

**Norðurál Grundartangi ehf.**  
Financial Statements  
2024

Norðurál Grundartangi ehf.  
Grundartanga  
301 Akranes  
id.no. 570297-2609

# Norðurál Grundartangi ehf.

## Financial Statements

### 2024

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# Independent Auditor's Report

To the Shareholders and the Board of Directors of Norðurál Grundartangi ehf.

## Opinion

We have audited the Financial Statements of Norðurál Grundartangi ehf. for the year ended December 31, 2024 which comprise, the Income Statement, the Balance Sheet, the Cash Flow Statement for the year then ended, and the Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of Norðurál Grundartangi ehf. as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance the Icelandic Financial Statement Act.

Our opinion in this report on the Financial Statements is consistent with the content of the additional report that has been submitted to the audit committee in accordance with the EU Audit Regulation 537/2014 Article 11.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of Norðurál Grundartangi ehf. in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Iceland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the EU Audit Regulation 537/2014 Article 5.1 has been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in our audit
<b>Inventory</b>	
The value of inventory is USD 170,2 million and the company's second largest asset. Inventory is valued at either lower of cost or net realizable value whereas cost is comprised of direct materials and where applicable direct labor costs and overhead cost. As there are complexities and different valuation method based on nature of inventory we have evaluated inventory as key audit matter in our audit.	Our audit focused on management's valuation of inventory at the end of 2024. In our audit, we reviewed the valuation methodology and the management's main assumptions for the valuation, including: - The projections that the net realizable value is based upon. - Assessment of the methodology of measuring cost and where applicable direct labor cost and overhead cost.
Regarding the assessment of the value of inventory, we refer to Note 9 on inventory and Note 21 on significant accounting policies.	We assessed whether the valuation calculations were prepared in accordance with the underlying account method and rules in Iceland.  In addition we have evaluated the company’s internal controls regarding the valuation of inventory including existence of inventory.

# Independent Auditor's Report

## Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the endorsement by the Board of Directors and Managing Director, statement of corporate governance and non-financial reporting.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon, except the confirmation regarding report of the Board of Directors as stated below.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Furthermore, in accordance with Paragraph 2 article 104 of the Icelandic Financial Statement Act no. 3/2006, we confirm to the best of our knowledge that the accompanying report of the Board of Directors includes all information required by the Icelandic Financial Statement Act that is not disclosed elsewhere in the Financial Statements.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the Financial Statements in accordance with the Icelandic Financial Statement Act, and for such internal control as the Board of Directors and the Managing Director determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors and the Managing Director are responsible for assessing Norðurál Grundartangi ehf.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors and the Managing Director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Statement.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Financial Statements, including the disclosures, and whether the consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

# Independent Auditor's Report

## Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors and the Audit Committee, we determine those matters that were of most significance in the audit of the Financial Statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition to our work as the auditors of Norðurál Grundartangi ehf., Deloitte has provided the firm with permitted additional services such as review of interim financial statements, translation services on Financial Statements and limited consultation on accounting matters. Deloitte has in place internal procedures in order to ensure its independence before acceptance of additional services. Deloitte has confirmed in writing to the Audit Committee that we are independent of Norðurál Grundartangi ehf.

Deloitte was appointed auditor of Norðurál Grundartangi ehf. by the general meeting of shareholders on April 29th 2024. Deloitte have been elected since the general meeting 2004.

Kópavogur, April 30, 2025

**Deloitte ehf.**

Páll Daði Ásgeirsson

Páll Daði Ásgeirsson  
State Authorized Public Accountant

## Report by the Board of Directors and Managing Director

Nordural Grundartangi ehf. (Nordural) operates an aluminum smelter at Grundartangi, Iceland and produces high quality aluminum in a responsible, safe, and efficient manner. Quality control protocols are subject to regular review in a process of continuous improvement. All staff is encouraged to participate in maintaining and improving the quality of our operations at all levels.

Nordural is certified by the Aluminum Stewardship Initiative (ASI) for responsible production, sourcing, and stewardship of aluminum. The ASI Performance Standard defines environmental, social and governance principles and criteria, with the aim to address sustainability issues in the aluminum value chain. Quality systems are ISO 9001 certified. Environmental and safety systems are certified according to ISO 14001 and ISO 45001 standards. Production processes, environmental and safety standards are under continuous review. Nordural has implemented the Equal Pay Standard ÍST85:2012 and received Certification with PwC Gold standard.

