Casthouse Project, Grundartangi entered into a Term Facility Agreement with Arion Bank hf to provide for borrowings up to $130.0 million (the "Casthouse Facility"). Our ability to make payments on and to refinance the Casthouse Facility will depend on our ability to generate cash in the future. Our ability to pay interest on and to repay or refinance the Casthouse Facility will depend upon our access to additional sources of liquidity and future operating performance, which is subject to general economic, financial, competitive, legislative, regulatory, business and other factors, including market prices for primary aluminum, that are beyond our control. Accordingly, there can be no assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay debt service obligations under the Casthouse Facility. If we are unable to meet our debt service obligations under the Casthouse Facility, it may have a material adverse effect on our business, financial position, results of operations and liquidity.

Increases in our raw material costs and disruptions in our supply of raw materials could adversely affect our business.

Our business depends upon the adequate supply of alumina, aluminum fluoride, calcined petroleum coke, pitch, carbon anodes, cathodes, alloys and other raw materials. For some of these production inputs, such as alumina, coke, pitch and cathodes, we do not have any internal production and rely on a limited number of suppliers for all of our requirements. Many of our supply agreements are short term or expire in the next few years. There is no assurance that we will be able to renew such agreements on commercially favorable terms, if at all. Certain of our principal raw materials are commodities for which, at times, availability and pricing can be volatile due to a number of factors beyond our control, including general economic conditions, inflationary impacts, domestic and worldwide demand, labor costs, competition, weather conditions and other transportation delays, major force majeure events, pandemics, tariffs, sanctions and currency exchange rates. Because we rely on a limited number of suppliers, if our suppliers cannot meet their contracted volume commitments or other contractual requirements, it may be difficult for us to source our raw materials from alternative suppliers at commercially reasonable prices or within the time periods required by our operations, if at all. If we are unable to source from alternative suppliers, we could be forced to curtail production or use raw materials that do not meet our requirements, which could cause inefficiencies in our operations, increase costs or impact our production capabilities, any of which could have a material adverse effect on our business, financial position, results of operations and liquidity.

We are also exposed to price risk for each of these raw material commodities. For example, the pricing under certain of our current alumina supply contracts is based on a published alumina index. As a result, our cost structure is exposed to market fluctuations and price volatility. During 2018, for example, external events in the alumina markets, including the partial curtailment of the Alunorte alumina refinery in Brazil due to environmental concerns following severe weather and U.S. sanctions impacting UC Rusal’s ability to supply alumina to the market, caused significant price volatility. As a result of these events, the alumina index price reached a high of $710 per tonne in April 2018 compared to an average price of $329 per tonne for 2021, $271 per tonne for 2020 and $332 per tonne for 2019. From time to time, we manage our exposure to fluctuations in our alumina costs by purchasing certain of our alumina requirements under supply contracts with prices tied to the LME price of aluminum.

Because we sell our products based on the LME price for primary aluminum, we are not able to pass on to our customers any increased cost of raw materials that are not linked to the LME price. The availability of our raw materials at competitive prices is critical to the profitability of our operations and increases in pricing and/or disruptions in our supply could have a material adverse effect on our business, financial position, results of operations and liquidity.

We may be unable to realize expected benefits of our capital projects.

From time to time, we undertake strategic capital projects in order to enhance, expand and/or upgrade our facilities and operational capabilities. For instance, within the past several years, we have undertaken expansion projects at each of our Sebree, Hawesville, Grundartangi, Mt. Holly and Vlissingen facilities. Our ability to complete these projects and the timing and costs of doing so are subject to various risks, many of which are beyond our control. Additionally, the start-up of operations after such projects have been completed is also subject to risk. Our ability to achieve the anticipated increased revenues or otherwise realize acceptable returns on these investments is subject to a variety of market, operational, regulatory and labor-related factors. Any failure to complete these projects, or any delays or failure to achieve the anticipated results from the implementation of any such projects, could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Certain of our raw material and services contracts contain "take-or-pay" obligations.

We have obligations under certain contracts to take-or-pay for specified raw materials or services over the term of those contracts regardless of our operating requirements. To the extent that we curtail production at any of our operations, we may continue to be obligated to take or pay for goods or services under these contracts as if we were operating at full production, which reduces the cost savings advantages of curtailing aluminum production. Our financial position and results of operations may also be adversely affected by the market price for such materials or services as we will continue to incur costs under these contracts to meet or settle our contractual take-or-pay obligations. If we were unable to use such materials or services in our operations or sell them at prices consistent with or greater than our contract costs, we could incur significant losses under these contracts. In addition, these commitments may also limit our ability to take advantage of favorable changes in the market prices for such materials and may have a material adverse effect on our business, financial position, results of operations and liquidity.

We have historically derived substantially all of our revenue from a small number of customers, and we could be adversely affected by the loss of a major customer or changes in the business or financial condition of our major customers.

We have historically derived substantially all of our consolidated net sales from a small number of customers. For the year ended December 31, 2021, we derived approximately 74% of our consolidated net sales from two major customers and we currently have agreements in place to sell a substantial portion of our 2022 production to these same customers. We expect that the rest of our 2022 customer base will remain fairly concentrated among a small number of customers under short-term contracts. See Item 1. Business - Customer Base.

Any material non-payment or non-performance by one of these customers, a significant dispute with one of these customers, a significant downturn or deterioration in the business or financial condition of any of these customers, early termination of our sales agreement with any of these customers, or any other event significantly negatively impacting the contractual relationship with one of these customers could adversely affect our financial condition and results of operations. If, in such an event, we are unable to sell the affected production volume to another customer, or we sell the affected production to another customer on terms that are materially less advantageous to us, our revenues could be negatively impacted.

We require substantial resources to pay our operating expenses and fund our capital expenditures.

We require substantial resources to pay our operating expenses and fund our capital expenditures. If we are unable to generate funds from our operations to pay our operating expenses and fund our capital expenditures and other obligations, our ability to continue to meet our cash requirements in the future could require substantial liquidity and access to sources of funds, including from financial, capital and/or credit markets.

If funding is not available when needed, or is available only on unacceptable terms, we may be unable to respond to competitive pressures, take advantage of market opportunities or fund operations, capital expenditures or other obligations, any of which could have a material adverse effect on our business, financial position, results of operations and liquidity.

International operations expose us to political, economic, regulatory, currency and other related risks which may materially adversely impact our business.

We receive a significant portion of our revenues and cash flow from our operations in Iceland and have significant operations in the Netherlands. These international operations expose us to risks, including unexpected changes in foreign laws and regulations, political and economic instability and unrest, challenges in managing foreign operations, increased costs to adapt our systems and practices to those used in foreign countries, taxes, export duties, currency restrictions and exchange, tariffs and other trade barriers, and the burdens of complying with and monitoring a wide variety of foreign laws and regulations. Changes in foreign laws and regulations are generally beyond our ability to control, influence or predict and future changes in these laws and regulations could have a material adverse effect on our business, financial position, results of operations and liquidity.

In addition, we may be exposed to global inflation and fluctuations in currency exchange rates. As a result, an increase in the value of foreign currencies relative to the U.S. dollar could increase the U.S. dollar cost of our operating expenses which are denominated and payable in those currencies. To the extent we explore additional opportunities outside the U.S., our currency risk with respect to foreign currencies may increase.

Unpredictable events may interrupt our operations, which may adversely affect our business.

Our operations may be susceptible to unpredictable events, including accidents, transportation and supply interruptions, labor disputes, equipment failure, information system breakdowns, natural disasters, dangerous weather conditions, river conditions, political unrest, pandemics, cyberattacks and other events. Operational malfunctions or interruptions at one or more of our facilities could result in substantial losses in our production capacity, personal injury or death, damage to our properties or the properties of others, monetary losses and potential legal liability.

Our market-based power supply arrangements further increase the risk that unpredictable events could lead to changes in the price and/or availability of market power which could significantly impact the profitability and viability of our operations. For example, extreme weather events in mid-February 2021 across the United States resulted in increases to power prices for our Kentucky plants after the occurrence of such events, which had an impact on our results in the first quarter of 2021. Power generation curtailments, transmission line outages, or limitations on energy import capability that arise from such unpredictable events could also increase power prices, disrupt production or force a curtailment of all or part of the production at our facilities. In addition, unpredictable events that lead to power cost increases may adversely affect our financial condition, results of operations and liquidity.

Iceland, for example, has suffered several natural disasters and extreme weather events, including significant volcanic eruptions and earthquakes which can lead to disruption in power transmission or other impacts to our operations. Insufficient rain in Iceland has and could in the future lead to low water levels in the reservoirs which has resulted and may again result in curtailments in power which is provided to our Grundartangi smelter from hydroelectric and geothermal sources.

We accept delivery of necessary raw materials to our operations using public infrastructure such as river systems and seaports. Deterioration of such infrastructure and/or other adverse conditions could result in transportation delays or interruptions and increased costs, as occurred during the third quarter of 2017 when lock closures on the Ohio River impacted our alumina supply and forced us to find alternative means to transport alumina to our Kentucky operations at increased cost. Any delay in the delivery of raw materials necessary for our production could impact our ability to operate our plants and have a material adverse effect on our business, financial condition or results of operation.

Future unpredictable events may adversely affect our ability to conduct business and may require substantial capital expenditures and operating expenses to remediate damage and restore operations at our production facilities. Although we maintain insurance to mitigate losses resulting from such events, our coverage may not be sufficient to cover all losses, may have high deductibles or may not cover certain events at all. To the extent these losses are not covered by insurance, our financial condition, results of operations and cash flows could be materially and adversely affected.

Potential exposures resulting from the February 2022 cybersecurity incident, described further below, as well as any future incidents may include substantially increased compliance costs, as well as increased costs relating to investments in computer system and security-related upgrades, with those costs potentially not recoverable under our insurance coverage. We anticipate making continued investments to improve our security and infrastructure, which may not be recoverable under our insurance coverage. If our system security does not sufficiently address these risks, they could have a material adverse effect on our business, results of operations and financial condition.

We engage in hedging transactions which involve risks that could have a material adverse effect on our business, financial position and liquidity.

As a global producer of primary aluminum, our business is subject to risk of fluctuations in the market prices of primary aluminum, power and foreign currencies, among other things. Therefore, from time to time, we may seek to manage our exposure to these risks through entering into different types of hedging arrangements designed to reduce such risk exposure. However, there can be no assurance that our hedging activities will successfully reduce our risk exposure to these factors. In addition, there may be unforeseen events affecting our business that could lead us to be long in positions that we did not anticipate when such hedging transactions were put into place which in turn could lead to adverse effects on our financial position. Further, we may be required to use a significant amount of liquidity to satisfy collateral margin calls required by our hedging counterparties. Utilizing liquidity to satisfy collateral margin calls may have an impact on the liquidity we have available for our operations and lead to adverse impacts on our financial position. See Item 7A. Quantitative and Qualitative Disclosure about Market Risk and Note 18. Derivatives to the consolidated financial statements included herein.

Risks Related to Labor and Employees

Our failure to maintain satisfactory labor relations could adversely affect our business.

The bargaining unit employees at our Grundartangi, Hawesville, Sebree and Vlissingen facilities are represented by labor unions, representing approximately 63% of our total workforce as of December 31, 2021. Our Grundartangi labor agreement is effective through December 31, 2024. Our Vlissingen labor agreement is effective through November 30, 2022. Our Hawesville and Sebree labor agreements are scheduled to expire April 1, 2026 and October 28, 2023, respectively.

While we are hopeful to reach agreement with the labor unions to renew these agreements on acceptable terms when these agreements expire, there is no assurance that we will be successful in doing so. If we fail to maintain satisfactory relations with any labor union representing our employees, our labor contracts may not prevent a strike or work stoppage at any of these facilities in the future. As part of any negotiation with a labor union, we may reach agreements with respect to future wages and benefits that may have a material adverse effect on our future business, financial condition, results of operations and liquidity. In addition, negotiations could divert management attention or result in strikes, lock-outs or other work stoppages.

Any threatened or actual work stoppage in the future or inability to renegotiate our collective bargaining agreements could prevent or significantly impair our production capabilities subject to these collective bargaining agreements, which could have a material adverse effect on our business, financial position, results of operations and liquidity.

Labor shortages or increased labor costs may materially adversely affect our business, financial condition and results of operations.

Our employees are integral to the success of our operations and with meeting our operational objectives. Any impact of labor shortages or increased labor costs because of COVID-19 pandemic, increased competition for employees, unemployment levels and benefits, higher employee turnover rates or other employee benefits costs may increase our labor costs or impact our ability to operate our facilities efficiently and could have a material adverse effect on our business, results of operations, and financial condition. Like many U.S. businesses, we did experience increasing levels of turnover at all of our U.S. locations in 2021 and increased labor costs. Recruiting and retaining employees in sufficient numbers to optimize our workforce levels may result in increased labor costs which could in turn lead to a material adverse effect on our results of operations and financial position.

Risks Related to Indebtedness and Financing

A deterioration in our financial condition or credit rating could limit our ability to access the credit and capital markets on acceptable terms or to enter into hedging and financial transactions, lead to our inability to access liquidity facilities, and could adversely affect our financial condition and our business relationships.

Our credit rating has previously been adversely affected by unfavorable market and financial conditions. A deterioration in our financial condition, our existing credit rating, or any future negative actions the credit agencies may take affecting our credit rating, could expose us to significant borrowing costs and less favorable credit terms, limiting our ability to access the credit and capital markets, and have an adverse effect on our relationships with customers, suppliers and hedging counterparties. An inability to access the credit and capital markets when needed in order to refinance our existing debt or raise new debt or equity could have a material adverse effect on our business, financial position, results of operations and liquidity.

We may be unable to generate sufficient cash flow to meet our debt service requirements which may have a material adverse effect on our business, financial position, results of operations and liquidity.

As of December 31, 2021, we had an aggregate of approximately $451.2 million of outstanding debt (including $250.0 million aggregate principal amount of our 7.5% senior secured notes due 2028 (the "2028 Notes") and $86.3 million aggregate principal amount of our convertible senior notes due 2028 (the "Convertible Notes")). Our ability to pay interest on and to repay or refinance our debt will depend upon our access to additional sources of liquidity and future operating performance, which is subject to general economic, financial, competitive, legislative, regulatory, business and other factors, including market prices for primary aluminum, that are beyond our control. The occurrence of unexpected and extraordinary events, such as the COVID-19 pandemic, can also create substantial uncertainty and volatility in the financial markets which may impact our ability to access capital to refinance our existing indebtedness. Accordingly, there can be no assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay debt service obligations, refinance our existing debt or to fund our other liquidity needs. If we are unable to meet our debt service obligations or fund our other liquidity needs, we could attempt to restructure or refinance our debt or seek additional equity or debt capital. There can be no assurance that we would be able to accomplish those actions on satisfactory terms, or at all. If we are unable to ultimately meet our debt service obligations and fund our other liquidity needs, it may have a material adverse effect on our business, financial position, results of operations and liquidity.

Our substantial indebtedness or any future additional indebtedness could adversely affect our business, results of operations or financial condition.

Our substantial indebtedness and the significant cash flow required to service such debt increases our vulnerability to adverse economic and industry conditions, reduces cash available for other purposes and limits our operational flexibility. Despite our substantial indebtedness, we may incur substantial additional debt in the future. Although the agreements governing our existing debt limit our ability and the ability of certain of our subsidiaries to incur additional debt, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. In addition, these agreements may also allow us to incur certain obligations that do not constitute debt as defined in these agreements. To the extent that we incur additional debt or such other obligations, the risks associated with our substantial debt described above, including our possible inability to service and meet our debt or other obligations, would increase.

We are subject to interest rate risk, which could adversely affect our borrowing costs, financial condition and results of operations.

Our industrial revenue bonds ("IRBs") and borrowings on our U.S. and Iceland revolving credit facilities as well as the Casthouse Facility are currently at variable interest rates, and future borrowings required to fund working capital at our businesses, capital expenditures, acquisitions, or other strategic opportunities may be at variable rates, which exposes us to interest rate risk. An increase in interest rates would increase our debt service obligations under our existing debt instruments and potentially any future debt instruments, further limiting cash flow available for other uses. Any increase in interest rates could adversely affect our borrowing costs, financial condition and results of operations.

Our debt instruments subject us to covenants and restrictions.

Our existing debt instruments contain various covenants that restrict the way we conduct our business and limit our ability to incur debt, pay dividends and engage in transactions such as acquisitions and investments, among other things, which may impair our ability to obtain additional liquidity and grow our business. Any failure to comply with those covenants would likely constitute a breach under such debt instruments which may result in the acceleration of all or a substantial portion of our outstanding indebtedness and termination of commitments under our U.S. and Iceland revolving credit facilities. If our indebtedness is accelerated, we may be unable to repay the required amounts and our secured lenders could foreclose on any collateral securing our secured debt. Any of the foregoing actions could have a material adverse effect on our business, financial condition, results of operations and liquidity.

We depend upon intercompany transfers from our subsidiaries to meet our debt service obligations.

We are a holding company and conduct all of our operations through our subsidiaries. As a holding company, our results of operations depend on the results of operations of our subsidiaries. Moreover, our ability to meet our debt service obligations depends upon the receipt of intercompany transfers from our subsidiaries. The ability of our subsidiaries to pay dividends or make other payments or advances to us will depend on their operating results and will be subject to applicable laws and any restrictions or prohibitions on intercompany transfers by those subsidiaries contained in agreements governing the debt or other obligations of such subsidiaries.

Conversion of the Convertible Notes may dilute the ownership interest of our stockholders or may otherwise depress the price of our common stock.

The conversion of some or all of the Convertible Notes may dilute the ownership interests of our stockholders. Upon conversion of the Convertible Notes, we have the option to pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock. If we elect to settle our conversion obligation in shares of our common stock or a combination of cash and shares of our common stock, any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our common stock could depress the price of our common stock.

The accounting method for convertible debt securities that may be settled in cash, such as the Convertible Notes, could have a material effect on our reported financial results.

We account for the Convertible Notes in accordance with U.S. Generally Accepted Accounting Principles, including ASC 470-20, Debt with Conversion and Other Options (“ASC 470-20”) and, where applicable, Accounting Standards Update 2020-06 (“ASU 2020-06”). The ultimate accounting treatment may have a material effect on our net income, earnings per share (EPS) and working capital. Volatility in these measures could adversely affect the trading price of our common stock. If any of the conditions to the convertibility of the Convertible Notes are satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Convertible Notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders convert their Convertible Notes and could materially reduce our reported working capital. We are required to report diluted earnings per share using an “if-converted” method. Under that method, diluted earnings per share would generally be calculated assuming that all the Convertible Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share.

The capped call transactions may affect the value of the notes and our common stock.

In connection with the pricing of the Convertible Notes, we entered into capped call transactions with various option counterparties. The capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Convertible Notes, as the case may be, with such reduction and/or offset subject to a cap.

From time to time, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so on each exercise date for the capped call transactions, which are expected to occur on each trading day during the 20 trading day period beginning on the 21st scheduled trading day prior to the maturity date of the notes, or following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or early conversion of the notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the notes.

The potential effect, if any, of these transactions and activities on the market price of our common stock or the notes will depend in part on market conditions and cannot be ascertained at this time. We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of our common stock. In addition, we do not make any representation that the option counterparties or their respective affiliates will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We are subject to counterparty risk with respect to the capped call transactions.

The option counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that one or more of such option counterparties may default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. If any option counterparty becomes subject to bankruptcy or other insolvency proceedings, with respect to such option counterparty's obligations under the relevant capped call transaction, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under such transaction. Our exposure will depend on many factors but, generally, an increase in our exposure will be positively correlated to an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by any of the option counterparties, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of any of the option counterparties.

Risks Related to Cybersecurity

The failure of our information technology systems, network disruptions, cyber-attacks or other breaches in data security could have a material adverse effect on our business, results of operations and financial position.

We depend on our information technology systems to manage significant aspects of our business including, without limitation, production process control, metal inventory management, shipping and receiving, and reporting financial and operational results. Any disruptions, delays, or deficiencies in our information systems or network connectivity could result in increased costs, disruptions in our business, and/or adversely affect our ability to timely report our financial results.

Our information technology systems are vulnerable to damage or interruption from circumstances largely beyond our control, including, without limitation, fire, natural disasters, power outages, systems failure, security breaches, and cyber- attacks, which include viruses, malware, and ransomware attacks. While we have disaster recovery plans in place, if our information technology systems are damaged or interrupted for any reason, and, if the disaster recovery plans do not effectively resolve such issues on a timely basis, we may be unable to manage or conduct our business operations, suffer reputational harm, and may be subject to governmental investigations and litigation, any of which may adversely impact our business, results of operations, and financial condition.

Cybersecurity incidents, in particular, are increasing in frequency and continue to evolve and become more sophisticated. Cyber security incidents may include, but are not limited to, attempts to gain unauthorized system access to install malicious software such as ransomware or malware, direct fraudulent payments to fictitious vendors, disrupt production process control and financial systems, and release of confidential or otherwise protected information and data. In addition, during the past few years, a greater number of our employees are working remotely as a result of the COVID-19 pandemic, which may increase cybersecurity vulnerabilities and risk to our information technology systems.

On February 16, 2022, we became aware of a cybersecurity intrusion that caused a network disruption and impacted certain of our systems. Upon detection, we took steps to address the incident, including engaging both internal resources and a team of third-party experts and are continuing to investigate and respond to this intrusion.

Due to the evolving nature and scope of cybersecurity threats, the scope and impact of any incident, including the February 16, 2022 incident, cannot be predicted, including the scope of any potential impacts on our business, financial position and results of operations. While the Company continually works to safeguard and strengthen our information technology systems and invest in our information technology infrastructure to mitigate potential risks, there is no assurance that such actions will be sufficient to prevent cyber-attacks or security breaches that damage or interrupt access to information systems or networks, compromise confidential or otherwise protected information, destroy or corrupt data, or otherwise disrupt our operations. In addition, we may not be able to contain a targeted cybersecurity incident to any one particular operating location. Furthermore, although the Company does maintain insurance in its operations, such insurance may not cover all liabilities and losses associated with any sort of cyber incident or security breach (including the February 2022 incident). The occurrence of such events could negatively impact our reputation and our competitive position and could result in litigation with third parties, regulatory action, loss of business, potential liability and increased remediation costs, any of which could have a material adverse effect on our financial condition and results of operations. Such security breaches could also result in a violation of applicable U.S. and international privacy and other laws and could have a material adverse effect on our business, results of operations and financial position.

Risks Related to Legal, Regulatory and Compliance Matters

Climate change, climate change legislation or environmental regulations may adversely impact our operations.

Governmental regulatory bodies in the United States and other countries where we operate have adopted, or may in the future adopt, laws or enact other regulatory changes in response to the potential impacts of climate change. Such laws and regulations could have a variety of adverse effects on our business. There is an increasing global and U.S. regulatory focus and scrutiny on GHG emission and their potential impacts on climate change.

For example, electricity represents our single largest operating cost and the availability of electricity at competitive prices is critical to the profitability of our operations. Some of the power we purchase in the United States is generated at coal-based power plants, which have been, and are likely to continue to be, significantly impacted by these types of regulations, including the Paris Agreement, which the United States re-entered on February 19, 2021. Any resulting increase in our operating costs could have a material adverse effect on our business, financial position, results of operations and liquidity. Even small increases in power prices could have a disproportionate impact on our business if such price increases are not supported by then current aluminum prices.

In addition, as a member of the EEA and a signatory to the Kyoto Protocol, Iceland has implemented legislation to abide by the Kyoto Protocol and Directive 2003/87/EC of the European Parliament (the "Directive") which establishes a "cap and trade" scheme for greenhouse gas emission allowance trading. Iceland is complying with the Directive by participating in the European Union ("EU") Emission Trading System which requires us to purchase carbon dioxide allowances for our Grundartangi smelter. We currently receive approximately 70% of needed emission allowances for the Grundartangi smelter free of charge, although changes to these regulations, or the implementation of new regulations, could cause our cost of allowances to rise or impose other costs.

The future impact of these or other potential regulatory changes is uncertain and may be either voluntary or legislated and may impact our operations directly or indirectly through our customers or our supply chain. We may incur increased capital expenditures resulting from compliance with such regulatory changes, increased energy costs, costs associated with a "cap and trade" system, increased insurance premiums and deductibles, carbon taxes, increased efficiency standards, incentives or mandates for use of particular types of energy, a change in competitive position relative to industry peers and changes to profit or loss arising from increased or decreased demand for goods produced by us and indirectly, from changes in cost of goods sold. For example, "cap and trade" legislation may impose significant additional costs to our power suppliers that could lead to significant increases in our energy costs. In addition, the potential physical impacts of climate change on our operations are highly uncertain and will be particular to the geographic circumstances. These may include changes in rainfall patterns, shortages of water or other natural resources, changing sea levels, changing storm patterns and intensities, and changing temperature levels. Any adverse regulatory and physical changes may have a material adverse effect on our business, financial position, results of operations and liquidity.

We and our suppliers are subject to a variety of environmental laws and regulations that may have a material adverse effect on our business, financial position, results of operations and liquidity.

Our operations may impact the environment and our properties may have environmental contamination, which could result in material liabilities for us. We are obligated to comply with various foreign, federal, state and other environmental laws and regulations, including the environmental laws and regulations of the United States, Iceland and the EU. Environmental laws and regulations may expose us to costs or liabilities relating to our manufacturing operations or property ownership. We incur operating costs and capital expenditures on an ongoing basis to comply with applicable environmental laws and regulations. We also were previously, and may in the future be, responsible for the cleanup of contamination at some of our current and former facilities or for the amelioration of damage to natural resources. Environmental laws may impose cleanup liability on owners and occupiers of contaminated property, including past or divested properties, regardless of whether the owners or occupiers caused the contamination or whether the activity that resulted in the contamination was lawful at the time it was conducted. Liability may also be imposed on a joint and several basis, such that we may be held responsible for more than our share of the contamination or other damages.

If more stringent compliance or cleanup standards under environmental laws or regulations are imposed, previously unknown environmental conditions or damages to natural resources are discovered or alleged, or if contributions from other responsible parties with respect to sites for which we have cleanup responsibilities are not available, we may be subject to additional liability, which may have a material adverse effect on our business, financial condition, results of operations and liquidity. Further, additional environmental matters for which we may be liable may arise in the future at our present sites where no problem is currently known, with respect to sites previously owned or operated by us, by related corporate entities or by our predecessors, or at sites that we may acquire or operate in the future. In addition, overall production costs may become prohibitively expensive and prevent us from effectively competing in price sensitive markets if future capital expenditures and costs for environmental compliance or cleanup are significantly greater than expected.

In addition, many of our key suppliers are subject to environmental laws and regulations that may affect their costs of production resulting in an increase in the price of the products that we purchase from them. Application of existing and new environmental laws and regulations to us and/or our key suppliers may have a material adverse effect on our business, financial position, results of operations and liquidity.

Our operations are subject to a variety of laws that regulate the protection of the health and safety of our employees, and changes in health and safety laws and regulations could result in significant costs, which could have a material adverse effect on our business, financial position, results of operations and liquidity.

We are subject to various foreign, federal and state laws and regulations that regulate the protection of the health and safety of our workers. Changes in existing laws, possible future laws and regulations or more restrictive interpretations of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures or impose restrictions on our operations. Failure to comply with applicable laws and regulations that regulate the protection of the health and safety of our workers, including the beryllium standard, may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may require corrective measures including capital expenditures, installation of additional equipment or remedial actions. Any such penalties, fines, sanctions or shutdowns could have a material adverse effect on our business and results of operations.

Changes in trade laws or regulations may have an adverse effect on our sales margins and profitability.

Our businesses compete in a global marketplace and are subject to international and domestic trade laws and regulations. The breadth of these laws and regulations continues to expand and evolve. For example, both the European Union and the U.S. impose import tariffs and/or quotas on primary aluminum from certain foreign producers. Our Icelandic and U.S. businesses are currently able to access these respective markets duty-free. Any change to these import duties, including the granting of exemptions, a reduction in the tariff rate or a full repeal of the tariff scheme, could lessen or potentially eliminate the benefit we currently realize from these tariffs and could negatively impact our profitability. These or other changes in trade laws and regulations could affect the ultimate price we receive for our products, the prices and availability of our raw materials or our ability to access certain markets and could have a material adverse effect on our business, financial position, results of operations and liquidity.

We are subject to litigation and legal proceedings and may be subject to additional litigation, arbitration or legal proceedings in the future.

We are currently, and may in the future become, subject to litigation, arbitration or other legal proceedings with other parties. The outcome of such matters is often difficult to assess or quantify and the cost to defend future legal proceedings may be significant. If decided adversely to us, these legal proceedings, or others that could be brought against us in the future, could have a material adverse effect on our financial position, cash flows and results of operations. Furthermore, to the extent we sell or reduce our interest in certain assets, we may give representations and warranties and indemnities for such transactions and we may agree to retain responsibility for certain liabilities related to the period prior to the sale. As a result, we may incur liabilities in the future associated with assets we no longer own or in which we have a reduced interest. For a more detailed discussion of pending litigation, see Item 3. Legal Proceedings and Note 15. Commitments and Contingencies to the consolidated financial statements included herein.

In the event of a dispute arising at our foreign operations, we may be subject to the exclusive jurisdiction of foreign courts or arbitral panels, or may not be successful in subjecting foreign persons to the jurisdiction of courts or arbitral panels in the United States. Our inability to enforce our rights and the enforcement of rights on a prejudicial basis by foreign courts or arbitral panels could have an adverse effect on our results of operations and financial position.

Our ability to utilize certain net operating loss carryforwards to offset future taxable income may be significantly limited if we experience an "ownership change" under the Internal Revenue Code.

As of December 31, 2021, we had federal net operating loss carryforwards of approximately $1,568.4 million which could offset future taxable income. Our ability to utilize our deferred tax assets to offset future federal taxable income may be significantly limited if we experience an "ownership change" as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). In general, an ownership change would occur if our "five-percent shareholders," as defined under the Code, collectively increase their ownership in us by more than fifty percentage points over a rolling three-year period. Future transactions in our stock that may not be in our control may cause us to experience such an ownership change and thus limit our ability to utilize net operating losses, tax credits and other tax assets to offset future taxable income.

Risks Related to Acquisitions

Acquisitions could disrupt our operations and harm our operating results.

We have a history of making acquisitions and we expect to opportunistically seek to make acquisitions in the future. We are subject to numerous risks as a result of our acquisition strategy, including the following:
- we may spend time and money pursuing acquisitions that do not close;
- acquired companies may have contingent or unidentified liabilities;
- it may be challenging for us to manage our existing business as we integrate acquired operations; and
- we may not achieve the anticipated benefits or synergies from our acquisitions.

We are subject to numerous risks following the consummation of any acquisition, including, for example, that we may incur costs and expenses associated with any unidentified or potential liabilities, we may not achieve anticipated revenue and cost benefits from the acquisitions and unforeseen difficulties may arise in integrating the acquired operations into our existing operations. Accordingly, our past or future acquisitions might not ultimately improve our competitive position and business prospects as anticipated and may subject us to additional liabilities that could have a material adverse effect on our business, financial position, results of operations and liquidity.

Risks Related to Stock Ownership in the Company
Glencore may exercise substantial influence over us, and they may have interests that differ from those of our other stockholders.

Glencore beneficially owns approximately 42.9% of our outstanding common stock and all of our outstanding Series A Convertible Preferred Stock. In addition, one of our six directors is a Glencore employee. During the year ended December 31, 2021, we derived approximately 60% of our consolidated sales from Glencore and we expect to sell a significant portion of our production to Glencore in 2022. 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. Because of the interests described above, Glencore may have substantial influence over our business, and, to the extent of their ownership of our common stock, on the outcome of any matters submitted to our stockholders for approval.

In addition, certain decisions concerning our operations or financial structure may present conflicts of interest between Glencore and our other stockholders. For example, Glencore may in the future engage in a wide variety of activities in our industry that may result in conflicts of interest with respect to matters affecting us. Glencore may also make investments in businesses that directly or indirectly compete with us, or may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Item 1B. Unresolved Staff Comments

We have no unresolved comments from the staff of the SEC.

Item 2. Properties

Our principal executive office is located at 1 South Wacker Drive, Suite 1000, Chicago, Illinois 60606. We own and operate aluminum smelters in the United States and Iceland. We also own a carbon anode production facility located in the Netherlands. We lease certain of our facilities under long-term operating leases, however we do not believe that this fact materially affects the continued use of these properties. We believe all of our facilities are suitable and adequate for our current operations. Our significant properties are listed below. Additional information about the location and productive capacity of our facilities is available in the "Overview" section of Item 1. Business.

Facility	Ownership
Hawesville	100% Owned
Sebree	100% Owned
Mt. Holly	100% Owned
Grundartangi	Facility 100% owned; long-term ground lease
Vlissingen	Facility 100% owned; long-term ground lease
Chicago Corporate Office	Long-term office lease

Item 3. 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 position, operating results and cash flows. For information regarding material legal proceedings pending against us at December 31, 2021, refer to Note 15. Commitments and Contingencies to the consolidated financial statements included herein.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the NASDAQ Global Market under the symbol: CENX.

Holders

As of February 24, 2022, there were 85 holders of record of our common stock, which does not include the number of beneficial owners whose common stock was held in street name or through fiduciaries.

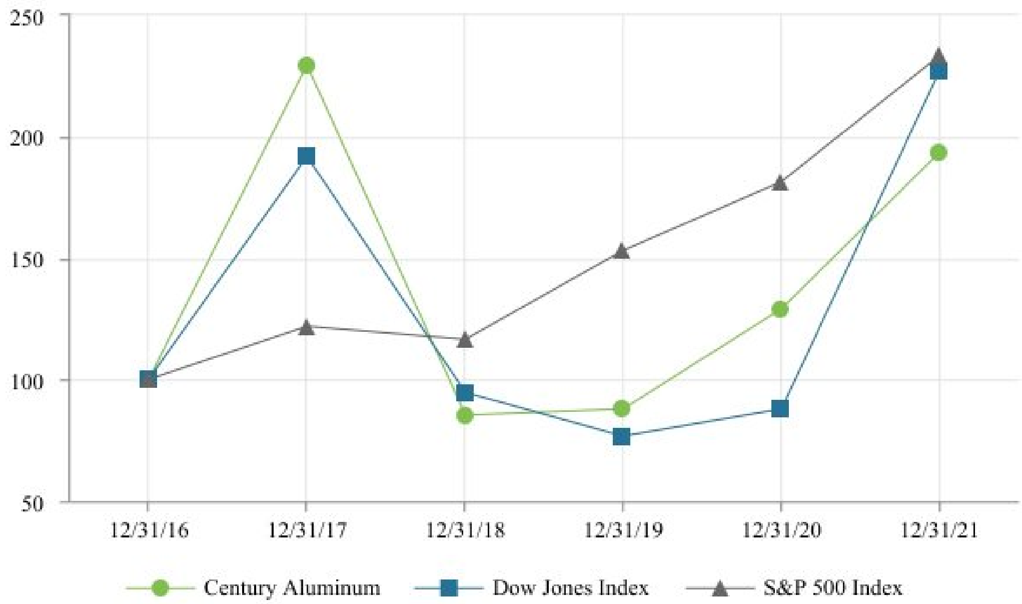
Dividend Information

We did not declare dividends on our common stock in 2021 or 2020. We do not plan to declare cash dividends in the foreseeable future. Any declaration of dividends is at the discretion of our Board of Directors.

Our agreements governing our existing debt contain restrictions which limit our ability to pay dividends. Additional information about the terms of our long-term borrowing agreements is available at Note 6. Debt to the consolidated financial statements included herein.

Stock Performance Graph

The following line graph compares Century Aluminum Company's cumulative total return to stockholders with the cumulative total return of the S&P 500 Index and the Dow Jones U.S. Aluminum Total Return Index. These comparisons assume the investment of $100 on December 31, 2016 and the reinvestment of dividends.



Comparison of Cumulative Total Return to Stockholders from December 31, 2016 through December 31, 2021

As of December 31,	2016	2017	2018	2019	2020	2021
Century Aluminum Company	$ 100	$ 229	$ 85	$ 88	$ 129	$ 193
Dow Jones U.S. Aluminum Total Return Index (1)	100	192	95	77	88	227
S&P 500 Index	100	122	116	153	181	233

(1) The Dow Jones U.S. Aluminum Total Return Index replaces the Morningstar Aluminum Index in this analysis and going forward, as the latter data is no longer accessible. The latter index has been included with data through 2019.

Issuer Purchases of Equity Securities during the three months ended December 31, 2021

There were no issuer purchases of equity securities during the three months ended December 31, 2021. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources Other Items for a discussion of the current stock repurchase authorization.

Item 6. [Reserved]

Item 7. 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 its subsidiaries (collectively, "Century," the "Company," "our" and "we") and should be read in conjunction with the accompanying consolidated financial statements and related notes thereto in Item 8. Financial Statements and Supplementary Data and in Item 1A. Risk Factors. 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 flow from operations are as follows:

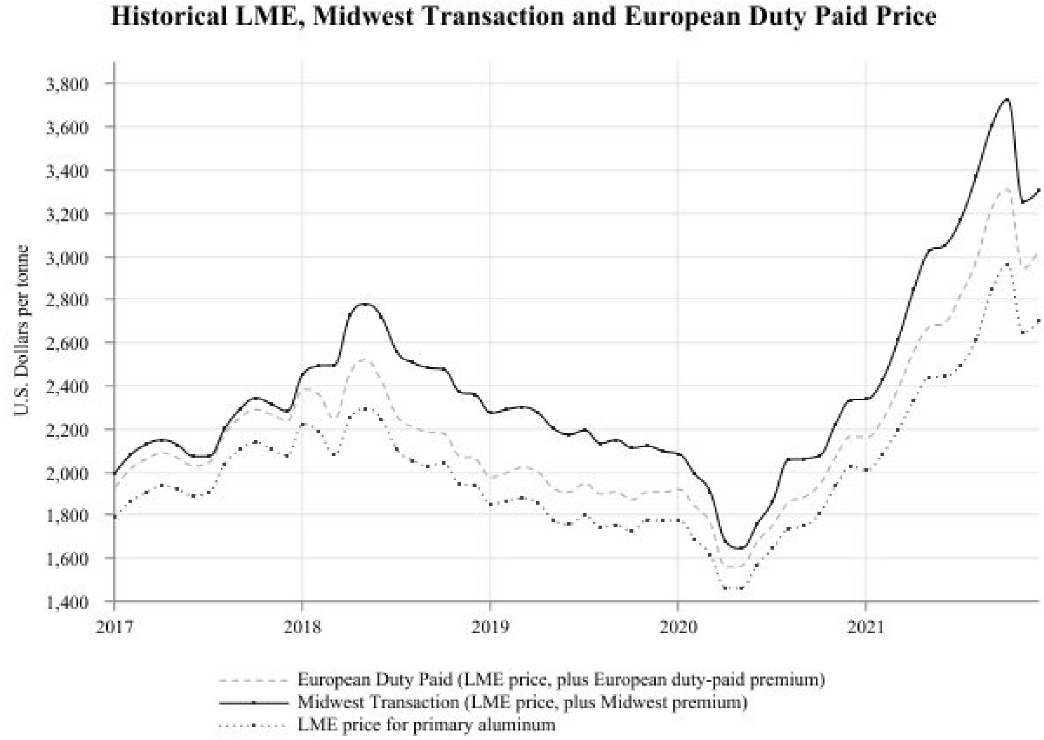
- the price of primary aluminum, which is based on the London Metal Exchange ("LME") and other exchanges, plus any regional premiums and value-added product premiums;
- the cost of goods sold, the principal components of which are electrical power, alumina, carbon products and labor, which in aggregate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

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); 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 18. Derivatives and risks affiliated with such financial contracts are disclosed specifically in Item 1A. Risk Factors.

The historic volatility of the price of aluminum is reflected in the chart below:



We have seen meaningful increases in the pricing of aluminum throughout 2021. The average LME price for primary aluminum was $2,475 per tonne in 2021, compared to $1,702 per tonne in 2020, and $1,792 in 2019. The average MWP price was $581 per tonne in 2021 compared to $267 per tonne in 2020 and $396 per tonne in 2019. The average European Duty Paid premium was $272 per tonne in 2021 compared to $126 per tonne in 2020 and $142 per tonne in 2019.

Energy, Key Supplies and Raw Materials

Our operating costs are significantly impacted by changes in the prices of the materials used in the production of aluminum, including alumina, electrical power and carbon products. These costs may be subject to increasing inflationary pressures, which could adversely affect our business, financial condition and results of operations. Because we sell our products based principally on the LME price for primary aluminum, regional premiums and value-added product premiums, we are unable to pass increased production costs on to our customers. Although we attempt to mitigate the effects of price fluctuations from time to time through the use of various fixed-price commitments, financial instruments and also by negotiating LME-based pricing in some of our raw materials and electrical power contracts, these efforts also limit our ability to take advantage of favorable changes in the market prices for primary aluminum or raw materials and may affect our financial position, results of operations and cash flows.

Alumina and electrical power represent the two largest components of our cost of goods sold. As a result, the availability of these cost components at competitive prices is critical to the profitability of our operations. The pricing under our alumina supply contracts varies from contract to contract. A major portion of our alumina requirements is indexed to the price of primary aluminum, which provides a natural hedge to one of our largest production costs. We also purchase alumina based on a published alumina index and at fixed prices. The alumina price is influenced by a number of factors, including global supply-demand balance, natural disasters and weather events, and other factors outside of our control. The average market alumina index price as a percentage of market LME price per tonne for 2021 was 13% compared to 16% for 2020 and 19% for 2019.

Electrical power is our other largest operating cost. Currently, our Hawesville and Sebree plants receive all of their electricity requirements under market-based power agreements and Grundartangi receives 30% of its electricity requirements from market-based power agreements. Market-based energy prices are driven in large part by the price of coal, natural gas, and other fuel sources, weather influenced reservoir or generation levels for wind, solar and hydro production and weather-influenced electric loads. Extreme weather events, such as that experienced in mid-February 2021 throughout the United States or the low rain levels experienced in Nordic regions during winter 2021, can result in low generation, power outages and/or significant increases in demand, which may result in significant increased power costs incurred in our operations.

Prior to April 2021, our Mt. Holly aluminum smelter was a party to both a power agreement with a third party supplier (providing 75% of Mt. Holly's power) and with Santee Cooper (supplying 25% of Mt. Holly's power) to supply the Mt. Holly smelter with all its power needs. Our Mt. Holly plant now has a power supply agreement with Santee Cooper that runs 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 the Mt. Holly smelter to reach 75% of full production capacity upon completion of the restart project.

In Iceland, approximately 70% of the power requirements for our Grundartangi plant are indexed to the price of primary aluminum, which provides a natural hedge of one of our largest production costs. The price of the remaining 30% of Grundartangi's power requirements is linked to the market price for power in the Nord Pool power market, the trading market for power in the Nordic countries and certain other areas of Europe, through December 2023. In July 2021, the contract was extended for the period January 1, 2024 through December 31, 2026 with pricing at fixed rates.

Production/Shipment Volumes

Shipment volume is another key determinant of our financial results. In normal circumstances, fluctuations in production and shipment volumes, other than through acquisitions or expansions, are generally small period over period. Any adverse changes in the conditions that affect shipment volumes could have a material adverse effect on our results of operations and cash flows.

The following table sets forth, for the periods indicated, the shipment volumes and revenues for primary aluminum shipments:

SHIPMENTS - PRIMARY ALUMINUM[(1)]

	United States		Iceland		Total	
	Tonnes	Revenue $	Tonnes	Revenue $	Tonnes	Revenue $
			(dollars in millions)			
2021	468,729	$ 1,368.0	314,918	$ 790.8	783,647	$ 2,158.8
2020	495,433	985.3	315,743	570.8	811,176	1,556.1
2019	495,096	1,143.8	316,148	628.3	811,244	1,772.1

(1) Excludes scrap aluminum and alumina sales

Results of Operations

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Net sales (in millions)	**2021**	**2020**
Twelve months ended December 31,	$ 2,212.5	$ 1,605.

Net sales: Net sales (excluding alumina sales) increased by $603.6 million for the twelve months ended December 31, 2021, compared to the same period in 2020, primarily driven by favorable LME and regional premium price realizations of $640.9 million, partially offset by unfavorable volume and product mix of $37.4 million.

Gross profit (loss) (in millions)	**2021**	**2020**
Twelve months ended December 31,	$ 124.2	$ (36.

Gross profit (loss): Gross profit increased by $160.8 million for the twelve months ended December 31, 2021, compared to the same period in 2020, primarily driven by favorable LME and regional premium price realizations of $640.9 million, partially offset by unfavorable power price realizations of $251.1 million, unfavorable raw material price realizations of $99.1

million, unfavorable volume impacts of $23.7 million and increased operating costs of $108.3 million driven by higher labor and supplies costs, both primarily related to our restart projects at Mt. Holly and Hawesville.

Selling, general and administrative expenses (in millions)	**2021**	**2020**
Twelve months ended December 31,	$ 57.6	$ 43.

Selling, general and administrative expenses: Selling, general and administrative expenses increased $14.1 million in 2021 compared to 2020, primarily due to increases in share-based compensation due to fluctuations of the stock price period over period and other compensation costs.

Net loss on forward and derivative contracts (in millions)	**2021**	**2020**
Twelve months ended December 31,	$ (212.4)	$ (17.

Net loss on forward and derivative contracts: In 2021, we recognized losses of $212.4 million primarily related to LME, MWP and Nord Pool fixed forward financial sales contracts. The losses were primarily driven by increases in LME and MWP forward prices. In 2020, we recognized losses of $17.3 million primarily related to LME and MWP fixed forward financial sales contracts. The losses were primarily driven by fluctuations in forward prices. See Note 18. Derivatives to the consolidated financial statements included herein for additional information.

Income tax benefit (expense) (in millions)	**2021**	**2020**
Twelve months ended December 31,	$ 30.6	$ 3.