Production in 2024 was 308,335 MT of hot metal (Casted 309,546 MT) compared to production of 310,421 MT of hot metal in 2023 (Casted 311,691 MT). Decrease in hot metal production in 2024 from 2023 is largely due to power curtailment in larger scale during the year 2024 than in 2023.

The operating revenue of Nordural amounted to USD 793 million (2023: USD 827million), reduced by 4% from the preceding year mainly due to lower sales volume in 2024 compared to 2023, offset partly by favorable market prices in 2024. Operating profit before financial items and depreciation amounted to USD 71 million (2023: USD 76 million). Nordural's profit for the year ended December 31, 2024, amounted to USD 17 million (2023: loss USD 42 million). According to the Balance Sheet the Company's assets amount to USD 1,105 million (2023: 1,210 million), the year's end book value of equity was USD 690 million (2023: USD 808 million) and the Company's equity ratio was 63% (2023: 67%).

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) 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 price of aluminum is influenced by a several factors, including global supply-demand balance, inventory levels, speculative activities by market participants, production activities by global producers, political and economic conditions, as well as raw material and other production costs in major production regions. These factors can be highly speculative and difficult to predict which can lead to significant volatility in the price of aluminum.

A deterioration in global economic conditions or a regional or worldwide financial downturn may also adversely affect future demand and prices for aluminum. Geopolitical uncertainty of any kind, major public health issues 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. 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.

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. Disruptions in the supply of electrical power to our facilities could have a material adverse effect on our business, financial condition or results of operation.

## Report by the Board of Directors and Managing Director

Labor, taxes, and certain other costs are denominated in Icelandic Krona while majority of our income is in USD. These items are all related to the entity's normal course of business. Unfavorable changes in these factors could have material adverse effect on our business.

During 2021, we announced plans for construction of a new Billet Casthouse at Grundartangi. The Grundartangi Casthouse project began in late 2021. Commercial production in the new casthouse started in second quarter 2024.

Nordural is owned by a foreign parent company Century Aluminum. The foreign ownership shapes to a certain extent the corporate governance of the Company. The parent company has issued internal corporate governance guidelines accessible on the parent company's website which applies to Nordural. Century Aluminum is a publicly traded company listed on the NASDAQ Stock Exchange (NASDAQ) under the symbol "CENX" and as such, it must adhere to strict rules on corporate governance in connection therewith as evidenced by its internal corporate governance guidelines. Nordural in turn follows these internal corporate guidelines and all applicable mandatory Icelandic laws and regulations relating to corporate governance of Nordural. Further information on corporate governance and non-financial information is included in appendix to the Financial Statements.

The sole shareholder of Nordural Grundartangi ehf. is Nordural ehf. as it was at the beginning of the year.

### Statement by the Board of Directors and the Managing Director

The Financial Statements of Nordural Grundartangi ehf. are prepared in accordance with generally accepted accounting principles in Iceland.

The Board of Directors recommends that dividend will be paid to the shareholders in the amount of USD 50,000,000. As regards to changes in the equity of the Entity, the board refers to the Notes attached to the Financial Statements.

It is the opinion of the Board of Directors and the Managing Director of Nordural Grundartangi ehf. that these Financial Statements present all the information necessary to show the financial position of the Company as of December 31, 2024, and the operating results and cash flows for the year then ended.

The Board of Directors and Managing Director of Nordural Grundartangi ehf. hereby confirm the Financial Statements for the year 2024 with their signatures.

Reykjavik, 30. April 2025

#### Board of Directors

John DeZee

Gunnar Guðlaugsson

Sigrún Helgadóttir

Rob Hofmann

Hólmfríður Kristjánsdóttir

#### Managing Director

Gunnar Guðlaugsson

## Income Statement 1 January to 31 December 2024

	Notes	2024	2023
Operating revenue .....		793,304	826,751
Production, selling and administrative expenses .....		(721,969)	(750,441)
Depreciation and amortization .....	7	<u>(37,386)</u>	<u>(32,560)</u>
<b>Operating Profit</b>		<u>33,948</u>	<u>43,751</u>
Share of (loss) gain of subsidiary .....	11	(3,248)	1,550
Interest income .....		4,616	8,884
Derivative contracts .....	16	(3,035)	(98,317)
Finance costs .....	5	(11,319)	(5,390)
Exchange rate gain (loss) .....		<u>1,990</u>	<u>(3,123)</u>
<b>Profit (loss) before taxes</b>		22,953	(52,645)
Income tax .....	6	(5,466)	10,498
<b>Profit (loss) profit for the year</b>		<u><u>17,487</u></u>	<u><u>(42,147)</u></u>