Income tax expense (benefit): We have a valuation allowance against all of our U.S. and certain foreign deferred tax assets. We recognized a $30.6 million income tax benefit in 2021 as compared to income tax benefit of $3.1 million in 2020. The period-to-period change is primarily related to a discrete tax benefit of $49.8 million related to the recognition of certain foreign deferred tax assets. The deferred tax asset represents the future tax benefit we expect to realize for deductible costs related to our historical investment in Nordural Helguvik ehf (“Helguvik”). During the period, it became apparent this deferred tax asset would be realized in the foreseeable future. As this deferred tax asset is expected to be realized prior to expiration, we have not recorded a valuation allowance. See Note 14. Income Taxes to the consolidated financial statements included herein for additional information.

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Net sales (in millions)	**2020**	**2019**
Twelve months ended December 31,	$ 1,605.1	$ 1,836.

Net sales: Net sales (excluding alumina sales) decreased by $220.2 million for the twelve months ended December 31, 2020, compared to the same period in 2019, primarily driven by unfavorable LME and regional premium price realizations of $188.6 million and unfavorable volume and product mix of $31.6 million.

Gross profit (loss) (in millions)	**2020**	**2019**
Twelve months ended December 31,	$ (36.5)	$ (23.

Gross profit (loss): Gross loss increased by $12.6 million for the twelve months ended December 31, 2020, compared to the same period in 2019, primarily driven by unfavorable LME and regional premium price realizations of $188.6 million. The increases to gross loss were offset by favorable raw material price realizations of $178.6 million.

Selling, general and administrative expenses (in millions)	**2020**	**2019**
Twelve months ended December 31,	$ 43.5	$ 47.

Selling, general and administrative expenses: Selling, general and administrative expenses decreased $3.9 million in 2020 compared to 2019, primarily due to decreases in compensation cost in the current year, partially offset by increases in professional fees.

Net (gain) loss on forward and derivative contracts (in millions)	**2020**	**2019**
Twelve months ended December 31,	$ (17.3)	$ 12.

Net (gain) loss on forward and derivative contracts: In 2020, we recognized losses of $17.3 million primarily related to LME, MWP and Nord Pool fixed forward financial sales contracts. The losses were primarily driven by fluctuations in forward prices. In 2019, we had recognized gains of $12.0 million primarily related to LME and MWP fixed forward financial sales contracts. The gains were primarily driven by decreases in the LME and MWP prices during 2019.

Income tax expense (in millions)	**2020**	**2019**
Twelve months ended December 31,	$ 3.1	$ 8.

Income tax expense (benefit): We have a valuation allowance against all of our U.S. and certain foreign deferred tax assets. We recognized an $3.1 million income tax benefit in 2020 as compared to income tax benefit of $8.4 million in 2019. The increase in income tax benefit year over year primarily relates to a decrease in earnings of certain of our foreign entities.

Liquidity and Capital Resources

Liquidity

Our principal sources of liquidity are available cash and cash flow 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 12 months. As of December 31, 2021, we had cash and cash equivalents of approximately $29.0 million and unused availability under our revolving credit facilities of $70.5 million, resulting in a total liquidity position of approximately $99.5 million.

On April 14, 2021, we issued $250.0 million in aggregate principal amount of our 7.5% senior secured notes that will mature in 2028 (the "2028 Notes") and used a portion of the proceeds to purchase $195.9 million of our 12.0% senior secured notes due 2025 (the "2025 Notes") pursuant to a cash tender offer for the 2025 Notes. On April 9, 2021, we issued $86.3 million in aggregate principal amount of convertible senior notes due 2028 (the "Convertible Notes"). The remaining proceeds from the issuance of the 2028 Notes and a portion of the proceeds from the issuance of the Convertible Notes were used to redeem the remaining 2025 Notes on May 14, 2021. The remaining proceeds from the Convertible Notes offering were used to repay borrowings under our revolving credit facilities and to pay for the cost of the capped call transactions in connection with the issuance of the Convertible Notes. With these transactions, we have effectively extended the maturities of our principal debt obligations, reduced the interest rate on these obligations, and raised additional liquidity through the issuance of the Convertible Notes.

Available Cash

Our available cash and cash equivalents balance at December 31, 2021 was $29.0 million compared to $81.6 million at December 31, 2020.

Sources and Uses of Cash

Our cash flows from operating, investing and financing activities as reflected in the consolidated statement of cash flows for the twelve months ended December 31, 2021, 2020 and 2019 are summarized below:

	Twelve months ended December 31,		
	2021	2020	2019
	(dollars in millions)		
Net cash (used in) provided by operating activities	$ (64.7)	$ 42.9	$ 17.7
Net cash used in investing activities	(82.6)	(11.8)	(38.8)
Net cash provided by financing activities	103.7	13.5	21.1
Change in cash, cash equivalents and restricted cash	$ (43.6)	$ 44.6	$ —

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Net cash used in operating activities for 2021 was $64.7 million, compared to cash provided by operating activities of $42.9 million in 2020. The change in net cash used in operating activities was driven by increasing raw material prices, increasing power prices, higher labor costs, increases in working capital, and hedge settlements, partially offset by higher realized aluminum prices.

The increase in net cash used in investing activities during 2021 was primarily due to higher spending on capital projects during the twelve months ended December 31, 2021, driven by capital investments in the Mt. Holly restart project.

Net cash provided by financing activities increased by $90.2 million in 2021 compared to 2020 primarily due to increased borrowings on the revolving credit facilities primarily used to fund working capital and the Mt. Holly restart project and issuance of the Convertible Notes.

Year Ended December 31, 2020 Compared to Year December 31, 2019

Net cash provided by operating activities for 2020 was $42.9 million, compared to $17.7 million for 2019. The increase in net cash provided by operating activities was primarily driven by improvements in working capital. The improvements in working capital were primarily attributable to timing of raw material receipts and the timing of trade receivable collections, offset by increasing raw material prices.

The decrease in net cash used in investing activities during 2020 was due to lower capital expenditures related to Hawesville restart activities and deferral of capital projects in response to COVID-19.

Net cash provided by financing activities decreased by $7.6 million during 2020 primarily due to payments made on our term loan with Glencore Ltd. (the "Hawesville Term Loan"), offset by net borrowings on our U.S. revolving credit facility and Iceland revolving credit facility. Borrowings on our revolving credit facilities are available, if needed, for working capital requirements, general corporate or other purposes.

Availability under Our Credit Facilities

Our U.S. revolving credit facility, dated May 2018 (as amended, the "U.S. revolving credit facility"), originally provided for borrowings of up to $175.0 million in the aggregate. On December 23, 2021, we entered into a Third Amendment to our existing $175.0 million U.S. revolving credit facility and exercised a portion of the uncommitted accordion feature in the amount of $45.0 million, increasing the maximum capacity from $175.0 million to $220.0 million, including up to $110.0 million under a letter of credit sub-facility. The U.S. revolving credit facility matures in May 2023. 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 revolving credit facility, dated November 2013, as amended (the "Iceland revolving credit facility") which originally provided for borrowings of up to $50.0 million in the aggregate. On February 4, 2022, we further amended this Iceland revolving credit facility and increased the facility amount to $80.0 million in the aggregate. The Iceland revolving credit facility matures November 2024.

The availability of funds under our revolving 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 December 31, 2021, our U.S. revolving credit facility had a borrowing base of $215.2 million, $63.6 million in outstanding borrowings, and $81.1 million in letters of credit outstanding. Of the outstanding letters of credit, $12.1 million related to our power commitments, $51.0 million are related to hedging collateral, and the remainder are primarily for the purpose of securing certain secured debt and workers' compensation commitments. As of December 31, 2021, our Iceland revolving credit facility had a borrowing base of $50.0 million and $50.0 million in outstanding borrowings.

As of December 31, 2021, our revolving credit facilities had $70.5 million of net availability after consideration of our outstanding borrowings and letters of credit. We may borrow and make repayments under our revolving 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 revolving 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 any time availability under the U.S. revolving credit facility is less than or equal to $22.0 million, or 10% of the borrowing base but not less than $12.5 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 covenants that require Grundartangi to maintain a minimum equity ratio. As of December 31, 2021, we were in compliance with all such covenants or maintained availability above such covenant triggers.

Grundartangi Casthouse Facility

On November 2, 2021, in connection with the casthouse project at Grundartangi, we entered into an eight-year Term Facility Agreement with Arion Bank hf, to provide for borrowings up to $130.0 million (the "Casthouse Facility"). Under the Casthouse Facility, repayments of principal amounts will be made in equal quarterly installments equal to 1.818% of the principal amount, the first payment occurring 30 months after the first drawdown by Grundartangi, with the remaining 60% of the principal amount to be paid no later than the termination date. The Casthouse Facility shall mature 8 years following the first drawdown date. The Casthouse Facility bears interest at a rate equal to USD LIBOR 3 month plus an applicable margin. The Casthouse Facility is secured by a $430.0 million general bond. As of December 31, 2021, there were no 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 December 31, 2021, we were in compliance with all such covenants or maintained availability above such covenant triggers.

Senior Secured Notes and Convertible Senior Notes

We have $250.0 million principal of senior secured notes that mature on April 1, 2028, 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, beginning on October 1, 2021, 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, 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, beginning on November 1, 2021, at a rate of 2.75% per annum in cash.

We applied the net proceeds from the offering of the 2028 Notes and a portion of the net proceeds from the Convertible Notes described above toward payment of the total consideration amount to holders whose 2025 Notes were accepted and purchased in the tender offer and to fund the redemption of any remaining 2025 Notes.

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 December 31, 2021, we have not issued any debt securities pursuant to the Universal Shelf Registration Statement. However, the securities that we may issue in the future may limit 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. The Company’s or Guarantors’ amounts due from, amounts due to, and transactions with the Non-Guarantor Subsidiaries are disclosed below:

	December 31, 2021	December 31, 2020
Current assets	$ 395.3	$ 252.4
Non-current assets	935.3	972.3
Current liabilities	375.1	169.2
Non-current liabilities	556.1	483.7

	Twelve months ended December 31, 2021
Net sales	$ 1,413.0
Gross profit (loss)	63.2
Income (loss) before income taxes	(251.7)
Net income (loss)	(167.1)

As of December 31, 2021 and December 31, 2020, an intercompany receivable due to the Company and Guarantors from the Non-Guarantor Subsidiaries totaled $15.1 million and $14.6 million, respectively, and an intercompany non-current loan due to the Company from the Non-Guarantor Subsidiaries totaled $544.2 million and $554.9 million, respectively.

Contingent Commitments

We have a contingent obligation in connection with the “unwind” of a contractual arrangement between Century Aluminum Kentucky ("CAKY"), Big Rivers and a third party and the execution of a long-term cost-based power contract with Kenergy, a member of a cooperative of Big Rivers, in July 2009. 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 December 31, 2021, the principal and accrued interest for the contingent obligation was $28.1 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. Based on the LME forward market at December 31, 2021 and current level of Hawesville's 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 Guarantee 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 during the years ended December 31, 2021, 2020 and 2019. We historically elected to defer certain payments under the PBGC Settlement Agreement and provided the PBGC with the appropriate security. On October 1, 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 by incentivizing 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, Argentina, Canada and Mexico and imports from the European Union up to a quota limit of 18,000 metric tonnes or imports that receive a product exclusion from the Department of Commerce.

Other Items

We are currently in the process of a multi-year project that began in 2018 to restart Hawesville's previously curtailed capacity and return the plant to a production level of approximately 200,000 MT per annum (80% of capacity). As of December 31, 2021, we are finished with these efforts and are producing at approximately 80% of Hawesville's capacity. The rebuild of the fifth and final potline is expected to be completed over the next several years subject to market conditions.

During 2021, we initiated efforts to restart the curtailed capacity at our Mt. Holly facility, resulting in total production of 75% of Mt. Holly's full capacity once the restart project is completed. Restart work at the Mt. Holly smelter is progressing and is expected to be completed in the second quarter of 2022, subject to market conditions.

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 first quarter of 2024. The Grundartangi casthouse project will be fully funded through the Casthouse Facility.

In May 2018, we temporarily curtailed one potline at our Sebree aluminum smelter due to an equipment failure. Sebree was returned to full capacity by the end of the third quarter of 2018. As of December 31, 2020, we received $19.9 million of insurance proceeds related to a policy covering the equipment failure. In January 2021, the claims process was concluded and a final payment of $1.4 million of insurance proceeds was received.

In October 2021, Nordural Helguvik ehf ("Helguvik"), a past subsidiary of ours and owner of the former Helguvik project site which has been curtailed since 2008, filed for bankruptcy and on October 28, 2021, a district court in Iceland issued a verdict declaring bankruptcy of Helguvik. We recognized a deferred tax asset and recorded a discrete tax benefit of $49.8 million related to the future tax benefit we expect to realize for deductible costs related to our historical investment in Helguvik. There are no other financial statement impacts as a result of the bankruptcy filing.

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 2021, 2020, and 2019. As of December 31, 2021, 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 December 31, 2021, we had $2.0 million in other current liabilities and $6.2 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 15. 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 flow from operations and if necessary, borrowings 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 year ended December 31, 2021 were $28.1 million, excluding expenditures of $61.9 million associated with the restart at Mt. Holly. We estimate our total capital spending in 2022, excluding the Mt. Holly restart project and Grundartangi casthouse project, will be approximately $30.0 million, related to our ongoing investment and sustainability projects at our plants.

Critical Accounting Estimates

Our significant accounting policies are described in Note 1. Summary of Significant Accounting Policies to the consolidated financial statements. The preparation of the financial statements requires that management make judgments, assumptions and estimates in applying these accounting policies. Those judgments are normally based on knowledge and experience about past and current events and on assumptions about future events. Critical accounting estimates require management to make assumptions about matters that are highly uncertain at the time of the estimate and a change in these estimates may have a material impact on our financial position or results of operations. Significant judgments and estimates made by our management include expenses and liabilities related to inventories, pensions and other postretirement benefits ("OPEB"), deferred tax assets and property, plant and equipment. Our management has discussed the development and selection of these critical accounting estimates with the audit committee of our Board of Directors and the Audit Committee has reviewed our disclosure.

Inventories

Our inventories are stated at lower of cost or net realizable value ("NRV").

Our estimate of the market value of our inventories involves establishing a net realizable value for both finished goods and the components of inventory that will be converted to finished goods, raw materials and work in process. This requires management to use its judgment when making assumptions about future selling prices and the costs to complete our inventory during the period in which it will be sold.

Our assumptions are subject to inherent uncertainties given the volatility surrounding the market price for primary aluminum sales and the market price for our major inputs, alumina and electrical power.

Although we believe that the assumptions used to estimate the market value of our inventory are reasonable, actual market conditions at the time our inventory is sold may be more or less favorable than management's current estimates.

Pension and Other Postretirement Benefit Liabilities

We sponsor several pension and OPEB plans. Our liabilities under these defined benefit plans are determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate, health care cost inflation rate and the long-term rate of return on plan assets. We review our actuarial assumptions on an annual basis and make modifications to the assumptions when appropriate.

Discount Rate Selection

We select a discount rate for purposes of measuring obligations under defined benefit plans by matching cash flows separately for each plan to the yields on high-quality zero coupon bonds. We use the Ryan Above Median Yield Curve (the "Ryan Curve"). We believe the projected cash flows used to determine the Ryan Curve rate provide a good approximation of the timing and amounts of our defined benefit payments under our plans and no adjustment to the Ryan Curve rate has been made.

Weighted Average Discount Rate Assumption for:	**2021**	**2020**
Pension plans	2.89%	2.58%
OPEB plans	2.75%	2.34%

A change of a half percentage point in the discount rate for our defined benefit plans would have the following effects on our obligations under these plans as of December 31, 2021:

Effect of changes in the discount rates on the Projected Benefit Obligations for:	**50 basis point increase**	**50 basis point decrease**
	(dollars in millions)	
Pension plans	$ (24.1)	$ 27.3
OPEB plans	(4.5)	5.7

Medical Trend Rate

Measurement of our postretirement benefit obligations requires the use of several assumptions about factors that will affect the amount and timing of future benefit payments. The assumed health care cost trend rates are the most critical estimates for measurement of the postretirement benefit obligation. Changes in the health care cost trend rates have a significant effect on the amounts reported for the health care benefit obligation.

Medical cost inflation is initially estimated to be 6.4% and 7.1% for pre- and post-65 participants, respectively, declining to 4.5% over ten years and thereafter. A one-percentage-point change in the assumed health care cost trend rate would have had the following effects in 2021:

	1% Increase	**1% Decrease**
	(dollars in millions)	
Effect on total of service and interest cost components	$ 0.2	$ (0.2)
Effect on accumulated postretirement benefit obligation	9.7	(8.3)

Long-term Rate of Return on Plan Assets Assumption

Our expected long-term rate of return on plan assets is derived from our asset allocation strategies and anticipated future long-term performance of individual asset classes. Our analysis gives consideration to recent plan performance and historical returns; however, the assumptions are primarily based on long-term, prospective rates of return. The weighted average long-term rate of return on plan assets for our defined benefit pension plans is 7.25% for 2021.

Based on information provided by independent actuaries and other relevant sources, the Company believes that the assumptions used to estimate expenses, assets and liabilities of pensions and other postretirement benefits are reasonable; however, changes in these assumptions could impact the Company's financial position, results of operations or cash flows.

Deferred Income Tax Assets

We regularly assess the likelihood that deferred tax assets will be recovered from future taxable income. To the extent we believe that it is more likely than not that a deferred tax asset will not be realized, a valuation allowance is established. The amount of a valuation allowance is based upon our best estimate of our ability to realize the net deferred tax assets. We have a valuation allowance of $485.8 million recorded for all of our U.S. deferred tax assets and a portion of our Icelandic deferred tax assets as of December 31, 2021.

Property, Plant and Equipment Impairment

We review our property, plant and equipment for impairment whenever events or circumstances indicate that the carrying amount of these assets (asset group) may not be recoverable. The carrying amount of the assets (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets (asset group). In that case, an impairment loss would be recognized for the amount by which the carrying amount exceeds the fair value of the assets (asset group), with the fair value determined using a discounted cash flow calculation. These estimates of future cash flows include management's assumptions about the expected use of the assets (asset group), the remaining useful life, expenditures to maintain the service potential, market and cost assumptions.

Determination as to whether and how much an asset is impaired involves significant management judgment involving highly uncertain matters, including estimating the future sales volumes, future selling prices and estimated raw material and conversion costs, alternative uses for the asset, and estimated proceeds from the disposal of the asset.

Recently Issued Accounting Standards Updates

Information regarding recently issued accounting pronouncements is included in Note 1. Summary of Significant Accounting Policies to the consolidated financial statements included herein.

Contractual Obligations

In the normal course of business, we have entered into various contractual obligations that will be settled in cash. These obligations consist primarily of long-term debt obligations and purchase obligations. The expected future cash flows required to meet these obligations through the year 2030 are shown in the table below. More information is available about these contractual obligations in the notes to the consolidated financial statements included herein.

	Payments Due by Period						
	Total	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**
	(dollars in millions)						
Long-term debt (1)	$ 473	$ —	$ —	$ 7	$ 9	$ 9	$ 448
Estimated interest payments (2)	168	24	26	26	26	26	40
Operating lease obligations (3)	40	3	3	3	3	3	25
Purchase obligations (4)	1,846	824	395	308	80	71	168
Other long-term liabilities (5)	22	4	6	3	3	6	—
Total	$ 2,549	855	430	347	121	115	681

(1) Long-term debt includes principal repayments on our 2028 Notes, Convertible Notes, the Casthouse Facility and the IRB. Payments are based on the assumption that all outstanding debt instruments will remain outstanding until their respective due dates. For our contingent obligation, based on the LME forward market prices for primary aluminum at December 31, 2021 and expected Hawesville operating levels, we believe that we will not have any payment obligations through the term of the agreement, which expires in 2028.

(2) Estimated interest payments on our long-term debt assume that all outstanding debt instruments will remain outstanding until their respective due dates. Our estimated future interest payments for any debt with a variable rate are based on the assumption that the December 31, 2021 rate for that debt continues until the respective due date. We assume that no interest payments on the contingent obligation will be paid through the term of agreement, see above.

(3) Operating leases include long-term leases for land, office space, automobiles, and mobile equipment.

(4) Purchase obligations include long-term alumina and power contracts, excluding market-based power and raw material requirements contracts. Purchase obligations not executed or legally binding as of December 31, 2021 have been excluded from this table. For contracts with LME-based pricing provisions, including our long-term Icelandic power contracts, we assumed an LME price using the LME forward curve as of December 31, 2021.

(5) Other long-term liabilities include asset retirement obligations. Asset retirement obligations are primarily estimated disposal costs for spent potliner used in the reduction cells of our domestic smelters.

Material Commitments

We also have outstanding commitments related to pension, supplemental executive retirement benefit ("SERB") plans, OPEB and workers' compensation obligations. As of December 31, 2021, estimated future payments related to these obligations through the year 2031 amount to approximately $198.9 million, $16.4 million, $60.5 million and $9.9 million, respectively.

Item 7A. 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 value-added 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 Item 1. Business - Key Production Costs - Electrical Power Supply Agreements 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 30% 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

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 available on the MISO or Nord Pool power markets or the price of natural gas. 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. Transmission line outages, 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 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% production capacity and does not reflect partial production curtailments.

Electrical power price sensitivity by location:

	Hawesville	Sebree	Mt. Holly	Grundartangi	Total
Expected average load (in megawatts ("MW"))	482	385	400	537	1,804
Annual expected electrical power usage (in megawatt hours ("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 Iceland krona ("ISK"), the Euro, the Chinese renminbi and other currencies. Grundartangi's labor costs, 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 operating margins.

We may manage our exposure by entering into foreign currency forward contracts or option contracts for forecasted transactions and projected cash flows for foreign currencies in future periods. We have entered into financial contracts to hedge the risk of fluctuations associated with the Euro under our power price swaps described above (the "FX 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 and reviewed by Century's Board of Directors.

Fair Values and Sensitivity Analysis

The following tables present the fair values of our derivative assets and liabilities as of year-end 2021 and 2020 and the effect on the fair value of a hypothetical ten percent (10%) adverse change in the market prices in effect at December 31, 2021 and 2020. Our risk management activities do not include any trading or speculative transactions.

	Asset Fair Value				Fair Value with 10% Adverse Price Change			
	2021		2020		2021		2020	
Commodity contracts [1]		42.9	$	12.8		35.7	$	4.0
Foreign exchange contracts [2]		—		2.4		—		(2.5)
Total	$	42.9	$	15.2	$	35.7	$	1.5

	Liability Fair Value				Liability Fair Value with 10% Adverse Price Change			
	2021		2020		2021		2020	
Commodity contracts [1]		143.3	$	16.7		191.4	$	59.1
Foreign exchange contracts [2]		2.9		—		7.5		—
Total	$	146.2	$	16.7	$	198.9	$	59.1

[1] Commodity contracts reflect our outstanding LME forward financial sales contracts, MWP forward financial sales contracts, fixed for floating swaps, NYMEX Henry Hub natural gas price swaps, and Nord Pool power price swaps.
[2] Foreign exchange contracts reflect our outstanding FX swaps.

Item 8. Financial Statements and Supplementary Data

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Century Aluminum Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Century Aluminum Company and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Convertible Debt — Refer to Note 6 to the financial statements

Critical Audit Matter Description

In April 2021, the Company issued $86.3 million of 2.75% Convertible Notes (the "Convertible Notes"). In accounting for the issuance of the Convertible Notes, management recorded the proceeds as a liability in accordance with the guidance set forth in Accounting Standards Update 2020-06-*Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging- Contracts in Entity's Own Equity (Subtopic 815-40)*. The Convertible Notes include a conversion option and other redemption features that require the Company to determine whether those features represent derivatives and require those features to be accounted for separately from the Convertible Notes. Auditing the Company's accounting assessment required a high degree of auditor judgement and audit effort due to the inherent complexity, including the need to involve professionals in our firm having expertise in the evaluation of such financial instruments.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's accounting assessment of the conversion option and other redemption features included the following, among others:

- We tested the operating effectiveness of internal controls over management's analysis of the Convertible Notes and related conversion option and other redemption features and the accounting conclusions reached.

- We read the convertible notes agreement and applicable side letters and inquired with management to obtain an understanding of the terms and provisions.
- We involved professionals with specialized skill and knowledge to assist in evaluating the appropriateness of the accounting analysis and conclusions reached. We utilized these professionals to assist in evaluating management's accounting conclusions.

Uncertain Tax Positions — Refer to Note 14 to the financial statements

Critical Audit Matter Description

The Company is subject to income taxes in the U.S. and certain foreign jurisdictions and, as discussed in Note 14 to the consolidated financial statements, there are tax positions for which the ultimate tax determination is uncertain. As a result, significant judgment is required in evaluating the Company's tax positions and determining its provision for income taxes. The Company uses significant judgment in (1) determining whether a tax position's technical merits are more likely than not to be sustained upon examination, including resolution of the related appeals or litigation processes and (2) measuring the amount of tax benefit that represents the largest amount of benefit more likely than not of being realized upon settlement with a taxing authority with full knowledge of all relevant information. During the year ended December 31, 2021, the Company recognized tax benefits of $49.8 million related to deductible costs for its historical investment in its wholly owned subsidiary Nordural Helguvik ehf ("Helguvik") and has concluded the position was more likely than not to be sustained upon examination.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the evaluation of the conclusion that the Helguvik tax benefit met the more likely than not recognition standard included the following:

- We tested the operating effectiveness of internal controls over the Company's income tax provision, including controls related to the Company's evaluation of uncertain tax positions.
- We inspected relevant documentation from management and the Company's external tax specialists related to the Helguvik uncertain tax position.
- We involved tax professionals with specialized skills and knowledge, who assisted in evaluating the Company's interpretation and application of relevant tax laws and regulations related to the tax position and measurement of such position, including whether or not the Helguvik tax benefit was more likely than not to be sustained.

/s/ Deloitte & Touche LLP

Chicago, Illinois
February 25, 2022

We have served as the Company's auditor since 1992.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Century Aluminum Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Century Aluminum Company and subsidiaries (the "Company") as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2021, of the Company and our report dated February 25, 2022, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that;

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Chicago, Illinois
February 25, 2022

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

	Year Ended December 31,		
	2021	**2020**	**2019**
NET SALES:			
Related parties	$ 1,337.0	$ 1,025.5	$ 1,191.6
Other customers	875.5	579.6	645.0
Total net sales	2,212.5	1,605.1	1,836.6
Cost of goods sold	2,088.3	1,641.6	1,860.5
Gross profit (loss)	124.2	(36.5)	(23.9)
Selling, general and administrative expenses	57.6	43.5	47.4
Other operating expense - net	0.6	0.5	0.8
Operating income (loss)	66.0	(80.5)	(72.1)
Interest expense – Hawesville term loan	(1.6)	(1.9)	(2.1)
Interest expense	(28.8)	(29.7)	(23.0)
Interest income	0.8	0.8	0.8
Net gain (loss) on forward and derivative contracts	(212.4)	(17.3)	12.0
Loss on early extinguishment of debt	(24.7)	(1.2)	—
Other income (expense) - net	3.1	3.5	(1.1)
Income (loss) before income taxes and equity in earnings of joint ventures	(197.6)	(126.3)	(85.5)
Income tax benefit (expense)	30.6	3.1	8.4
Income (loss) before equity in earnings of joint ventures	(167.0)	(123.2)	(77.1)
Loss on sale of BHH	—	—	(4.3)
Equity in earnings of joint ventures	(0.1)	(0.1)	0.6
Net income (loss)	$ (167.1)	$ (123.3)	$ (80.8)
INCOME (LOSS) PER COMMON SHARE:			
Basic and diluted	$ (1.85)	$ (1.38)	$ (0.91)

See notes to consolidated financial statements.

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Year Ended December 31,		
	2021	**2020**	**2019**
Comprehensive income (loss):			
Net income (loss)	$ (167.1)	$ (123.3)	$ (80.8)
Other comprehensive income (loss) before income tax effect:			
Net income (loss) on foreign currency cash flow hedges reclassified as income	(0.1)	(0.2)	(0.2)
Defined benefit plans and other postretirement benefits:			
Net gain (loss) arising during the period	31.6	(13.4)	(12.7)
Amortization of prior service benefit (cost) during the period	(3.1)	(3.0)	(4.8)
Amortization of net gain (loss) during the period	8.4	8.7	8.9
Other comprehensive income (loss) before income tax effect	36.8	(7.9)	(8.8)
Income tax effect	(0.3)	(1.0)	(1.0)
Other comprehensive income (loss)	36.5	(8.9)	(9.8)
Total comprehensive income (loss)	$ (130.6)	$ (132.2)	$ (90.6)

See notes to consolidated financial statements.

CENTURY ALUMINUM COMPANY
CONSOLIDATED BALANCE SHEETS
(in millions)

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 29.0	$ 81.6
Restricted cash	11.7	2.7
Accounts receivable - net	80.6	51.0
Due from affiliates	8.3	10.3
Inventories	425.6	291.1
Derivative assets	34.8	6.4
Prepaid and other current assets	28.2	12.9
Total current assets	618.2	456.0
Property, plant and equipment - net	892.5	880.4
Other assets	59.2	61.5
Due from affiliates - less current portion	—	1.7
TOTAL	$ 1,569.9	$ 1,399.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	$ 186.5	$ 106.1
Interest payable	—	15.0
Due to affiliates	65.8	21.7
Accrued and other current liabilities	62.7	54.5
Derivative liabilities	102.1	4.9
Accrued employee benefits costs	8.9	10.3
Hawesville term loan	—	20.0
U.S. revolving credit facility	63.6	—
Iceland revolving credit facility	50.0	—
Industrial revenue bonds	7.8	7.8
Total current liabilities	547.4	240.3
Senior notes payable	245.8	243.1
Convertible senior notes payable	84.0	—
Iceland revolving credit facility - less current portion	—	45.0
Accrued pension benefits costs - less current portion	28.6	65.2
Accrued postretirement benefits costs - less current portion	93.3	101.5
Other liabilities	46.3	44.8
Leases - right of use liabilities	22.9	24.3
Due to affiliates - less current portion	21.9	0.1
Deferred taxes	58.7	89.2
Total noncurrent liabilities	601.5	613.2
COMMITMENTS AND CONTINGENCIES (NOTE 15)	—	—
SHAREHOLDERS' EQUITY:		
Preferred stock (Note 7)	0.0	0.0
Common stock (Note 7)	1.0	1.0
Additional paid-in capital	2,535.5	2,530.0
Treasury stock, at cost	(86.3)	(86.3)
Accumulated other comprehensive loss	(82.3)	(118.8)
Accumulated deficit	(1,946.9)	(1,779.8)
Total shareholders' equity	421.0	546.1
TOTAL	$ 1,569.9	$ 1,399.6

See notes to consolidated financial statements.

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Preferred stock	Common stock	Additional paid-in capital	Treasury stock, at cost	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
Balance, December 31, 2018	$ 0.0	$ 1.0	$ 2,523.0	$ (86.3)	$ (98.7)	$ (1,576.8)	$ 762.2
Impact of ASU 2018-02*	—	—	—	—	(1.3)	1.3	—
Net loss – 2019	—	—	—	—	—	(80.8)	(80.8)
Other comprehensive loss	—	—	—	—	(9.8)	—	(9.8)
Share-based compensation	—	0.0	3.4	—	—	—	3.4
Conversion of preferred stock to common stock	—	0.0	0.0	—	—	—	0.0
Balance, December 31, 2019	$ 0.0	$ 1.0	$ 2,526.5	$ (86.3)	$ (109.8)	$ (1,656.4)	$ 675.0
Net loss – 2020	—	—	—	—	—	(123.3)	(123.3)
Other comprehensive loss	—	—	—	—	(8.9)	—	(8.9)
Share-based compensation	—	0.0	3.5	—	—	—	3.5
Conversion of preferred stock to common stock	0.0	0.0	0.0	—	—	—	0.0
Balance, December 31, 2020	$ 0.0	$ 1.0	$ 2,530.0	$ (86.3)	$ (118.8)	$ (1,779.8)	$ 546.1
Net income (loss)	—	—	—	—	—	(167.1)	(167.1)
Other comprehensive income (loss)	—	—	—	—	36.5	—	36.5
Share-based compensation	—	0.0	10.1	—	—	—	10.1
Conversion of preferred stock to common stock	0.0	0.0	0.0	—	—	—	0.0
Capped call premiums	—	—	(4.6)	—	—	—	(4.6)
Balance, December 31, 2021	$ 0.0	$ 1.0	$ 2,535.5	$ (86.3)	(82.3)	$ (1,946.9)	$ 421.0

*ASU 2018-02. See Note 14. Income Taxes for further information regarding our adoption of ASU 2018-02.

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (167.1)	$ (123.3)	$ (80.8)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Lower of cost or NRV inventory adjustment	—	45.0	18.8
Unrealized (gains) losses on forward and derivative contracts	102.9	15.7	(11.4)
Depreciation and amortization	82.6	83.0	83.2
Change in deferred tax benefit	(30.6)	—	—
Net loss on sale of BHH	—	—	4.3
Loss on early extinguishment of debt	24.7	1.0	—
Other non-cash items - net	(1.7)	(0.9)	(5.9)
Change in operating assets and liabilities:			
Accounts receivable - net	(16.2)	19.1	12.4
Due from affiliates	0.7	20.8	(7.1)
Inventories	(134.5)	(15.5)	4.4
Prepaid and other current assets	(13.4)	0.6	2.7
Accounts payable, trade	44.8	20.6	(25.2)
Due to affiliates	38.3	(22.4)	22.6
Accrued and other current liabilities	5.0	(1.2)	2.7
Ravenswood retiree legal settlement	(2.0)	(2.0)	(2.0)
Other - net	1.8	2.4	(1.0)
Net cash (used in) provided by operating activities	(64.7)	42.9	17.7
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(83.0)	(13.4)	(59.6)
Proceeds from sale of property, plant and equipment	0.4	1.6	—
Proceeds from sale of joint venture	—	—	20.8
Net cash used in investing activities	(82.6)	(11.8)	(38.8)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of Senior Notes due 2021	—	(250.0)	—
Proceeds from issuance of Senior Notes due 2025	—	243.8	—
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	—	—
Borrowings under Hawesville term loan	—	—	40.0
Repayments under Hawesville Term Loan	(20.0)	(20.0)	—
Borrowings under revolving credit facilities	978.8	258.9	388.1
Repayments under revolving credit facilities	(910.2)	(217.9)	(407.3)
Debt issuance cost	(7.4)	(1.1)	—
Debt retirement cost	—	(0.2)	—
Other short-term borrowings	—	—	3.4
Repayments on other short-term borrowings	—	—	(3.4)

Purchase of capped calls related to Convertible Senior Notes	(5.7)	—	—
Issuance of common stock	—	—	0.3
Net cash provided by financing activities	103.7	13.5	21.1
CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(43.6)	44.6	—
Cash, cash equivalents and restricted cash, beginning of year	84.3	39.7	39.7
Cash, cash equivalents and restricted cash, end of year	$ 40.7	$ 84.3	$ 39.7
Supplemental Cash Flow Information:			
Cash paid for:			
Interest	$ 36.8	$ 14.5	$ 21.8
Taxes	3.1	0.2	0.5
Non-cash investing activities:			
Capital expenditures	7.1	0.9	3.0
Capitalized interest	1.6	—	—

See notes to consolidated financial statements.

(amounts in millions, except share and per share amounts)

1. Summary of Significant Accounting Policies

Organization — Century Aluminum Company ("Century Aluminum," "Century," the "Company", "we", "us", "our" or "ours") is a holding company, whose principal subsidiaries are Century Kentucky, Inc. (together with its subsidiaries, "CAKY"), Nordural ehf ("Nordural"), Century Aluminum Sebree LLC ("Century Sebree") and Century Aluminum of South Carolina ("CASC"). CAKY operates a primary aluminum reduction facility in Hawesville, Kentucky ("Hawesville"). Nordural Grundartangi ehf, a subsidiary of Nordural, operates a primary aluminum reduction facility in Grundartangi, Iceland ("Grundartangi"). Century Sebree operates a primary aluminum reduction facility in Robards, Kentucky ("Sebree"). CASC operates a primary aluminum reduction facility in Goose Creek, South Carolina ("Mt. Holly").

In addition to our primary aluminum assets, our subsidiary, Century Aluminum Vlissingen B.V., owns and operates a carbon anode production facility located in Vlissingen, the Netherlands ("Vlissingen"). Carbon anodes are used in the production of primary aluminum and Vlissingen currently supplies carbon anodes to Grundartangi.

As of December 31, 2021, Glencore owns 42.9% of Century's outstanding common stock (46.4% 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 full 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 raw materials, tolling agreements as well as forward financial contracts and borrowing and other debt transactions. See Note 2. Related Party Transactions.

Basis of Presentation — The consolidated financial statements include the accounts of Century Aluminum Company and our subsidiaries, after elimination of all intercompany transactions and accounts.

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition — See Note 3. Revenue.

Cash and Cash Equivalents — Cash and cash equivalents are comprised of cash, money market funds and short-term investments having original maturities of three months or less. The carrying amount of cash equivalents approximates fair value.

Accounts Receivable and Due from Affiliates — These amounts are net of an allowance for expected losses of $1.0 million at December 31, 2021 and 2020.

Inventories — Our inventories are stated at the lower of cost or net realizable value, using the first-in, first-out ("FIFO") and the weighted average cost method. Due to the nature of our business, our inventory values are subject to market price changes and these changes can have a significant impact on cost of goods sold and gross profit in any period. Reductions in net realizable value below cost basis at the end of a period will have an impact on our cost of goods sold as this inventory is sold in subsequent periods.

Property, Plant and Equipment — Property, plant and equipment is stated at cost. Additions and improvements are capitalized when each asset is placed into service. Asset and accumulated depreciation accounts are relieved for dispositions with resulting gains or losses included in Other income (expense) - net. Maintenance and repairs are expensed as incurred. Depreciation of plant and equipment is provided for by the straight-line method over the following estimated useful lives:

Building and improvements	10 to 45 years
Machinery and equipment	5 to 35 years
Technology and software	3 to 7 years

During 2021, we continued our efforts to restart the curtailed capacity at our Hawesville facility. The rebuild of the fifth and final potline and the completion of the technology upgrades are expected to be completed over the next several years subject to market conditions. The nature, size and scope of this effort represents a discrete construction project. All associated costs that meet the capitalization criteria have been and will continue to be capitalized as a component of property, plant and equipment.

During 2021, we initiated efforts to restart the curtailed capacity at our Mt. Holly facility. Restart work at the Mt. Holly smelter is progressing and is expected to be completed in the second quarter of 2022, subject to market conditions. All associated costs that meet the capitalization criteria have been and will continue to be capitalized as a component of property, plant and equipment.

Impairment of long-lived assets — We evaluate our property, plant and equipment for potential impairment whenever events or circumstances indicate that the carrying amount of these assets may not be recoverable. If deemed unrecoverable, an impairment loss would be recognized for the amount by which the carrying amount exceeds the fair value of the assets. Impairment evaluation and fair value is based on estimates and assumptions that take into account our business plans and a long-term investment horizon.

Leases — We determine whether an arrangement is a lease at the inception of the arrangement based on the terms and conditions in the contract. A contract contains a lease if there is an identified asset which we have the right to control. We have made a policy election not to separate lease and non-lease components within contracts. We have also elected not to recognize the impact of short term leases in the right of use asset ("ROUA") and right of use liability ("ROUL") balances. Short term leases are leases that have a lease term less than one year and do not include a purchase option.

Income Taxes — We account for income taxes using the asset and liability method, whereby deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In evaluating our ability to realize deferred tax assets, we use judgment to determine if it is more likely than not that some portion or all of a deferred tax asset will not be realized, and if a corresponding valuation allowance is required.

Defined Benefit Pension and Other Postretirement Benefits — We sponsor defined benefit pension and OPEB plans for certain of our domestic hourly and salaried employees and a supplemental executive retirement benefit plan for certain current and former executive officers. Plan assets and obligations are measured annually or more frequently if there is a re-measurement event, based on the Company's measurement date utilizing various actuarial assumptions. We attribute the service costs for the plans over the working lives of plan participants. The effects of actual results differing from our assumptions and the effects of changing assumptions are considered actuarial gains or losses. Actuarial gains or losses are recorded in Accumulated Other Comprehensive Income (Loss).

We contribute to our defined benefit pension plans based upon actuarial and economic assumptions designed to achieve adequate funding of the projected benefit obligations and to meet the minimum funding requirements.

Postemployment Benefits — We provide certain postemployment benefits to certain former and inactive employees and their dependents during the period following employment, but before retirement. These benefits include salary continuance, supplemental unemployment and disability health care. We recognize the estimated future cost of providing postemployment benefits on an accrual basis over the active service life of the employee.

Derivatives and Hedging — As a global producer of primary aluminum, our operating results and cash flows from operations are subject to risk of fluctuations in the market prices of primary aluminum. We may from time to time enter into financial contracts to manage our exposure to such risk. Derivative instruments may consist of variable to fixed financial contracts and back-to-back fixed to floating arrangements for a portion of our sale of primary aluminum, where we receive fixed and pay floating prices from our customers and to counterparties, respectively.

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. We are also exposed to foreign currency risk, and we may manage our exposure by entering into foreign currency forward contracts or option contracts for forecasted transactions and projected cash flows for foreign currencies in future periods.

Our derivatives are not designated as cash flow hedges.

Derivative and hedging instruments are recorded in due from affiliates, derivative assets, other assets, due to affiliates, derivative liabilities and derivative liabilities - less current portion in the consolidated balance sheets at fair value. We value our derivative and hedging instruments using quoted market prices and other significant unobservable inputs.

We recognize changes in fair value and settlements of derivative instruments in net gain (loss) on forward and derivative contracts in the consolidated statements of operations as they occur.

We recognize unrealized gains on forward and derivative contracts as part of cash flows from operations in the consolidated statements of cash flows.

Foreign Currency – We are exposed to foreign currency risk due to fluctuations in the value of the U.S. dollar as compared to the Euro and the Icelandic krona ("ISK"), and the Chinese renminbi. Grundartangi and Vlissingen use the U.S. dollar as their functional currency, as contracts for sales of aluminum and purchases of alumina and power are denominated in U.S. dollars. Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise and any transaction gains and losses are reflected in Other income (expense) - net in the consolidated statements of operations.

Financial Instruments — Receivables, certain life insurance policies, payables, borrowings under revolving credit facilities and debt related to industrial revenue bonds ("IRBs") are carried at amounts that approximate fair value.

Earnings per share — Basic earnings (loss) per share ("EPS") amounts are calculated by dividing earnings (loss) available to common stockholders by the weighted average number of common shares outstanding using the two-class method. Under the two-class method, net income is allocated between shares of common stock and other participating securities based on their participating rights. Net loss is not allocated to other participating securities if they are not obligated to share in the losses based on their contractual terms. Diluted earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common and dilutive common equivalent shares outstanding during the period. Common equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

The dilutive effect to earnings per share is determined using the "if converted" method whereby, if the conversion of the convertible notes would be dilutive, interest expense on the outstanding notes is added back to the diluted earnings numerator and all of the potentially dilutive shares are included in the diluted common shares outstanding denominator for the computation of diluted earnings per share.

Our Series A Convertible Preferred Stock is a non-cumulative perpetual participating convertible preferred stock with no set dividend preferences. In periods where we report net losses, we do not allocate these losses to the Convertible Preferred Stock for the computation of basic or diluted EPS.

Asset Retirement Obligations — We are subject to environmental regulations which create certain legal obligations related to the normal operations of our domestic primary aluminum smelter operations. Our asset retirement obligations ("AROs") consist primarily of costs associated with the disposal of spent potliner used in the reduction cells of our domestic facilities. AROs are recorded on a discounted basis at the time the obligation is incurred (when the potliner is put in service) and accreted over time for the change in the present value of the liability. We capitalize the asset retirement costs by increasing the carrying amount of the related long-lived assets and depreciating these assets over their remaining useful lives.

Certain conditional asset retirement obligations ("CAROs") relate to the remediation of our primary aluminum facilities for hazardous material, such as landfill materials and asbestos which have not been recorded because they have an indeterminate settlement date. CAROs are a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within our control.

Concentrations of Credit Risk — Financial instruments, which potentially expose us to concentrations of credit risk, consist principally of trade receivables. Our limited customer base increases our concentrations of credit risk with respect to trade receivables. We routinely assess the financial strength of our customers and collectability of our trade receivables and recognize an allowance based on our estimate of lifetime expected credit losses in accordance with the current expected credit loss ("CECL") model.

Share-Based Compensation — We measure the cost of employee services received in exchange for an award of equity instruments based on the fair value of the award on the grant date. We recognize the cost over the period during which an employee is required to provide service in exchange for the award. We issue shares to satisfy the requirements of our share-based compensation plans. At this time, we do not plan to issue treasury shares to support our share-based compensation plans, but we may in the future. We award performance units to certain officers and employees. The performance units may be settled in cash or common stock at the discretion of the Board. We have not issued any stock options since 2009.

Recently Adopted Accounting Standards

On January 1, 2021, we adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." The ASU amendments include the removal of certain exceptions to the general principles of ASC 740 and to improve and simplify accounting for income taxes by clarifying and amending existing guidance. The adoption of the ASU did not have a material effect on the Company’s consolidated financial statements.

On January 1, 2021, we adopted FASB ASU 2020-06, “Debt With Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity" using the modified retrospective method. The ASU amendments include simplification of the accounting models for convertible instruments and conversion options, and amendments to diluted earnings per share (“EPS”) calculations for certain convertible instruments, requiring the inclusion of convertible securities in the calculation of diluted EPS using the if-converted method. The adoption of the ASU did not have a material effect on the Company’s consolidated financial statements.

On January 1, 2021, we adopted the final rule issued by the Securities and Exchange Commission (“SEC”) that amends the disclosure requirements related to issuers and guarantors of certain registered securities under SEC Regulation S-X Rule 3-10. We presented the alternative financial disclosures in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. The adoption of the SEC rule is limited to disclosures only and did not have a material effect on the Company’s consolidated financial statements.

2. Related Party Transactions

The significant related party transactions occurring during the years ended December 31, 2021, 2020 and 2019 are described below. We believe all of our transactions with related parties are at prices that approximate market.

Glencore ownership

As of December 31, 2021, Glencore plc and its affiliates (together "Glencore") beneficially owned 42.9% of Century’s outstanding common stock (46.4% 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 full 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 raw materials, tolling agreements as well as forward financial contracts and borrowing and other debt transactions.

Sales to Glencore

For the years ended December 31, 2021, 2020 and 2019 we derived approximately 60%, 64% and 65% of our consolidated sales from Glencore, respectively.

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 based on the LME plus the European Duty Paid premium plus any additional market-based product premiums.

(amounts in millions, except share and per share amounts)

We have entered into agreements with Glencore pursuant to which we sell certain amounts of alumina at market-based prices. For the years ended December 31, 2021, 2020 and 2019 we recorded $18.3 million, $17.9 million, and $28.7 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 2021 were priced based on published alumina and aluminum indices as well as fixed prices.

Glencore Agreement Settlement

In July 2021, we reached a full and final legal settlement agreement with Glencore resolving a dispute related to alumina purchases and, accordingly, recorded a $4.0 million settlement loss to Cost of goods sold. This amount was paid during the fourth quarter.

Financial contracts with Glencore

We have certain financial contracts with Glencore. See Note 18. Derivatives regarding these forward financial sales contracts.

Hawesville Term Loan

On April 29, 2019, we entered into a loan agreement with Glencore Ltd. pursuant to which the Company borrowed $40.0 million (the "Hawesville Term Loan"). See Note 6. Debt for additional information. Borrowings under the Hawesville Term Loan were used to partially finance the second phase of the Hawesville restart project. The Hawesville Term Loan has been fully repaid as of December 31, 2021.

Summary

A summary of the aforementioned significant related party transactions for the years ended December 31, 2021, 2020 and 2019 is as follows:

	Year Ended December 31,		
	2021	2020	2019
Net sales to Glencore	$ 1,337.0	$ 1,025.5	$ 1,191.6
Purchases from Glencore (2)	334.6	197.6	323.9
Purchases from BHH (1)	—	—	17.8

(1) We previously owned a 40% interest in Baise Haohai Carbon Co. Ltd. ("BHH") and purchased carbon anodes from them for use in our operations. Purchases represented herein were prior to the divestiture of our interest in BHH in May 2019.

(2) Includes settlements of financial contract positions.

(amounts in millions, except share and per share amounts)

3. Revenue

We disaggregate our revenue by geographical region as follows:

	Year ended December 31,		
Net Sales	**2021**	**2020**	**2019**
United States	$ 1,413.0	$ 1,007.5	$ 1,179.6
Iceland	799.5	597.6	657.0
Total	$ 2,212.5	$ 1,605.1	$ 1,836.6

We enter into contracts to sell mainly primary aluminum to our customers. Revenue is recognized when our performance obligations with our customers are satisfied. Our obligations under the contracts are satisfied when we transfer control of our primary aluminum to our customers which is generally upon shipment or delivery to customer directed locations. The amount of consideration we receive, thus the revenue we recognize, is a function of volume delivered, market price of primary aluminum, which is based on the LME, plus regional premiums and any value-added product premiums.

The payment terms and conditions in our contracts vary and are not significant to our revenue. We complete an appropriate credit evaluation for each customer at contract inception. Customer payments are due in arrears and are recognized as accounts receivable - net and due from affiliates in our consolidated balance sheets.

In connection with our sales agreement with Glencore, we invoice Glencore prior to physical shipment of goods for a majority of production generated from each of our U.S. domestic smelters. For those sales, revenue is recognized only when Glencore has specifically requested such treatment and has made a commitment to purchase the product. The goods must be complete, ready for shipment and separated from other inventory with control over the goods passing to Glencore. We must retain no further performance obligations.

4. Leases

We are a lessee in various agreements for the lease of office space, land, automobiles, and mobile equipment. All our leases are considered operating leases. The terms of our leases vary, including the lease term and the ability to renew or extend certain leases. As part of determining the lease term and potential extensions for purposes of calculating the ROUA and ROUL, we consider our historical practices related to renewal of certain leases. The weighted average remaining lease term for our operating leases was 13.2 years as of December 31, 2021 and 14.2 years as of December 31, 2020. Certain lease payment amounts are variable in nature and change periodically based on the local market consumer price index.

We use our incremental borrowing rate as the basis for the discount rate used to calculate the ROUA and ROUL, respectively, for our operating leases. The incremental borrowing rate is determined on a lease-by-lease basis and is based on the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term for an amount equal to our lease payments. We consider the most likely financing options available for each lease based on the leased asset, legal entity party to the lease, economic environment in which the lease is denominated, the market conditions relative to the leased asset and our historical practices of obtaining financing for similar types of costs. The weighted average discount rate for our operating leases was 7.3% as of December 31, 2021 and 2020.

Our ROUA and ROUL balances for the years ended December 31, 2021 and December 31, 2020 were as follows (in millions):

	December 31, 2021	December 31, 2020
ROUA[1]	$ 22.9	$ 24.9
ROUL - current[2]	$ 1.6	$ 1.6
ROUL - non-current[3]	22.9	24.3
Total ROUL	$ 24.5	$ 25.9

[1] ROUA was recorded as part of Other Assets within Non-current assets at December 31, 2021 and 2020.
[2] ROUL - current was recorded as part of Accrued and other current liabilities within Current liabilities at December 31, 2021 and 2020.
[3] ROUL - non-current was recorded as part of Leases - Right of use liabilities within Non-current liabilities at December 31, 2021 and 2020.

The undiscounted maturities of our operating lease liability balances are as follows (in millions):

Year	December 31, 2021
2022	$ 3.3
2023	3.0
2024	2.8
2025	2.7
2026	2.7
Thereafter	25.1
Total	39.6
Less: Interest	(15.1)
ROUL	$ 24.5

During 2021 and 2020, we entered into new lease obligations, which resulted in $2.3 million and $1.2 million of additional right of use assets.

Total operating expense includes the following (in millions):

(amounts in millions, except share and per share amounts)

	December 31, 2021	December 31, 2020
Operating leases expense	$ 4.7	$ 4.7
Short term lease expense	0.6	0.5
Total[1]	$ 5.3	$ 5.2

[1] Total lease expense is included in cost of goods sold and selling, general, and administrative expenses on the Consolidated Statements of Operations.

We had cash outflows of $4.1 million for amounts included in the ROUL balance at the beginning of the year related to our operating leases for the years ended December 31, 2021 and December 31, 2020.

(amounts in millions, except share and per share amounts)

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 – unobservable inputs for the asset or liability.

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 [2]	$ —	$ —	$ —	$ —
Derivative instruments	—	140.9	5.3	146.2
TOTAL	$ —	$ 140.9	$ 5.3	$ 146.2

Recurring Fair Value Measurements	**As of December 31, 2020**			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS:				
Cash equivalents	54.2	$ —	$ —	$ 54.2
Trust assets [1]	—	—	—	—
Derivative instruments	—	12.1	3.0	15.1
TOTAL	$ 54.2	$ 12.1	$ 3.0	$ 69.3
LIABILITIES:				
Contingent obligation – net [2]	$ —	$ —	$ —	$ —
Derivative instruments	—	16.7	—	16.7
TOTAL	$ —	$ 16.7	$ —	$ 16.7

(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.
(2) See Note 6. Debt for additional information about the contingent obligation.

(amounts in millions, except share and per share amounts)

The following section describes the valuation techniques and inputs used 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

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 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:

Level 3 Fair Value Measurements:				As of December 31, 2021		As of December 31, 2020	
Asset / Liability	Valuation Technique	Observable Inputs	Significant Unobservable Input	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]	$ (5.1)	8.58%	$ 2.9	10.00%
FX Swaps	Discounted cash flows	Euro/USD forward exchange rate	Discount rate net [1]	$ (0.2)	8.58%	$ 0.1	10.00%
Nord Pool Swaps	Discounted cash flows	Quoted Nord Pool forward market	Discount rate net [1]	$ 0.2	8.58%	$ —	N/A
Contingent Obligation	Discounted cash flows	Quoted LME forward market	Expected monthly Hawesville production level [2]	$ —	14,000 - 15,000 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.

The following table presents the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis.

(amounts in millions, except share and per share amounts)

	Level 3 Assets	Level 3 Liabilities	
For the twelve months ended December 31, 2021	**Nord Pool**	**LME forward financial sales contracts**	**FX Swaps**
Balance as of January 1, 2021	$ —	$ 2.9	$ 0.1
Total realized/unrealized gains (losses)			
Included in Net Income [1]	—	(28.7)	(0.6)
Purchases, sales, settlements			
Purchases	—	—	
Sales	—	—	
Settlements	—	—	
Transfers into Level 3 [2]	1.7	(1.0)	(0.4)
Transfers out of Level 3 [3]	(1.5)	21.7	0.7
Balance as of December 31, 2021	$ 0.2	$ (5.1)	$ (0.2)
Change in unrealized gains (losses) [1]	$ —	$ (28.7)	$ (0.6)

[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 2021.
[3] Transfer out of Level 3 due to period of time remaining in derivative contract.

	Level 3 Assets		Level 3 Liabilities
For the twelve months ended December 31, 2020	**U.S. LME forward financial sales contracts**	**FX Swaps**	**Hawesville L4 Power Price Swaps**
Balance as of January 1, 2020	$ 10.6	$ —	$ (2.9)
Total realized/unrealized gains (losses)			
Included in Net Income [1]	(1.5)	—	0.1
Purchases, sales, settlements			
Purchases	—	—	—
Sales	—	—	—
Settlements	—	—	2.8
Transfers into Level 3 [2]	6.5	0.1	—
Transfers out of Level 3 [3]	(12.7)	—	—
Balance as of December 31, 2020	$ 2.9	$ 0.1	$ —
Change in unrealized gains (losses) [1]	$ (1.5)	$ —	$ 2.9

[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 2020.
[3] Transfer out of Level 3 due to period of time remaining in derivative contract.

(amounts in millions, except share and per share amounts)

6. Debt

	December 31, 2021	December 31, 2020
Debt classified as current liabilities:		
Hawesville Term Loan - current portion (1)	$ —	$ 20.0
Hancock County industrial revenue bonds ("IRBs") due April 2028, interest payable quarterly (variable interest rates (not to exceed 12%)) (2)	7.8	7.8
U.S. Revolving Credit Facility (3)	63.6	—
Iceland Revolving Credit Facility (4)	50.0	—
Debt classified as non-current liabilities:		
Iceland Revolving Credit Facility (4)	—	45.0
12.0% senior secured notes due July 1, 2025, net of debt discount of $2.3 million and financing fees of $4.6 million at December 31, 2020, interest payable semiannually	—	243.1
7.5% senior secured notes due April 1, 2028, net of financing fees of $4.2 million at December 31, 2021, interest payable semiannually	245.8	—
2.75% convertible senior notes due May 1, 2028, net of financing fees of $2.3 million at December 31, 2021, interest payable semiannually	84.0	$ —
Total	$ 451.2	$ 315.9

(1) See "Hawesville Term Loan" below. As of December 31, 2021, we have made $40.0 million of principal payments and $4.6 million of interest payments.
(2) 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 December 31, 2021 was 0.3%.
(3) We have elected to incur interest at a base rate plus applicable margin as defined within the agreement. The interest rate at December 31, 2021 was 4.0%.
(4) We have elected to incur interest at LIBOR plus applicable margin as defined within the agreement. The interest rate at December 31, 2021 was 3.054%. The classification of our Iceland Revolving Credit Facility balance reflects our anticipated payment timeframe.

7.5% Senior Secured Notes due 2028

General. On April 14, 2021, we issued $250.0 million in aggregate principal amount of 7.5% senior secured notes due 2028 (the "2028 Notes"). We received proceeds of $245.2 million, after payment of certain financing fees and related expenses.

Interest Rate. The 2028 Notes bear interest semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2021, at a rate of 7.5% per annum in cash.

Maturity. The 2028 Notes mature on April 1, 2028.

Seniority. 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.

Guaranty. Our obligations under the 2028 Notes are guaranteed by all of our existing and future domestic restricted subsidiaries (the “Guarantor Subsidiaries”), except for foreign owned holding companies, any domestic restricted subsidiary that owns no assets other than equity interests or other investments in foreign subsidiaries and certain immaterial subsidiaries, which guaranty shall in each case be a senior secured obligation of such Guarantor Subsidiaries, ranking equally in right of payment with all existing and future senior indebtedness of such Guarantor Subsidiaries but effectively senior to unsecured debt to the extent of the value of collateral.

Collateral. Our obligations under the 2028 Notes and the Guarantor Subsidiaries' obligations under the guarantees are secured by a pledge of and lien on (subject to certain exceptions):

(amounts in millions, except share and per share amounts)

(i) all of our and the Guarantor Subsidiaries' property, plant and equipment (other than certain excluded property);

(ii) all equity interests in subsidiaries directly owned by Century or any Guarantor Subsidiaries; and

(iii) proceeds of the foregoing.

Under certain circumstances, the indenture and the security documents governing the 2028 Notes will permit us and the Guarantors to incur additional debt that also may be secured by liens on the collateral that are equal to or have priority over the liens securing the 2028 Notes. The collateral agent for the 2028 Notes will agree with the collateral agent for the other debt holders and us under such circumstances to enter into an intercreditor agreement that will cause the liens securing the 2028 Notes to be contractually subordinated to the liens securing such additional debt.

Redemption Rights. Prior to April 1, 2024, we may redeem the 2028 Notes, in whole or in part, at a redemption price equal to 100.00% of the principal amount plus a make-whole premium and accrued and unpaid interest, and if redeemed during the twelve-month period beginning on April 1 of the years indicated below, at the following redemption prices plus accrued and unpaid interest:

Year	Percentage
2024	103.750%
2025	101.875%
2026 and Thereafter	100.000%

Upon a change of control (as defined in the indenture governing the 2028 Notes), we will be required to make an offer to purchase the 2028 Notes at a purchase price equal to 101% of the outstanding principal amount of the 2028 Notes on the date of the purchase, plus accrued and unpaid interest to, but not including, the date of purchase.

Covenants. 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.

Fair Value. As of December 31, 2021, the total estimated fair value of the 2028 Notes was $264.7 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.

12.0% Notes Tender Offer and Redemption

In April 2021, we commenced a tender offer to the holders of the outstanding 12.0% senior secured notes due July 2025 (the "2025 Notes") and notified all such holders of our election to redeem all 2025 Notes not purchased in our tender offer on May 14, 2021. We received tenders for approximately $195.9 million in aggregate principal amount of the 2025 Notes and the remaining 2025 Notes were redeemed on May 14, 2021 at a redemption price of 107% of the principal amount thereof, plus accrued and unpaid interest. As a result, the Company's and the guarantors' obligations under the indenture governing the 2025 Notes have been fully discharged. We applied net proceeds from the offering of the 2028 Notes described above, together with a portion of the net proceeds from the Convertible Notes offering described below, toward payment of the total consideration amount to holders whose 2025 Notes were accepted and purchased in the tender offer and to fund the redemption of any remaining 2025 Notes.

Based on the characteristics of the 2025 Notes and the 2028 Notes that were issued, the tender and redemption of the 2025 Notes were accounted for as an extinguishment of the debt. Accordingly, we have recorded a $24.7 million loss on early extinguishment of debt, consisting of early redemption and tender premiums of $18.1 million, write-off of deferred financing costs and the debt discount associated with the 2025 Notes of $4.4 million and $2.2 million, respectively.

Convertible Notes due 2028

General. On April 9, 2021, we completed a private offering of $86.3 million aggregate principal amount of convertible senior notes due 2028 (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 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.

Interest Rate. The Convertible Notes will bear interest semi-annually in arrears on May 1 and November 1 of each year, beginning on November 1, 2021, at a rate of 2.75% per annum in cash.

Maturity. The Convertible Notes will mature on May 1, 2028, unless earlier converted, repurchased, or redeemed.

Seniority. 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 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.

Redemption rights. We may not redeem the Convertible Notes prior to May 6, 2025. On or after May 6, 2025, we may redeem for cash all or part of the Convertible Notes at our option if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on and including the trading day immediately preceding the date on which we provide notice of redemption, at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest.

Upon conversion, we may satisfy our conversion obligation by paying or delivering, as applicable, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, based on the applicable conversion rate. In addition, if certain corporate events that constitute a make-whole fundamental change (as defined in the indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time. Additionally, in the event of a corporate event constituting a fundamental change (as defined in the indenture), holders of the Convertible Notes may require us to repurchase all or a portion of their Convertible Notes at a repurchase price equal to 100% of the principal amount of the Convertible Notes being repurchased, plus accrued and unpaid interest to, but excluding, the date of the fundamental change repurchase.

As of December 31, 2021, the if-converted value of the Convertible Notes did not exceed the outstanding principal amount.

Fair Value. As of December 31, 2021, the total estimated fair value of the Convertible Notes was $98.6 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.

Capped Calls

On April 6, 2021 and April 7, 2021, in connection with the pricing of the Convertible Notes, we entered into privately negotiated capped call transactions (the “Capped Calls”) with certain of the initial purchasers and other financial institutions (the "Option Counterparties") at a cost of $5.7 million. The Capped Calls cover, subject to customary adjustments, the number of shares of our common stock initially underlying the Convertible Notes. By entering into the Capped Calls, we expect to reduce the potential dilution to our common stock upon any conversion of the Convertible Notes (or, in the event a conversion of the Convertible Notes is settled in cash, to reduce our cash payment obligation) in the event that at the time of conversion of the Convertible Notes our common stock price exceeds the conversion price of the Convertible Notes. The Capped Calls each have an initial strike price of approximately $18.74 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Convertible Notes. The Capped Calls have an initial cap price of $22.95 per share of common stock.

On April 6, 2021 and April 7, 2021, we entered into side letters with the Option Counterparties that modified the terms of the Capped Calls, thus requiring derivative accounting treatment with changes in fair value reported in earnings. On June 29, 2021, we terminated the side letters with the Option Counterparties by mutual agreement, which caused the Capped Calls to meet the criteria for classification in equity. As of December 31, 2021, the Capped Calls are included as a reduction to additional paid-in-capital within stockholders' equity. During the period in the second quarter in which the Capped Calls were classified as derivatives, we recognized $1.0 million as a loss on forward and derivative contracts.

(amounts in millions, except share and per share amounts)

Hawesville Term Loan

On April 29, 2019, we entered into a loan agreement with Glencore Ltd. pursuant to which the Company borrowed $40.0 million. Borrowings under the Hawesville Term Loan were used to partially finance the second phase of the Hawesville restart project. The Hawesville Term Loan bore interest, due monthly, at a floating rate equal to LIBOR plus 5.375% per annum. The Hawesville Term Loan matured on December 31, 2021 and was fully repaid as of December 31, 2021.

U.S. Revolving Credit Facility

General. We and certain of our direct and indirect domestic subsidiaries (the "Borrowers") have a senior secured revolving credit facility with a syndicate of lenders (the "U.S. revolving credit facility"). On December 23, 2021 we amended our U.S. revolving credit facility, increasing our borrowing capacity to $220.0 million, including up to $110.0 million under a letter of credit sub-facility. The U.S. revolving credit facility matures on May 16, 2023.

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 December 31, 2021, there were $63.6 million outstanding borrowings and $81.1 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.

Status of our U.S. revolving credit facility:

	December 31, 2021
Credit facility maximum amount	$ 220.0
Borrowing availability	215.2
Outstanding letters of credit issued	81.1
Outstanding borrowings	63.6
Borrowing availability, net of outstanding letters of credit and borrowings	$ 70.5

Borrowing Base. The availability of funds under the U.S. revolving credit facility is limited by a specified borrowing base consisting of the Borrower's accounts receivable and inventory which meet the eligibility criteria.

Guaranty. The Borrowers' obligations under the U.S. revolving credit facility are guaranteed by certain of our domestic subsidiaries and secured by a continuing lien upon and a security interest in all of the Borrowers' accounts receivable, inventory and certain bank accounts. Each Borrower is liable for any and all obligations under the U.S. revolving credit facility on a joint and several basis.

Interest Rates and Fees. Any amounts outstanding under the U.S. revolving credit facility will bear interest at our option of either LIBOR or a base rate, plus, in each case, an applicable interest margin. The applicable interest margin is determined based on the average daily availability for the immediately preceding quarter. In addition, we pay an unused line fee on undrawn amounts, less the amount of our letters of credit exposure. For standby letters of credit, we are required to pay a fee on the face amount of such letters of credit that varies depending on whether the letter of credit exposure is cash collateralized. In June 2021, the U.S. revolving credit facility was amended to include fallback language relating to a benchmark reference rate replacement when a LIBOR transition occurs.

Prepayments. We can make prepayments of amounts outstanding under the U.S. revolving credit facility, in whole or in part, without premium or penalty, subject to standard breakage costs, if applicable. We may be required to apply the proceeds from sales of collateral accounts, other than sales of inventory in the ordinary course of business, to repay amounts outstanding under the revolving credit facility and correspondingly reduce the commitments there under.

Covenants. The U.S. revolving credit facility contains customary covenants, including restrictions on mergers and acquisitions, indebtedness, affiliate transactions, liens, dividends and distributions, dispositions of collateral, investments, and prepayments of indebtedness, as well as a covenant that requires the Borrowers to maintain certain minimum liquidity or availability requirements.

(amounts in millions, except share and per share amounts)

Events of Default. The U.S. revolving credit facility also includes customary events of default, including nonpayment, misrepresentation, breach of covenant, bankruptcy, change of ownership, certain judgments and certain cross defaults. Upon the occurrence of an event of default, commitments under the U.S. revolving credit facility may be terminated and amounts outstanding may be accelerated and declared immediately due and payable.

Iceland Revolving Credit Facility

General. Our wholly-owned subsidiary, Nordural Grundartangi ehf ("Grundartangi"), has entered into a $50.0 million revolving credit facility agreement with Landsbankinn hf., dated November 2013, as amended. 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. The Iceland revolving credit facility has a term through November 2024.

Status of our Iceland revolving credit facility:

		December 31, 2021
Credit facility maximum amount	$	50.0
Borrowing availability		50.0
Outstanding letters of credit issued		—
Outstanding borrowings		50.0
Borrowing availability, net of outstanding letters of credit and borrowings	$	—

Borrowing Base. The availability of funds under the Iceland revolving credit facility is limited by a specified borrowing base consisting of inventory and accounts receivable of Grundartangi.

Security. Grundartangi's obligations under the Iceland revolving credit facility are secured by a general bond under which Grundartangi's inventory and accounts receivable are pledged to secure full payment of the loan.

Interest Rates and Fees. Any amounts outstanding under the Iceland revolving credit facility will bear interest at LIBOR plus a margin per annum.

Prepayments. Any outstanding borrowings may be prepaid without penalty or premium in whole or in part.

Covenants. The Iceland revolving credit facility contains customary covenants, including restrictions on mergers and acquisitions, dispositions of assets, compliance with permits, laws and payment of taxes, as well as a covenant that requires Grundartangi to maintain a certain minimum equity ratio.

Events of Default. The Iceland revolving credit facility also includes customary events of default, including nonpayment, loss of license, cessation of operations, unlawfulness, breach of covenant, bankruptcy, change of ownership, certain judgments and certain cross defaults. Upon the occurrence of an event of default, commitments under the Iceland revolving credit facility may be terminated and amounts outstanding may be accelerated and declared immediately due and payable.

Grundartangi Casthouse Facility

On November 2, 2021, in connection with the casthouse project at Grundartangi, we entered into an eight-year Term Facility Agreement with Arion Bank hf, to provide for borrowings up to $130.0 million (the "Casthouse Facility"). Under the Casthouse Facility, repayments of principal amounts will be made in equal quarterly installments equal to 1.818% of the principal amount, the first payment occurring 30 months after the first drawdown by Grundartangi, with the remaining 60% of the principal amount to be paid no later than the termination date. As of December 31, 2021, there are no outstanding borrowings under this Casthouse Facility.

Security. Grundartangi's obligations under the Casthouse Facility are secured by a general bond on an aggregate of $430.0 million in assets and rights related to Grundartangi.

(amounts in millions, except share and per share amounts)

Interest Rates and Fees. The interest rate shall be the sum of the interest rate equal to USD LIBOR 3 month plus the applicable margin as set forth in the agreement. Grundartangi shall pay an arrangement fee equal to 0.78% of the total facility amount, 50% of which was paid upfront and 50% to be paid at the end of the availability period, and shall pay a commitment fee of 0.38% per annum on undrawn commitments, payable quarterly at the same time as interest payments are due and payable. Upon occurrence of the LIBOR transition, the Casthouse Facility provides for the use of an alternative base interest rate to LIBOR aimed at achieving the same commercial result.

Prepayments. We can make prepayments of amounts outstanding under the Casthouse Facility, in whole or in part, without premium or penalty, together with accrued interest on the amount prepaid and subject to standard breakage costs, if applicable.

Covenants. This Casthouse Facility contains customary covenants, including restrictions on mergers and acquisitions, indebtedness, preservation of assets, and dispositions of assets, as well as a covenant that requires Grundartangi to maintain a certain minimum equity ratio.

Events of Default. The Casthouse Facility also includes customary events of default, including nonpayment, loss of license, cessation of operations, unlawfulness, breach of covenant, bankruptcy, change of ownership, certain judgments and certain cross defaults. Upon the occurrence of an event of default, commitments under the Casthouse facility may be terminated and amounts outstanding may be accelerated and declared immediately due and payable.

Contingent Obligation

We have a contingent obligation in connection with the “unwind” of a contractual arrangement between CAKY, Big Rivers Electric Corporation ("Big Rivers") and a third party and the execution of a long-term cost-based power contract with Kenergy, a member of a cooperative of Big Rivers, in July 2009. 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. Our obligation to make repayments is contingent upon certain operating criteria for Hawesville and the LME price of primary aluminum. When the conditions for repayment are met, and for so long as those conditions continue to be met, we will be obligated to make principal and interest payments, in up to 72 monthly payments. Interest accrues at an annual rate equal to 10.94% and the term of the agreement is through December 2028.

Based on the LME forward market prices for primary aluminum at December 31, 2021, and current level of Hawesville's operations, we believe that we will not have any payment obligations for the contingent obligation through the term of the agreement, which expires in 2028. We recognized a derivative asset which offsets our contingent obligation. As a result, our net liability decreased and we recognized a gain of $1.4 million for each of the years ended December 31, 2021 and 2020. These amounts are exactly offset by interest expense on the contingent obligation which is recorded in interest expense. Future increases in the LME forward market and increased operations at Hawesville may result in a partial or full derecognition of the derivative asset and a corresponding recognition of a loss.

The following table provides information about the balance sheet location and gross amounts offset:

Offsetting of financial instruments and derivatives	Balance sheet location	December 31, 2021	December 31, 2020
Contingent obligation – principal	Other liabilities	$ (12.9)	$ (12.9)
Contingent obligation – accrued interest	Other liabilities	(15.2)	(13.8)
Contingent obligation – derivative asset	Other liabilities	28.1	26.7
		$ —	$ —

Industrial Revenue Bonds

As part of the purchase price for our acquisition of the Hawesville facility, we assumed IRBs which were issued in connection with the financing of certain solid waste disposal facilities constructed at the Hawesville facility. The IRBs bear interest at a variable rate not to exceed 12% per annum determined weekly based upon prevailing rates for similar bonds in the industrial revenue bond market and interest on the IRBs is paid quarterly. The IRBs are secured by a letter of credit issued under our U.S revolving credit facility and mature in April 2028.

7. Shareholders' Equity

Common Stock

As of December 31, 2021 and 2020, we had 195,000,000 shares of common stock, $0.01 cent par value, authorized under our Restated Certificate of Incorporation, of which 98,418,132 shares were issued and 91,231,611 shares were outstanding at December 31, 2021; 97,242,318 shares were issued and 90,055,797 shares were outstanding at December 31, 2020.

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 December 31, 2021 and 2020, we had 5,000,000 shares of preferred stock, $0.01 cent 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, liquidation 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 December 31, 2021 and December 31, 2020, 58,542 shares and 63,589 shares were 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 of preferred to common shares is 100 shares of common for each share of preferred stock. Our Series A Convertible Preferred Stock has a par value of $0.01 per share.

(amounts in millions, except share and per share amounts)

The Common and Preferred Stock Activity table below contains additional information about preferred stock conversions during 2021, 2020 and 2019:

Common and Preferred Stock Activity:	**Preferred Stock**	**Common stock**	
(in shares)	**Series A Convertible**	**Treasury**	**Outstanding**
Balance as of December 31, 2018	71,967	7,186,521	88,103,440
Repurchase of common stock	—	—	—
Conversion of convertible preferred stock	(4,644)	—	464,431
Issuance for share-based compensation plans	—	—	617,790
Balance as of December 31, 2019	67,323	7,186,521	89,185,661
Repurchase of common stock	—	—	—
Conversion of convertible preferred stock	(3,734)	—	373,416
Issuance for share-based compensation plans	—	—	496,720
Balance as of December 31, 2020	63,589	7,186,521	90,055,797
Repurchase of common stock	—	—	—
Conversion of convertible preferred stock	(5,047)	—	504,596
Issuance for share-based compensation plans	—	—	671,218
Balance as of December 31, 2021	58,542	7,186,521	91,231,611

Dividend Rights. So long as any shares of our Series A Convertible Preferred Stock are outstanding, we may not pay or declare any dividend or make any distribution upon or in respect of our common stock or any other capital stock ranking on a parity with or junior to the Series A Convertible Preferred Stock in respect of dividends or liquidation preference, unless we, at the same time, declare and pay a dividend or distribution on the shares of Series A Convertible Preferred Stock (a) in an amount equal to the amount such holders would receive if they were the holders of the number of shares of our common stock into which their shares of Series A Convertible Preferred Stock are convertible as of the record date fixed for such dividend or distribution, or (b) in the case of a dividend or distribution on other capital stock ranking on a parity with or junior to the Series A Convertible Preferred Stock in such amount and in such form as (based on the determination of holders of a majority of the Series A Convertible Preferred Stock) will preserve, without dilution, the economic position of the Series A Convertible Preferred Stock relative to such other capital stock.

Voting Rights. The Series A Convertible Preferred Stock has no voting rights for the election of directors or on other matters where the shares of common stock have voting rights. However, we may not change the powers, preferences, or rights given to the Series A Convertible Preferred Stock, or authorize, create or issue any additional shares of Series A Convertible Preferred Stock without the affirmative vote of the holders of a majority of the shares of Series A Convertible Preferred Stock then outstanding (voting separately as a class).

Liquidation Rights. Upon any liquidation, dissolution, or winding-up of Century, the holders of shares of Series A Convertible Preferred Stock are entitled to receive a preferential distribution of $0.01 per share out of the assets available for distribution. In addition, upon any liquidation, dissolution or winding-up of Century, if our assets are sufficient to make any distribution to the holders of the common stock, then the holders of shares of Series A Convertible Preferred Stock are also entitled to share ratably with the holders of common stock in the distribution of Century's assets (as though the holders of Series A Convertible Preferred Stock were holders of that number of shares of common stock into which their shares of Series A Convertible Preferred Stock are convertible). However, the amount of any such distribution will be reduced by the amount of the preferential distribution received by the holders of the Series A Convertible Preferred Stock.

Transfer Restrictions. Glencore is prohibited from transferring shares of Series A Convertible Preferred Stock to any party other than an affiliate who agrees to become bound by certain agreements associated with these shares.

Automatic Conversion. The Series A Convertible Preferred Stock automatically converts, without any further act of Century or any holders of Series A Convertible Preferred Stock, into shares of common stock, at a conversion ratio of 100 shares of common stock for each share of Series A Convertible Preferred Stock, upon the occurrence of any of the following automatic conversion events:

- If we sell or issue shares of common stock or any other stock that votes generally with our common stock, or the occurrence of any other event, including a sale, transfer or other disposition of common stock by Glencore, as a result of which the percentage of voting stock held by Glencore decreases, an amount of Series A Convertible Preferred Stock will convert to common stock to restore Glencore to its previous ownership percentage;
- If shares of Series A Convertible Preferred Stock are transferred to an entity that is not an affiliate of Glencore, such shares of Series A Convertible Preferred Stock will convert to shares of our common stock, provided that such transfers may only be made pursuant to an effective registration statement;
- Upon a sale of Series A Convertible Preferred Stock by Glencore in a Rule 144 transaction in which the shares of Series A Convertible Preferred Stock and our common stock issuable upon the conversion thereof are not directed to any purchaser, such shares of Series A Convertible Preferred Stock sold will convert to shares of our common stock; and
- Immediately prior to and conditioned upon the consummation of a merger, reorganization or consolidation to which we are a party or a sale, abandonment, transfer, lease, license, mortgage, exchange or other disposition of all or substantially all of our property or assets, in one or a series of transactions where, in any such case, all of our common stock would be converted into the right to receive, or exchanged for, cash and/or securities, other than any transaction in which the Series A Convertible Preferred Stock will be redeemed.

Optional Conversion. Glencore has the option to convert the Series A Convertible Preferred Stock in a tender offer or exchange offer, at the same conversion ratio as above, in which a majority of the outstanding shares of our common stock have been tendered by the holders thereof and not duly withdrawn at the expiration time of such tender or exchange offer, so long as the Series A Convertible Preferred Stock is tendered or exchanged in such offer.

Stock Combinations – Adjustments. If, at any time while the Series A Convertible Preferred Stock is outstanding, Century combines outstanding common stock into a smaller number of shares, then the number of shares of common stock issuable on conversion of each share of Series A Convertible Preferred Stock will be decreased in proportion to such decrease in the aggregate number of shares of common stock outstanding.

Redemptions or Repurchases of Common Stock. We may not redeem or repurchase our common stock unless we redeem or repurchase, or otherwise make a payment on, a pro-rata number of shares of the Series A Convertible Preferred Stock. These restrictions do not apply to our open market repurchases or our repurchases pursuant to our employee benefit plans.

Right of Redemption. The Series A Convertible Preferred Stock will be redeemed by Century if any of the following events occur (at a redemption price based on the trading price of our common stock prior to the announcement of such event) and Glencore votes its shares of our common stock in opposition to such events:

- We propose a merger, reorganization or consolidation, sale, abandonment, transfer, lease, license, mortgage, exchange or other disposition of all or substantially all of our property or assets where any of our common stock would be converted into the right to receive, or exchanged for, assets other than cash and/or securities traded on a national stock exchange or that are otherwise readily marketable, or
- We propose to dissolve and wind up operations and any assets, other than cash and/or securities traded on a national stock exchange or that are otherwise readily marketable, are to be distributed to the holders of our common stock.

Stock Repurchase Program

In 2011, our Board of Directors authorized a $60.0 million 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 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 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.

(amounts in millions, except share and per share amounts)

Through December 31, 2021, we repurchased 7,186,521 shares of common stock for an aggregate purchase price of $86.3 million. We have made no repurchases since April 2015 and have approximately $43.7 million remaining under the repurchase program authorization as of December 31, 2021.

8. Inventories

Inventories, at December 31, consist of the following:

	2021	2020
Raw materials	$ 132.9	$ 95.9
Work-in-process	76.1	40.5
Finished goods	43.9	26.9
Operating and other supplies	172.7	127.8
Inventories	$ 425.6	$ 291.1

9. Property, Plant and Equipment

Property, plant and equipment, at December 31, consist of the following:

	2021	2020
Land and improvements	$ 40.1	$ 40.1
Buildings and improvements	341.1	340.1
Machinery and equipment	1,522.1	1,506.5
Construction in progress	89.6	15.8
	1,992.9	1,902.5
Less accumulated depreciation	(1,100.4)	(1,022.1)
Property, plant and equipment - net	$ 892.5	$ 880.4

For the years ended December 31, 2021, 2020 and 2019, we recorded depreciation and amortization expense of $82.6 million, $83.0 million, and $83.2 million, respectively.

10. Accumulated Other Comprehensive Loss ("AOCL")

Components of AOCL	2021	2020
Defined benefit plan liabilities	$ (86.7)	$ (123.7)
Unrealized gain (loss) on financial instruments	1.9	2.1
Other comprehensive loss before income tax effect	(84.8)	(121.6)
Income tax effect[1]	2.5	2.8
Accumulated other comprehensive loss	$ (82.3)	$ (118.8)

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

	2021	2020
Defined benefit plan liabilities	$ 2.9	$ 3.2
Unrealized loss on financial instruments	(0.4)	(0.4)

(amounts in millions, except share and per share amounts)

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, December 31, 2018	$ (100.7)	$ 2.0	$ (98.7)
Impact of ASU 2018-02*	(1.3)	—	(1.3)
Other comprehensive (loss) before reclassifications	(12.7)	—	(12.7)
Net amount reclassified to net income (loss)	3.0	(0.1)	2.9
Balance, December 31, 2019	(111.7)	1.9	(109.8)
Other comprehensive (loss) before reclassifications	(13.5)	—	(13.5)
Net amount reclassified to net income (loss)	4.6	(0.1)	4.5
Balance, December 31, 2020	(120.6)	1.8	(118.8)
Other comprehensive (loss) before reclassifications	31.6	—	31.6
Net amount reclassified to net income (loss)	5.0	(0.1)	4.9
Balance, December 31, 2021	$ (84.0)	$ 1.7	$ (82.3)

*ASU 2018-02. See Note 14. Income Taxes for further information regarding our adoption of ASU 2018-02.

(amounts in millions, except share and per share amounts)

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

AOCL Components	Location	2021	2020	2019
Defined benefit plan and other postretirement liabilities	Cost of goods sold	$ 26.8	$ (4.7)	$ (3.2)
	Selling, general and administrative expenses	2.9	(2.0)	(4.4)
	Other operating expense, net	7.3	(1.1)	(1.0)
	Income tax expense	(0.4)	(1.1)	(1.1)
	Net of tax	$ 36.6	$ (8.9)	$ (9.7)
Gain (loss) on financial instruments	Cost of goods sold	$ (0.1)	$ (0.2)	$ (0.2)
	Income tax benefit	0.0	0.1	0.1
	Net of tax	$ (0.1)	$ (0.1)	$ (0.1)

11. Pension and Other Postretirement Benefits

Pension Benefits

We maintain noncontributory defined benefit pension plans for certain domestic hourly and salaried employees. For the eligible domestic salaried employees, plan benefits are based primarily on years of service and average compensation during the later years of employment. For hourly employees, plan benefits are based primarily on a formula that provides a specific benefit for each year of service. Our funding policy is to contribute amounts based upon actuarial and economic assumptions designed to achieve adequate funding of the projected benefit obligations and to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). In addition, we maintain the supplemental executive retirement benefit ("SERB") plan for certain current and former executive officers, which is frozen to future accruals.

Other Postretirement Benefits ("OPEB")

In addition to providing pension benefits, we provide certain healthcare and life insurance benefits for certain domestic retired employees. We accrue the estimated cost of providing postretirement benefits during the working careers of those employees who could become eligible for such benefits when they retire. We fund these benefits as the retirees submit claims.

Retiree medical welfare changes

Under the current Hawesville labor agreement, employees who retire during the term of the labor agreement have been divided into sub-groups based on attributes such as Medicare eligibility, hire date, age and years of service. Levels of benefits are defined for the sub-groups and range from no substantive change from the benefits provided under the previous labor agreement to replacement of the defined retiree medical benefit program with individual health reimbursement accounts for each eligible participant. The health reimbursement accounts are funded based on established rates per hour worked by each eligible participant. Eligible participants will be able to withdraw from their health reimbursement accounts to fund their own retiree medical coverage.

During 2017, the Company amended its non-union retiree medical and life insurance benefits to align the Company's benefits with the market and achieve a uniform retiree medical benefit design across the Company's U.S. locations. Effective January 1, 2018, non-union retiree medical and life insurance benefits are restricted to current participants who meet the eligibility criteria as of January 1, 2018. Additionally, effective January 1, 2019, Century will no longer administer non-union retiree medical, prescription drug, dental, or vision benefits and instead will make fixed health reimbursement account contributions.

(amounts in millions, except share and per share amounts)

Obligations and Funded Status

The change in benefit obligations and change in plan assets as of December 31 are as follows:

	Pension		OPEB	
	2021	2020	2021	2020
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 385.8	$ 358.4	$ 107.9	$ 107.7
Service cost	4.7	4.9	0.2	0.2
Interest cost	9.6	11.4	2.4	3.1
Actuarial (gain) loss	(18.8)	31.1	(5.0)	2.7
Medicare Part D	—	—	0.2	0.2
Benefits paid	(21.2)	(20.0)	(6.1)	(6.0)
Benefit obligation at end of year	$ 360.1	$ 385.8	$ 99.6	$ 107.9

The decreases in both the defined benefit plans' and OPEB plan's benefit obligation were mainly driven by the actuarial gains in 2021, which were primarily attributable to the increases in the discount rates from fiscal year 2020 to 2021.

	Pension		OPEB	
	2021	2020	2021	2020
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 318.8	$ 295.8	$ —	$ —
Actual return on plan assets	30.3	41.1	—	—
Employer contributions	1.8	1.9	5.9	5.8
Medicare Part D subsidy received	—	—	0.2	0.2
Benefits paid	(21.2)	(20.0)	(6.1)	(6.0)
Fair value of assets at end of year	$ 329.7	$ 318.8	$ —	$ —

The decrease of actual return on plan assets in 2021 was primarily attributable to changes in our investment compliment during fiscal year 2021 to manage risk relative to the pension asset balance.

	Pension		OPEB	
	2021	2020	2021	2020
Funded status of plans:				
Funded status	$ (30.4)	$ (67.0)	$ (99.6)	$ (107.9)
Amounts recognized in the Consolidated Balance Sheets:				
Non-current assets	—	—	—	—
Current liabilities	(1.8)	(1.8)	(6.3)	(6.4)
Non-current liabilities	(28.6)	(65.2)	(93.3)	(101.5)
Net amount recognized	$ (30.4)	$ (67.0)	$ (99.6)	$ (107.9)
Amounts recognized in accumulated other comprehensive loss (pre-tax):				
Net loss	$ 61.2	$ 94.0	$ 35.0	$ 42.2
Prior service cost (benefit)	0.9	1.1	(10.3)	(13.5)
Total	$ 62.1	$ 95.1	$ 24.7	$ 28.7

(amounts in millions, except share and per share amounts)

Pension Plans That Are Not Fully Funded

At December 31, 2021, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $360.1 million, $355.7 million, and $329.7 million, respectively.

At December 31, 2020, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $385.8 million, $379.4 million and $318.8 million, respectively.

Components of net periodic benefit cost and other amounts recognized in other comprehensive loss:

Net Periodic Benefit Cost:

	Year Ended December 31,					
	Pension			OPEB		
	2021	2020	2019	2021	2020	2019
Service cost	$ 4.7	$ 4.9	$ 4.0	$ 0.2	$ 0.2	$ 0.2
Interest cost	9.6	11.4	13.3	2.4	3.1	4.5
Expected return on plan assets	(22.4)	(20.8)	(18.3)	—	—	—
Amortization of prior service costs	0.1	0.1	0.1	(3.2)	(3.2)	(4.9)
Amortization of net loss	6.1	6.5	6.6	2.3	2.2	2.3
Net periodic benefit cost	$ (1.9)	$ 2.1	$ 5.7	$ 1.7	$ 2.3	$ 2.1

Other changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Loss (pre-tax):

	Year Ended December 31,			
	Pension		OPEB	
	2021	2020	2021	2020
Net loss (gain)	$ (26.7)	$ 10.8	$ (5.0)	$ 2.7
Prior service cost (benefit)	—	—	—	—
Amortization of net loss, including recognition due to settlement	(6.1)	(6.5)	(2.3)	(2.2)
Amortization of prior service (cost) benefit, including recognition due to curtailment	(0.1)	(0.1)	3.2	3.2
Total amount recognized in other comprehensive loss	(32.9)	4.2	(4.1)	3.7
Net periodic benefit cost	(1.9)	2.1	1.7	2.3
Total recognized in net periodic benefit cost and other comprehensive loss	$ (34.8)	$ 6.3	$ (2.4)	$ 6.0

Weighted average assumptions used to determine benefit obligations at December 31:

	Pension		OPEB	
	2021	2020	2021	2020
Discount rate [(1)]	2.89%	2.58%	2.75%	2.34%
Rate of compensation increase [(2)]	3%/3.5%	3%/3.5%	3%/3.5%	3%/3.5%
Measurement date	12/31/2021	12/31/2020	12/31/2021	12/31/2020

(amounts in millions, except share and per share amounts)

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31:

	Pension			OPEB		
	2021	2020	2019	2021	2020	2019
Measurement date	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/201
Fiscal year end	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/201
Discount rate (1)	2.77%	3.22%	4.38 %	1.89 %	2.79 %	4.29
Rate of compensation increase (3)	3%/3.5%	3%/3.5%	3%/3.5%	3%/3.5%	3%/3.5%	3%/3.5%
Expected return on plan assets (4)	7.25%	7.25%	7.25 %	— %	— %	—

(1) We use the Ryan Above Median Yield Curve to determine the discount rate.
(2) For 2021 and 2020, the rate of compensation increase is 3% per year for the first year and 3.5% per year thereafter.
(3) For 2021, 2020, and 2019, the rate of compensation increase is 3% per year for the first year and 3.5% per year thereafter.
(4) The rate for each of our defined benefit plans was selected by taking into account our expected asset mix and is based on historical performance as well as expected future rates of return on plan assets.

For measurement purposes, medical cost inflation is initially estimated to be 6.4%, and 7.1% for pre- and post-65 participants, respectively, declining to 4.5% over ten years and continuing thereafter.

Benefit Plan Assets

Pension Plan Investment Strategy and Policy

The Pension Plans' assets are invested in a prudent manner for the exclusive purpose of providing benefits to participants.

Other objectives are to:

- Provide a total return that, over the long term, provides sufficient assets to fund the pension plan liabilities subject to a level of risk, contributions and pension expense deemed appropriate by the company.
- Minimize, where possible, pension expense volatility, and inclusion of liability driven investing as an investment strategy when appropriate. As the funding ratio improves, the objectives will evolve to minimize the funded status volatility.
- Diversify investments within asset classes to reduce the impact of losses in single investments.

The assets of the Pension Plans are invested in compliance with ERISA, as amended, and any subsequent applicable regulations and laws.

Performance

Our performance objective is to outperform the return of weighing passive investment alternatives by the policy target allocations after fees at a comparable level of risk. This investment objective is expected to be achieved over the long term and is measured over rolling multi-year periods. Peer-relative performance comparisons will also be considered especially when performance deviates meaningfully from market indexes. Investment objectives for each asset class are included below.

(amounts in millions, except share and per share amounts)

Asset Allocation Policy

Asset allocation policy is the principal method for achieving the Pension Plans' investment objectives stated above. The Pension Plans' weighted average long-term strategic asset allocation policy targets are as follows:

	Pension Plan Asset Allocation		
	2021 Target	**December 31, 2021**	**December 31, 2020**
Equities:			
U.S. equities	—%	—%	31%
International equities	—%	—%	27%
Fixed income	—%	—%	42%
Return seeking assets:			
Global equity	52%	51%	—%
Diversified credit	15%	15%	—%
Real assets	8%	9%	—%
Liability hedging assets	25%	25%	—%
Cash	—%	—%	—%
	100%	100%	100%

Global equities are held for their long-term expected return premium over fixed income investments and inflation. Fixed income is held for diversification relative to equities, and as a hedging instrument to interest rate volatility for the pension obligation. Diversified Credit and Real Assets are held for diversification relative to equities and for income generation.

The strategic role of global equities is to:

- Provide higher expected returns of the major asset classes.
- Maintain a diversified exposure within global stock markets through the use of multi-manager portfolio strategies.

The strategic role of fixed income is to:

- Diversify the Pension Plans' equity exposure by investing in fixed income securities that exhibit a low correlation to equities, thereby lowering the overall return volatility of the entire investment portfolio.
- Maintain a diversified exposure within the U.S. fixed income market through the use of portfolio strategies targeting treasury bond exposures.
- Hedge the interest rate risk of the pension obligation by investing in securities that target a similar duration to the pension obligation cash flows.

The strategic role of diversified credit is to:

- Diversify the Pension Plans' equity exposure by investing in alternative credit securities that exhibit a low correlation to equities, thereby lowering the overall return volatility of the entire investment portfolio.
- Maintain a diversified exposure within the alternative credit markets through the use of multi-manager portfolio strategies targeting, but not limited to, securitized credit, high yield securities, and emerging market debt.
- Achieve returns in excess of passive indexes through the use of active investment managers and strategies.

The strategic role of real assets is to:

(amounts in millions, except share and per share amounts)

- Diversify the Pension Plans' equity exposure by investing in real assets that exhibit a low correlation to equities, thereby lowering the overall return volatility of the entire investment portfolio.
- Maintain a diversified exposure within the real asset markets through the use of multi-manager portfolio strategies targeting listed and unlisted exposures.
- Achieve returns in excess of passive indexes through the use of active investment managers and strategies.

The long-term strategic asset allocation policy is reviewed regularly or whenever significant changes occur to Century's or the Pension Plans' financial position and liabilities.

Fair Value Measurements of Pension Plan assets

The following table sets forth by level the fair value hierarchy our Pension Plans' assets. These assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels.

As more fully described within Note 5. Fair Value Measurements, the Company uses a three-level fair value hierarchy that prioritizes the inputs used to measure fair values. 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 – unobservable inputs for the asset or liability.

The following summarizes the Company's pension included assets under the fair value hierarchy:

As of December 31, 2021 [(1)]	**Level 1**	**Level 2**	**Level 3**	**Assets measured at NAV**	**Total**
Cash and cash equivalents	$ —	$ —	$ —	$ 2.5	$ 2.5
Return seeking assets:					
Global Equity	—	—	—	167.8	167.8
Diversified Credit	—	—	—	49.2	49.2
Real Assets	—	—	—	28.6	28.6
Total return seeking assets	—	—	—	245.6	245.6
Liability hedging assets	—	—	—	81.6	81.6
Total	$ —	$ —	$ —	$ 329.7	$ 329.7
As of December 31, 2020					
Equities:					
U.S. equities	$ 98.4	$ —	$ —	$ —	$ 98.4
International equities	86.8	—	—	—	86.8
Fixed income	133.6	—	—	—	133.6
Total	$ 318.8	$ —	$ —	$ —	$ 318.8

(amounts in millions, except share and per share amounts)

(1) During 2021, Century changed plan custodians for our pension assets, at which time our pension assets were reinvested in new securities that are measured at Net Asset Value ("NAV") and not subject to leveling. Prior to the custodian change, all pension assets were classified as Level 1 assets.

Our Pension Plans' assets are held in certain comingled funds and group trusts which do not have publicly quoted prices. The fair value of the comingled funds and group trusts is based on NAV of the underlying investments. The fair value of the underlying investments held by the comingled funds, separate accounts and common collective trusts is generally based on quoted prices in active markets. Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

No material transfers in or out of Level 3 occurred during the years ended December 31, 2021 or 2020.

Our other postretirement benefit plans are unfunded. We fund these benefits as the retirees submit claims.

Pension and OPEB Cash Flows

During 2021 and 2020, we made contributions of approximately $1.8 million and $1.9 million, respectively, to the qualified defined benefit and SERB plans we sponsor and $5.9 million and $5.8 million, respectively, to the other postretirement benefit plans.

We expect to make the following contributions for 2022:

	2022
Expected pension plan contributions	$ 4.2
Expected OPEB benefits payments	6.3

Estimated Future Benefit Payments

The following table provides the estimated future benefit payments for the pension and other postretirement benefit plans:

	Pension Benefits	OPEB Benefits
2022	$ 20.7	$ 6.3
2023	20.4	6.2
2024	20.1	6.2
2025	20.0	6.1
2026	20.1	6.0
2027 – 2031	97.6	29.6

Participation in Multi-employer Pension Plans

The union-represented employees at Hawesville are part of a United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USWA") sponsored multi-employer plan. Our contributions to the plan are determined at a fixed rate per hour worked. Currently, we do not have any plans to withdraw from or curtail participation in this plan. The risks of participating in a multi-employer plan are different from single-employer plans in the following respects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If a participating employer chooses to stop participating in a multi-employer plan, the employer may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

(amounts in millions, except share and per share amounts)

Century's participation in the plan for the year ended December 31, 2021, is outlined in the table below.

Fund	Steelworkers Pension Trust
EIN / PN	23-6648508/499
Pension Protection Act Zone Status 2021 (1)	Green
Pension Protection Act Zone Status 2020 (1)	Green
Subject to Financial Improvement/Rehabilitation Plan (2)	No
Contributions of Century Aluminum 2021	$1.7
Contributions of Century Aluminum 2020	$1.4
Contributions of Century Aluminum 2019	$1.3
Withdrawal from Plan Probable	No
Surcharge Imposed	No
Expiration Date of Collective Bargaining Agreement (2)	March 31, 2026

(1) The most recent Pension Protection Act zone status available in 2021 and 2020 is for the plan's year-end December 31, 2020 and December 31, 2019, respectively. The zone status is based on information that Century received from the plan as well as publicly available information per the Department of Labor and is certified by the plan's actuary. Among other factors, plans in the green zone are at least 80 percent funded.

(2) The "Subject to Financial Improvement / Rehabilitation Plan" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

Century 401(k) Plans

We sponsor a tax-deferred savings plan under which eligible domestic employees may elect to contribute specified percentages of their compensation with Century. We match a portion of participants' contributions to the savings plan. Employee and matching contributions are considered fully vested immediately upon participation in the plan. Concurrent with the 2014 amendment to the Salaried Pension Plan that eliminated future accruals for participants who are under age 50 as of January 1, 2015 and closed the plan to new entrants, the Company increased the proportional match of contributions made to those affected by the amendment. The expense related to the plan was $5.3 million, $4.9 million, and $4.9 million for 2021, 2020, and 2019, respectively.

12. Share-based Compensation

Amended and Restated Stock Incentive Plan. We award restricted share units and grant qualified incentive and nonqualified stock options to our salaried officers, non-employee directors, and other key employees from our Amended and Restated Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan has 12,900,000 shares authorized for issuance with approximately 4,255,857 shares remaining at December 31, 2021. Our share-based compensation consists of service-based and performance-based share awards that typically vest over a period of three years from the date of grant, provided that the recipient is still our employee at the time of vesting. Our independent non-employee directors receive annual grants of service-based share awards that typically vest following 12 months of service.

Long-Term Incentive Plan. We also grant annual long-term incentive awards under our Amended and Restated Long-Term Incentive Plan (the "LTIP"). The LTIP is designed to provide senior-level employees the opportunity to earn long-term incentive awards through the achievement of performance goals and to align compensation with the interests of our stockholders. This is achieved by linking compensation to share price appreciation and total stockholder return over a multi-year period. Awards made under the LTIP are granted subject to the Stock Incentive Plan to the extent the award is deliverable in stock. We provide two types of LTIP awards: time-vested share units and performance units.

Time-vested share units are stock-settled awards which do not contain any performance-based vesting requirements. Performance units can be settled in cash or stock and vest based on the achievement of pre-determined performance metrics at the discretion of the Board. Our performance unit liability was approximately $9.1 million and $6.5

(amounts in millions, except share and per share amounts)

million as of December 31, 2021 and 2020, respectively. Both the performance units and time-vested share units vest, in their entirety, after three years.

Service-based share awards	**Number**
Outstanding at January 1, 2021	1,581,152
Granted	554,760
Vested	(531,846
Forfeited	(144,053
Outstanding at December 31, 2021	1,460,013

Performance-based share awards	**Number**
Outstanding at January 1, 2021	1,201,777
Granted	496,323
Vested	(552,121
Forfeited	(72,351
Outstanding at December 31, 2021	1,073,628

	Year ended December 31,		
Service-based share awards	**2021**	**2020**	**2019**
Weighted average per share fair value of service-based share grants	$ 9.97	$ 7.50	$ 11.34
Total intrinsic value of option exercises	—	—	39

Fair Value Measurement of Share-Based Compensation Awards. We estimate the fair value of each stock option award using the Black-Scholes model on the date of grant. Our last grant of stock options, awarded in 2009, expired in May 2019. We have not granted any stock options since 2009. For our service-based awards, fair value is equal to the closing stock price on the date of grant. For our performance-based awards, fair value is equal to the closing stock price at each reporting period end.

The following table summarizes the compensation cost recognized for the years ended December 31, 2021, 2020 and 2019 for all options, service-based and performance-based share awards. The compensation cost is included as part of selling, general and administrative expenses in our Consolidated Statements of Operations.

	Year ended December 31,		
	2021	**2020**	**2019**
Share-based compensation expense reported:			
Performance-based share expense	$ 12.5	$ 6.3	$ 3.0
Service-based share expense	8.3	3.3	3.5
Total share-based compensation expense before income tax	20.8	9.6	6.5
Income tax	—	—	—
Total share-based compensation expense, net of income tax	$ 20.8	$ 9.6	$ 6.5

No share-based compensation cost was capitalized during these periods and there were no significant modifications of any share-based awards in 2021, 2020 and 2019. As of December 31, 2021, we had unrecognized compensation cost of $15.3 million before taxes. This cost will be recognized over a weighted average period of two years.

13. Earnings (Loss) Per Share

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

The following table shows the basic and diluted earnings (loss) per share for 2021, 2020, and 2019:

	For the year ended December 31, 2021		
	Net (Loss)	**Shares (in millions)**	**Per Share**
Net loss	$ (167.1)		
Amount allocated to common stockholders	100 %		
Basic and Diluted EPS:[(1)]	$ (167.1)	90.2	$ (1.85)
	For the year ended December 31, 2020		
	Net (Loss)	**Shares (in millions)**	**Per Share**
Net loss	$ (123.3)		
Amount allocated to common stockholders	100 %		
Basic and Diluted EPS:[(1)]	$ (123.3)	89.5	$ (1.38)
	For the year ended December 31, 2019		
	Net Income	**Shares (in millions)**	**Per Share**
Net income	$ (80.8)		
Amount allocated to common stockholders	100 %		
Basic and Diluted EPS:[(1)]	$ (80.8)	88.8	$ (0.91)

Securities excluded from the calculation of diluted EPS (in millions)[(1)]:	**2021**	**2020**	**2019**
Share-based compensation	2.7	1.3	0.3
Convertible preferred shares	6.3	6.6	6.9
Convertible senior notes	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.

14. Income Taxes

The components of pre-tax book income (loss) consist of the following:

	Year Ended December 31,		
	2021	**2020**	**2019**
U.S.	$ (250.5)	$ (76.7)	$ (15.8)
Foreign	52.9	(49.6)	(69.7)
Total	$ (197.6)	$ (126.3)	$ (85.5)

(amounts in millions, except share and per share amounts)

Significant components of income tax expense consist of the following:

	Year Ended December 31,		
	2021	**2020**	**2019**
Current:			
U.S. federal current expense (benefit)	$ —	$ —	$ —
State current expense (benefit)	—	—	(0.1)
Foreign current expense	0.1	4.0	0.1
Total current expense (benefit)	0.1	4.0	(0.0)
Deferred:			
U.S. federal deferred benefit	(0.2)	(1.2)	(2.2)
State deferred benefit	—	—	(0.2)
Foreign deferred tax benefit	(30.5)	(5.9)	(6.0)
Total deferred benefit	(30.7)	(7.1)	(8.4)
Total income tax benefit	$ (30.6)	$ (3.1)	$ (8.4)

A reconciliation of the statutory U.S. Federal income tax rate to the effective income tax rate on income (loss) is as follows:

	2021	**2020**	**2019**
Federal Statutory Rate	21.0 %	21.0 %	21.0 %
Permanent differences	(0.3)	(1.2)	(13.1)
State taxes, net of Federal benefit	—	—	(0.1)
Rate change	2.5	(0.2)	(3.5)
Foreign earnings taxed at different rates than U.S.	(3.9)	(0.3)	(3.3)
Valuation allowance	(15.9)	(4.3)	72.8
Helguvik investment	26.4	—	—
Foreign restructuring	—	(2.3)	—
Foreign dividends and inclusions	(10.1)	(1.5)	—
Net operating loss expiration and remeasurement	(5.2)	(10.8)	(66.2)
Changes in uncertain tax reserves	1.3	1.4	1.2
Other	(0.3)	0.6	1.0
Effective tax rate	15.5 %	2.4 %	9.8 %

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted in response to the coronavirus ("COVID-19") pandemic. The CARES Act is aimed at providing assistance and health care for individuals, families, and businesses affected by COVID-19 and generally supporting the U.S. economy. The CARES Act, among other things, includes provisions related to refundable payroll tax credits, deferment of the employer portion of social security payments, net operating loss carryback periods, modifications to the net interest deduction limitations, and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act did not have a material impact on the Company’s consolidated financial condition or results of operations for the year ended December 31, 2020. On December 27, 2020, the Consolidated Appropriations Act (“CAA”) was enacted in further response to the COVID-19 pandemic, in combination with omnibus spending for the 2021 federal fiscal year. The CAA extended many of the provisions enacted by the CARES Act, the extension of which likewise did not have a material impact on the Company’s consolidated financial statements for the year ended December 31, 2020.

On March 11, 2021, the American Rescue Plan Act, (or "ARPA"), was signed into law. The ARPA enacted certain provisions that are relevant to corporate income tax. On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law. These acts did not have a material impact on our income tax provision for 2021, 2020 or 2019.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(amounts in millions, except share and per share amounts)

The significant components of our deferred tax assets and liabilities as of December 31 are as follows:

	2021	2020
Deferred tax assets:		
Accrued postretirement benefit cost	$ 29.5	$ 38.9
Net operating losses and tax credits	453.1	430.3
Disallowed interest expense	17.8	6.9
Foreign basis differences	—	16.2
Derivative and hedging contracts	18.6	0.5
Other	13.9	12.3
Total deferred tax assets	532.9	505.1
Valuation allowance	(485.8)	(499.4)
Net deferred tax assets	$ 47.1	$ 5.7
Deferred tax liabilities:		
Tax over financial statement depreciation	(86.2)	(95.0)
Foreign basis differences	(19.6)	—
Total deferred tax liabilities	(105.8)	(95.0)
Net deferred tax liability	$ (58.7)	$ (89.3)

We regularly assess the likelihood that deferred tax assets will be recovered from future taxable income. To the extent we believe that it is more likely than not that a deferred tax asset will not be realized, a valuation allowance is established. When a valuation allowance is established or increased, an income tax charge is included in the consolidated statement of operations and net deferred tax assets are adjusted accordingly. Future changes in tax laws, statutory tax rates and taxable income levels could result in actual realization of the deferred tax assets being materially different from the amounts provided for in the consolidated financial statements. If the actual recovery amount of the deferred tax asset is less than anticipated, we would be required to write-off the remaining deferred tax asset and increase the tax provision. The Company is subject to the provisions of ASC 740-10, Income Taxes, which requires that the effect on deferred tax assets and liabilities of a change in tax rates be recognized in the period the tax rate change was enacted.

We recognized a deferred tax asset and recorded a discrete tax benefit of $49.8 million related to the recognition of a certain foreign deferred tax asset. The deferred tax asset represents the future tax benefit we expect to realize for deductible costs related to our historical investment in Nordural Helguvík ehf (“Helguvík”). As this deferred tax asset is expected to be realized prior to expiration, we have not recorded a valuation allowance. We did not change our judgment with respect to other valuation allowances previously recorded.

We have a valuation allowance of $485.8 million recorded for all of our U.S. deferred tax assets, and a portion of our Icelandic deferred tax assets as of December 31, 2021.

The changes in the valuation allowance are as follows:

	2021	2020	2019
Beginning balance, valuation allowance	$ 499.4	$ 492.4	$ 552.5
Remeasurement of deferred tax assets	—	—	(41.6)
Release of valuation allowance	—	—	—
Expiration of net operating losses	(13.2)	(11.7)	(10.8)
Other change in valuation allowance	(0.4)	18.7	(7.7)
Ending balance, valuation allowance	$ 485.8	$ 499.4	$ 492.4

(amounts in millions, except share and per share amounts)

The significant components of our NOLs are as follows:

	2021	2020
Federal [1]	$ 1,568.4	$ 1,572.9
State [2]	1,161.0	1,090.7
Foreign [3]	321.7	229.4

(1) The federal NOL begins to expire in 2028.
(2) The state NOLs begin to expire in 2027.
(3) The Icelandic NOLs expire between 2022 and 2031.

Our ability to utilize our deferred tax assets to offset future federal taxable income may be significantly limited if we experience an "ownership change" as defined in the Code. In general, an ownership change would occur if our "five-percent shareholders," as defined under the Code, collectively increase their ownership in us by more than 50 percentage points over a rolling three-year period. Future transactions in our stock that may not be in our control may cause us to experience such an ownership change and thus limit our ability to utilize net operating losses, tax credits and other tax assets to offset future taxable income.

A reconciliation of the beginning and ending amounts of gross unrecognized tax benefits (excluding interest) is as follows:

	2021	2020	2019
Balance as of January 1,	$ 6.5	$ 8.2	$ 9.5
Additions based on tax positions related to the current year	—	—	—
Decreases due to lapse of applicable statute of limitations	(2.5)	(1.7)	(1.3)
Settlements	—	—	—
Balance as of December 31,	$ 4.0	$ 6.5	$ 8.2

As of December 31, 2021 and 2020, the Company's gross unrecognized tax benefits totaled $4.0 million and $6.5 million, respectively. After considering the deferred tax accounting impact, it is expected that about $1.4 million of the total as of December 31, 2021 and 2020 would favorably affect the effective tax rate if resolved in the Company's favor. Included in the above balances are tax positions relating to temporary differences where there is uncertainty about the timing of tax return inclusion, but not that the amounts will ultimately be tax deductible. Because of the impact of deferred tax accounting, other than interest and penalties, the timing would not impact the annual effective tax rate but could accelerate the payment of cash to the taxing authority to an earlier period. The remaining amounts of unrecognized tax benefits would affect our effective tax rate if recognized. We do not expect a significant change in the balance of unrecognized tax benefits within the next twelve months.

Century and its subsidiaries file income tax returns in the U.S. federal jurisdiction, various state and local jurisdictions, and several foreign jurisdictions.

Our federal income tax returns have been reviewed by the IRS through 2010. However, we have NOLs beginning in 2008 that are available for carryforward to future years. Under U.S. tax law, NOLs may be adjusted by the IRS until the statute of limitations expires for the year in which the NOL is used. Accordingly, our 2008 and later NOLs may be reviewed until they are used or expire. Material state and local income tax matters have been concluded for years through 2016.

Our Icelandic tax returns are subject to examination beginning with the 2019 tax year.

15. 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

Vernon

In July 2006, we were named as a defendant, together with certain affiliates of Alcan Inc., in a lawsuit brought by Alcoa Inc. seeking to determine responsibility for certain environmental indemnity obligations related to the sale of a cast aluminum plate manufacturing facility located in Vernon, California, which we purchased from Alcoa Inc. in December 1998, and sold to Alcan Rolled Products-Ravenswood LLC in July 1999. The complaint also seeks costs and attorney fees. Trial was bifurcated and moved to September 2021 for Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") issues and to a later undetermined date for questions of fact. Prior to trial, the parties reached an agreement to settle the case, full and final, effective October 1, 2021 (the "Vernon Settlement"). Pursuant to the terms of the Vernon Settlement, Century agreed to pay $3.9 million in exchange for full release of all environmental liabilities at the site, a full release of all of our contractual indemnification obligations, and a dismissal of the case with prejudice. The Stipulation and Order of Dismissal was entered on November 10, 2021, and the settlement was paid during the fourth quarter.

Ravenswood Retiree Medical Benefits changes

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 agreement, 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 10 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 December 31, 2021, $2.0 million was recorded in other current liabilities and $6.2 million was recorded in other liabilities.

PBGC Settlement

In 2013, we entered into a settlement agreement with the Pension Benefit Guarantee 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 or nine month periods ended September 30, 2021, and 2020. We historically elected to defer certain payments under the PBGC Settlement Agreement and provided the PBGC with the appropriate security. On October 1, 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. Each of these agreements provides for automatic extension on a year-to-year basis unless a one year notice is given.

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. Each of these agreements provides for automatic extension on a year-to-year basis unless a one year notice is given.

Mt. Holly

CASC has a power supply agreement with Santee Cooper that has an effective term beginning April 1, 2021 and runs 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 the Mt. Holly smelter to implement a restart project to increase its production to 75% of full production capacity.

Grundartangi

Grundartangi has power purchase agreements for approximately 545 MW with HS Orka hf ("HS"), Landsvirkjun and Orkuveita Reykjavikur ("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 with the Casthouse Project. Under the terms of this extension, the majority of power supplied by Landsvirkjun will be priced at rates linked to the Nord Pool power market through December 2023 and a small portion of power at a fixed price. Thereafter, beginning January 1, 2024 through December 31, 2026 this agreement provides for only fixed rates.

(amounts in millions, except share and per share amounts)

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 63% of our total workforce.

Approximately 86% 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 workforce is represented by the FME since Vlissingen is a member of 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.

Approximately 55% of our U.S. based work force is represented by the USW. The labor agreement for Hawesville employees is effective through April 1, 2026. 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.

16. Asset Retirement Obligations

The reconciliation of the changes in our AROs is presented below:

	Year ended December 31,	
	2021	2020
Beginning balance, ARO liability	$ 19.8	$ 18.9
Additional ARO liability incurred	4.9	2.3
ARO liabilities settled	(6.1)	(2.2)
Accretion expense	2.1	1.3
Revisions in estimated cash flows	—	(0.5)
Ending balance, ARO liability	$ 20.7	$ 19.8

17. Business Segments

Century Aluminum is a producer of primary aluminum, which trades as a global commodity. We are organized as a holding company with each of our operating primary aluminum smelters managed and operated as a separate facility reporting to our corporate headquarters. Each of our operating primary aluminum smelters meets the definition of an operating segment. We evaluated the similar economic and other characteristics, including nearly identical products, production processes, customers and distribution and have aggregated our four operating segments into one reportable segment, primary aluminum, based on these factors. In addition, all of our primary aluminum smelters share several key economic factors inherent in their common products and production processes. For example, all of our facilities' revenue is based on the LME price for primary aluminum.

(amounts in millions, except share and per share amounts)

A reconciliation of our consolidated assets to the total of primary aluminum segment assets is provided below.

Segment assets [(1)]	**2021**	**2020**	**2019**
Primary	$ 1,513.3	$ 1,332.0	$ 1,433.7
Corporate, unallocated	56.6	67.6	66.0
Total assets	$ 1,569.9	$ 1,399.6	$ 1,499.7

(1) Segment assets include accounts receivable, due from affiliates, prepaid and other current assets, leases- right of use assets, inventory, intangible assets and property, plant and equipment — net; the remaining assets are unallocated corporate assets.

Geographic information

Included in the consolidated financial statements are the following amounts related to geographic locations:

	2021	**2020**	**2019**
Net sales: [(1)]			
United States	$ 1,413.0	$ 1,007.5	$ 1,179.6
Iceland	799.5	597.6	657.0
Long-lived assets: [(2)]			
United States	$ 400.1	$ 363.3	$ 419.1
Iceland	490.1	511.8	518.0
Other	61.5	68.6	75.3

(1) Includes sales of primary aluminum, scrap aluminum and alumina.
(2) Includes long-lived assets other than financial instruments and deferred taxes.

Major customer information

Revenues from two customers exceeded 10% of our net sales in 2021, 2020 and 2019. A loss of these customers could have a material adverse effect on our results of operations. The net sales related to the customers is as follows:

	Year Ended December 31,		
	2021	**2020**	**2019**
Glencore	$ 1,337.0	$ 1,025.5	$ 1,191.6
Southwire	304.6	195.9	235.4

18. Derivatives

As of December 31, 2021, we had an open position of 123,216 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 207,000 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 December 31, 2021, we had 8,245 tonnes related to fixed for floating swaps that will settle monthly through September 2022.

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”). As of December 31, 2021, we had an open position of 1,664,400 MWh related to the Nord Pool power price swaps. The Nord Pool power price swaps are expected to 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 December 31, 2021, we had an open position related to the FX swaps of €42.2 million that will settle monthly through December 2023.

(amounts in millions, except share and per share amounts)

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 December 31, 2021, we had an open position of 350,400 MWh. The Indiana Hub power price swaps are expected to settle monthly through December 2023.

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 December 31, 2021 and 2020, respectively:

	Asset Fair Value	
	2021	2020
Commodity contracts [1]	42.9	$ 12.8
Foreign exchange contracts [2]	—	2.4
Total	$ 42.9	$ 15.2

	Liability Fair Value	
	2021	2020
Commodity contracts [1]	143.3	16.7
Foreign exchange contracts [2]	2.9	—
Total	$ 146.2	$ 16.7

[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 December 31, 2021, $17.1 million of Due to affiliates and $21.9 million of Due to affiliates - less current portion was related to commodity contract liabilities with Glencore. At December 31, 2020, $1.2 million of Due from affiliates, $1.7 million of Due from affiliates - less current portion, $11.3 million of Due to affiliates, and $0.1 million of Due to affiliates - less current portion was related to commodity contract assets and liabilities with Glencore.
[2] Foreign exchange contracts reflect our outstanding FX swaps.

The following table summarizes the net gain (loss) on forward and derivative contracts for the years ended December 31, 2021, 2020, and 2019:

	Year Ended December 31,		
	2021	2020	2019
Commodity contracts [1]	$ (208.0)	$ (16.3)	$ 12.9
Foreign exchange contracts	(4.4)	(1.0)	(0.9)
Total	$ (212.4)	$ (17.3)	$ 12.0

[1] For the years ended December 31, 2021, 2020, and 2019, $116.9 million, $(9.2) million, and $2.0 million of net gain (loss), respectively, was with Glencore.

19. Subsequent events

On February 4, 2022, we entered into an Amendment to our Iceland revolving credit facility, increasing the facility amount to $80.0 million.

On February 16, 2022, we detected a cyber incursion affecting some of the servers supporting our global operations. The Company took immediate action by shutting down all impacted information systems and activating the Company's internal response procedures and mobilizing both internal resources and third-party experts to address the situation as quickly as possible. Currently, there has been no material impact to our production globally. We have switched to manual operations and procedures where necessary and we continue to operate safely. At this time we cannot determine the extent, if any, of lost revenue, incremental costs, injury to reputation or other material adverse impact that this event may have on our business, operations or financial results.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of December 31, 2021, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting for the Company. This system is designed 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. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time. Our system of internal control contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

As required by Section 404 of the Sarbanes-Oxley Act, management conducted an evaluation of the effectiveness of the system of internal control over financial reporting for the year ended December 31, 2021. Management's evaluation was based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this evaluation, management concluded that our system of internal control over financial reporting was effective as of December 31, 2021. The effectiveness of our internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm.

Changes in Internal Control over Financial Reporting

During the three months ended December 31, 2021, 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.

Item 9B. Other Information

Disclosure Pursuant to Section 219 of the Iran Threat Reduction & 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 year ended December 31, 2021, 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 $1.671 billion for the year ended December 31, 2021.

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 year ended December 31, 2021 that requires disclosure in this report under Section 13(r) of the Exchange Act.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed by April 30, 2022, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K, which will be filed by April 30, 2022.

Item 11. Executive Compensation

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed by April 30, 2022, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K, which will be filed by April 30, 2022.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed by April 30, 2022, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K, which will be filed by April 30, 2022.

Item 13. Certain Relationships and Related Transactions and Director Independence

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed by April 30, 2022, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K, which will be filed by April 30, 2022.

Item 14. Principal Accountant Fees and Services

This Item is incorporated by reference to our definitive proxy statement on Schedule 14A, which will be filed by April 30, 2022, or if our proxy statement is not filed by that date, will be included in an amendment to this Report on Form 10-K, which will be filed by April 30, 2022.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) List of Financial Statements

The following consolidated financial statements of Century Aluminum Company and the Independent Auditors' Reports are included in Part II, Item 8 of this Form 10-K:

Reports of Independent Registered Public Accounting Firm

Consolidated Statements of Operations for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2021, 2020 and 2019

Consolidated Balance Sheets as of December 31, 2021 and 2020

Consolidated Statements of Shareholders' Equity for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Cash Flows for the years ended December 31, 2021, 2020 and 2019

Notes to the consolidated financial statements

(a) (2) List of financial Statement Schedules

None. All required information has been included in the consolidated financial statements or notes thereto.

(a) (3) List of Exhibits

Exhibit Index

		Incorporated by Reference			
Exhibit Number	**Description of Exhibit**	**Form**	**File No.**	**Filing Date**	**Filed Herewith**
3.1	Amended and Restated Certificate of Incorporation of Century Aluminum Company.	10-Q	001-34474	November 9, 2012	
3.2	Amended and Restated Bylaws of Century Aluminum Company.	8-K	001-34474	December 6, 2019	
4.1	Form of Stock Certificate.	10-K	001-34474	February 28, 2018	
4.2	Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock of Century Aluminum Company, dated July 7, 2008.	8-K	000-27918	July 8, 2008	
4.3	Indenture for Century Aluminum Company's 2.75% Convertible Senior Notes due 2028, dated as of April 9, 2021, by and among Century Aluminum Company, as issuer, and Wilmington Trust, National Association, as trustee	8-K	001-34474	April 12, 2021	
4.4	Form of Note for the Indenture for Century Aluminum Company's 2.75% Convertible Senior Notes due 2028, dated as of April 9, 2021, between Century Aluminum Company, as issuer, and Wilmington Trust Company, as trustee	8-K	001-34474	April 12, 2021	
4.5	Indenture for Century Aluminum Company's 7.5% Senior Secured Notes due 2028, dated as of April 14, 2021, by and among Century Aluminum Company, the guarantors party thereto and Wilmington Trust, National Association, as trustee and noteholder collateral agent	8-K	001-34474	April 15, 2021	

4.6	Form of 7.5% Note for the Indenture for Century Aluminum Company's 7.5% Senior Secured Notes due 2028, dated as of April 14, 2021, by and among Century Aluminum Company, the guarantors party thereto and Wilmington Trust, National Association, as trustee and noteholder collateral agent	8-K	001-34474	April 15, 2021
4.7	Description of Common Stock	10-K	001-34474	February 27, 2020
10.1	Second Lien Pledge and Security Agreement, dated as of April 14, 2021, by and among Century Aluminum Company, the other Grantors (as defined therein) and Wilmington Trust, National Association, as collateral agent of the 7.5% Senior Secured Notes due 2028	8-K	001-34474	April 15, 2021
10.2	Collateral Agency Agreement, dated as of April 14, 2021, by and among Century Aluminum Company, the other Grantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent.	8-K	001-34474	April 15, 2021
10.3	Second Amended and Restated Loan and Security Agreement, dated as of May 16, 2018, among Century Aluminum Company, Century Aluminum of South Carolina, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LCC, as borrowers, and Wells Fargo Capital Finance, LLC, as agent and lender.	10-Q	001-34474	November 2, 2018
10.4	Amendment No. 1, dated as of June 17, 2020 to the Second Amended and Restated Loan and Security Agreement, dated as of May 16, 2018, among Century Aluminum Company, Century Aluminum of South Carolina, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LCC, as borrowers, and Wells Fargo Capital Finance, LLC, as agent and lender.	8-K	001-34474	June 18, 2020
10.5	Amendment No. 2, dated as of June 15, 2021 to the Second Amended and Restated Loan and Security Agreement, dated as of May 16, 2018, among Century Aluminum Company, Century Aluminum of South Carolina, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LCC, as borrowers, and Wells Fargo Capital Finance, LLC, as agent and lender.	10-Q	001-34474	August 5, 2021
10.6	Amendment No. 3, dated as of December 23, 2021 to the Second Amended and Restated Loan and Security Agreement, dated as of May 16, 2018, among Century Aluminum Company, Century Aluminum of South Carolina, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LCC, as borrowers, and Wells Fargo Capital Finance, LLC, as agent and lender.	8-K	001-34474	December 27, 2021
10.7	Revolving Credit Facility, dated November 27, 2013, between Nordural Grundartangi ehf, as borrower, and Landsbankinn hf.	10-K	001-34474	March 14, 2014
10.8	Amendment to Revolving Credit Facility, dated April 14, 2016, between Nordural Grundartangi ehf, as borrower, and Landsbankinn hf.	8-K	001-34474	April 15, 2016
10.9	Amendment to Revolving Credit Facility, dated December 15, 2017, between Nordural Grundartangi ehf, as borrower, and Landsbankinn hf	10-K	001-34474	February 28, 2018
10.10	Amendment to Revolving Credit Facility, dated October 2, 2019, between Nordural Grundartangi ehf, as borrower, and Landsbankinn hf	10-Q	001-34474	November 8, 2019

10.11	Amendment to Revolving Credit Facility, dated September 20, 2021, between Nordural Grundartangi ehf, as borrower, and Landsbankinn hf	10-Q	001-34474	November 5, 2021
10.12	Amendment to Revolving Credit Facility, dated February 4, 2022, between Nordural Grundartangi ehf, as borrower and Landsbankinn hf	8-K	001-34474	February 9, 2022
10.13	Amendment Agreement to General Bond, dated as of November 27, 2013, by and between Nordural Grundartangi ehf and Landsbankinn hf.	10-K	001-34474	March 14, 2014
10.14	Term Facility Agreement, dated as of November 2, 2021, by and between Nordural Grundartangi ehf and Arion Bank hf.	8-K	001-34474	November 3, 2021
10.15	Form of Capped Call Confirmation	8-K	001-34474	April 12, 2021
10.16	Stock Purchase Agreement, dated as of July 7, 2008, by and between Century Aluminum Company and Glencore Investment Pty Ltd.	8-K	000-27918	July 8, 2008
10.17	Standstill and Governance Agreement, dated as of July 7, 2008, by and between Century Aluminum Company and Glencore AG.	8-K	000-27918	July 8, 2008
10.18	Amendment to Standstill and Governance Agreement, dated January 27, 2009, by and between Century Aluminum Company and Glencore AG.	10-K	001-34474	March 16, 2010
10.19	Registration Rights Agreement, dated as of July 7, 2008, by and between Century Aluminum Company and Glencore Investment Pty Ltd.	8-K	000-27918	July 8, 2008
10.20	Century Aluminum Company Amended and Restated Executive Severance Plan, adopted June 23, 2014.*	8-K	001-34474	June 27, 2014
10.21	Century Aluminum Company Amended and Restated Supplemental Retirement Income Benefit Plan.*	10-Q	000-27918	August 10, 2009
10.22	First Amendment of the Century Aluminum Company Amended and Restated Supplemental Retirement Income Benefit Plan.*	10-K	001-34474	March 16, 2010
10.23	Second Amendment of the Century Aluminum Company Amended and Restated Supplemental Retirement Income Benefit Plan, adopted June 23, 2014.*	8-K	001-34474	June 27, 2014
10.24	Century Aluminum Company Annual Incentive Plan.*	10-K	001-34474	March 2, 2015
10.25	Century Aluminum Company Amended and Restated Stock Incentive Plan, adopted June 23, 2014.*	8-K	001-34474	June 27, 2014
10.26	Century Aluminum Company Amended and Restated Long-Term Incentive Plan, adopted March 22, 2016.*	8-K	001-34474	March 24, 2016
10.27	Century Aluminum Company Amended and Restated Stock Incentive Plan, adopted June 3, 2019.*	8-K	001-34474	June 6, 2019
10.28	Century Aluminum Company Restoration Plan, adopted December 8, 2015.*	8-K	001-34474	December 14, 2015
10.29	Form of Time-Vesting Performance Share Unit Award Agreement for awards under the 2014 Amended and Restated Stock Incentive Plan.*	8-K	001-34474	June 27, 2014
10.30	Form of Performance Unit Award Agreement for awards under the 2014 Amended and Restated Stock Incentive Plan.*	8-K	001-34474	March 24, 2016

10.31	Form of Time-Vesting Share Unit Award Agreement for awards under the 2019 Amended and Restated Stock Incentive Plan.*	10-K	001-34474	February 27, 2020	
10.32	Form of Performance Unit Award Agreement for awards under the 2019 Amended and Restated Stock Incentive Plan.*	10-K	001-34474	February 27, 2020	
10.33	Form of Independent Non-Employee Director Annual Equity-Grant Time-Vesting Share Unit Award Agreement.*	10-K	001-34474	February 27, 2020	
10.34	Form of Independent Non-Employee Director Annual Retainer Fee Payment Time-Vesting Share Unit Award Agreement.*	10-K	001-34474	February 27, 2020	
10.35	Form of Indemnification Agreement.*	8-K	001-34474	December 5, 2014	
10.36	Jesse E. Gary Offer Letter, dated May 17, 2021*	8-K	001-34474	May 17, 2021	
10.37	Retirement and Transition Agreement, dated May 17, 2021, between Century Aluminum Company and Michael A. Bless*	8-K	001-34474	May 17, 2021	
21.1	List of Subsidiaries				X
23.1	Consent of Deloitte & Touche LLP				X
24.1	Powers of Attorney				X
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Principal 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 Principal 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	XBRL Taxonomy Extension Schema				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase				X
101.LAB	XBRL Taxonomy Extension Label Linkbase				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

*	Management contract or compensatory plan.
**	Confidential Information was omitted from this exhibit pursuant to a request for confidential treatment filed separately with the SEC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: */s/ JESSE E. GARY*

Jesse E. Gary

President and Chief Executive Officer (Principal Executive Officer)

Dated: February 25, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ JESSE E. GARY Jesse E. Gary	President and Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2022
* Andrew Michelmore	Chairman	February 25, 2022
* Jarl Berntzen	Director	February 25, 2022
* Errol Glasser	Director	February 25, 2022
* Wilhelm van Jaarsveld	Director	February 25, 2022
* Jennifer Bush	Director	February 25, 2022
/s/ CRAIG C. CONTI Craig C. Conti	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 25, 2022
/s/ ROBERT HOFFMAN Robert Hoffman	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 25, 2022

**By: /s/ JOHN DEZEE*
John DeZee, as Attorney-in-fact

EXHIBIT 21.1

CENTURY ALUMINUM COMPANY
Subsidiaries of the Registrant

Company Name	State or Other Jurisdiction of Incorporation or Organization	Name Under Business is Conducted
Century Aluminum of South Carolina, Inc.	Delaware	Century Aluminum of South Carolina, Inc.
Century Aluminum Sebree, LLC	Delaware	Century Aluminum Sebree, LLC
Century Marketer LLC	Delaware	Century Marketer LLC
Century California, LLC	Delaware	Century California, LLC
Century Kentucky, Inc.	Delaware	Century Kentucky, Inc.
Century Netherlands I Limited	Bermuda	Century Netherlands I Limited
Century Aluminum Holdings LLC	Delaware	Century Aluminum Holdings LLC
Skyliner LLC	Delaware	Skyliner LLC
NSA General Partnership	Kentucky	NSA GP
Century Aluminum of Kentucky General Partnership	Kentucky	Century Aluminum of Kentucky, GP
Hancock Aluminum LLC	Delaware	Hancock Aluminum, LLC
Century Aluminum of Kentucky LLC	Delaware	Century Aluminum of Kentucky LLC
Century Netherlands II Limited	Bermuda	Century Netherlands II Limited
Nordural Holdings, C.V.	Netherlands	Nordural Holdings, C.V.
Nordural U.S. LLC	Delaware	Nordural U.S. LLC
Nordural Helguvik ehf	Iceland	Nordural Helguvik ehf
Nordural ehf	Iceland	Nordural ehf.
Century Louisiana, Inc.	Delaware	Century Louisiana, Inc.
Century Aluminum Development LLC	Delaware	Century Aluminum Development LLC
Century Aluminum Congo, S.A.	Republic of Congo	Century Aluminum Congo, S.A.
Nordural Grundartangi ehf .	Iceland	Nordural Grundartangi ehf.
Century Aluminum Asia Holdings Limited	Hong Kong	Century Aluminum Asia Holdings Limited
Century Aluminum Vlissingen B.V.	Netherlands	Century Aluminum Vlissingen B.V.
Century Anodes US, Inc.	California	Century Anodes US, Inc.
Mt. Holly Commerce Park, LLC	South Carolina	Mt. Holly Commerce Park, LLC

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-230018 on Form S-3 and Registration Nos. 333-15689, 333-42534, 333-65924, 333-162624, 333-129698, and 333-233184 on Form S-8, of our reports dated February 25, 2022, relating to the financial statements of Century Aluminum Company, and the effectiveness of Century Aluminum Company's internal control over financial reporting, appearing in the Annual Report on Form 10-K of Century Aluminum Company for the year ended December 31, 2021.

/s/ Deloitte & Touche LLP

Chicago, Illinois
February 25, 2022

EXHIBIT 24.1

POWER OF ATTORNEY

I hereby constitute and appoint John DeZee and Leah Patterson as my true and lawful attorney-in-fact and agent, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Century Aluminum Company for the fiscal year ended December 31, 2021, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K, and any such amendment or supplement, with the Securities and Exchange Commission and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of December 2021.

/s/ Andrew Michelmore
Name: Andrew Michelmore
Director
Century Aluminum Company

POWER OF ATTORNEY

I hereby constitute and appoint John DeZee and Leah Patterson as my true and lawful attorney-in-fact and agent, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Century Aluminum Company for the fiscal year ended December 31, 2021, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K, and any such amendment or supplement, with the Securities and Exchange Commission and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of December 2021.

/s/ Jarl Berntzen
Name: Jarl Berntzen
Director
Century Aluminum Company

POWER OF ATTORNEY

I hereby constitute and appoint John DeZee and Leah Patterson as my true and lawful attorney-in-fact and agent, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Century Aluminum Company for the fiscal year ended December 31, 2021, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K, and any such amendment or supplement, with the Securities and Exchange Commission and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of December 2021.

/s/ Jennifer Bush
Name: Jennifer Bush
Director
Century Aluminum Company

POWER OF ATTORNEY

I hereby constitute and appoint John DeZee and Leah Patterson as my true and lawful attorney-in-fact and agent, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Century Aluminum Company for the fiscal year ended December 31, 2021, and any amendment or supplement thereto;

and to file such Annual Report on Form 10-K, and any such amendment or supplement, with the Securities and Exchange Commission and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of December 2021.

/s/ Errol Glasser
Name: Errol Glasser
Director
Century Aluminum Company

POWER OF ATTORNEY

I hereby constitute and appoint John DeZee and Leah Patterson as my true and lawful attorney-in-fact and agent, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Century Aluminum Company for the fiscal year ended December 31, 2021, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K, and any such amendment or supplement, with the Securities and Exchange Commission and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of December 2021.

/s/ Wilhelm van Jaarsveld
Name: Wilhelm van Jaarsveld
Director
Century Aluminum Company

EXHIBIT 31.1

CERTIFICATION OF DISCLOSURE IN CENTURY ALUMINUM COMPANY'S ANNUAL REPORT FILED ON FORM 10-K

I, Jesse E. Gary, certify that:

1) I have reviewed this Annual Report on Form 10-K 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: February 25, 2022

/s/ *JESSE E. GARY*

Name: Jesse E. Gary

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

EXHIBIT 31.2

CERTIFICATION OF DISCLOSURE IN CENTURY ALUMINUM COMPANY'S ANNUAL REPORT FILED ON FORM 10-K

I, Craig C. Conti, certify that:

1) I have reviewed this Annual Report on Form 10-K 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: February 25, 2022

/s/ *CRAIG C. CONTI*

Name: Craig C. Conti

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

Exhibit 32.1

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

In connection with the annual report on Form 10-K of Century Aluminum Company (the “Company”) for the fiscal year ended December 31, 2021, 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:	February 25, 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.

Exhibit 32.2

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

In connection with the annual report on Form 10-K of Century Aluminum Company (the “Company”) for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Craig C. Conti, as Executive Vice President and Chief 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/ *CRAIG C. CONTI*
By:	Craig C. Conti
Title:	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	February 25, 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.