## Balance Sheet at 31 December 2024

<b>Assets</b>	<b>Notes</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Non-current assets</b>			
Property, plant and equipment .....	7	796,382	900,255
Non-Current loans due from related party .....	10	22,400	25,600
Investment in subsidiaries .....	11	73,285	76,533
Other long term assets .....		1,879	756
		<u>893,946</u>	<u>1,003,144</u>
<b>Current assets</b>			
Inventories .....	9	170,205	128,845
Trade receivables .....	8	26,526	10,161
Current loans due from related party .....	10	3,460	3,519
Derivative financial assets .....	16	0	2,989
Other receivables .....	8	6,651	9,399
Cash and cash equivalents .....	8	3,846	52,096
		<u>210,689</u>	<u>207,009</u>
<b>Assets</b>		<u><u>1,104,635</u></u>	<u><u>1,210,153</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
	12		
Share capital .....		146,988	146,988
Share premium .....		117,964	117,964
Other reserves .....		49,220	49,568
Revaluation reserves .....		245,185	343,469
Retained earnings .....		129,589	148,809
Accumulated other comprehensive income .....		1,097	1,246
Total equity		<u>690,043</u>	<u>808,044</u>
<b>Long-term liabilities</b>			
Non-Current loans and borrowings .....	15	114,175	99,971
Lease liabilities .....	18	1,031	1,181
Deferred tax liabilities .....	13	125,313	146,389
		<u>240,519</u>	<u>247,541</u>
<b>Current liabilities</b>			
Trade and other payables .....	14	87,686	75,798
Current tax liabilities .....	6.13	5,168	18,290
Current maturities of lease liabilities .....	18	1,297	1,003
Derivative financial liabilities .....	16	0	69
Current loans and borrowings .....	15	69,815	50,415
Other current liabilities .....		10,107	8,993
		<u>174,073</u>	<u>154,568</u>
Liabilities		<u>414,592</u>	<u>402,109</u>
<b>Total equity and liabilities</b>		<u><u>1,104,635</u></u>	<u><u>1,210,153</u></u>

# Statement of Cash Flows January 1st to December 31st 2024

<b>Operating activities</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Profit (loss) for the year .....		17,487	(42,147)
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization .....		37,386	32,560
Income tax .....	6	5,466	(10,498)
Share of gain of subsidiaries .....	11	3,248	(1,550)
Net finance cost .....		4,713	(371)
Derivative contracts .....	16	3,035	98,317
		<u>71,335</u>	<u>76,310</u>
Changes in:			
Inventories, changes .....		(41,360)	10,476
Receivables, changes .....		(13,617)	11,289
Short term liabilities, changes .....		<u>9,868</u>	<u>(829)</u>
<b>Cash provided by operating activities</b>		<u>26,224</u>	<u>97,246</u>
Interest received .....		4,675	9,328
Interest paid .....		(10,772)	(5,462)
Proceeds from derivative contracts .....		3,020	14,499
Income tax paid .....		<u>(18,111)</u>	<u>(37,375)</u>
<b>Net cash provided by operating activities</b>		<u>5,037</u>	<u>78,237</u>
<b>Investing activities</b>			
Investment in fixed assets .....	7	(39,150)	(78,677)
Proceeds from sale of fixed assets .....	7	0	4
Loans due from related party .....		3,200	73,200
Other investments .....		<u>34</u>	<u>(67)</u>
<b>Cash used in investing activities</b>		<u>(35,916)</u>	<u>(5,540)</u>
<b>Financing activities</b>			
Dividend paid .....	12	(50,000)	(100,000)
Loan from related parties .....		(17,257)	34,437
Loans from financial institutions .....		50,966	6,564
Payments of lease liabilities .....		<u>(1,080)</u>	<u>(859)</u>
<b>Cash used in financing activities</b>		<u>(17,371)</u>	<u>(59,858)</u>
Net (Decrease) increase in cash and cash equivalents .....		(48,250)	12,839
Cash and cash equivalents at the beginning of the year .....		<u>52,096</u>	<u>39,257</u>
Cash and cash equivalents at the end of the year .....		<u><u>3,846</u></u>	<u><u>52,096</u></u>

# Notes

## 1. General information

Nordural Grundartangi ehf. ("Company" or "Nordural Grundartangi") is owned by Nordural ehf. The Company operates an aluminum smelter at Grundartangi, Iceland. Nordural ehf. is ultimately owned by Century Aluminum Company, a U.S. based holding company. Nordural Grundartangi ehf. is part of consolidated financial information for Century Aluminum Company which are published on its company website.

The Company has an Operating license for the production of up to 350,000 metric tons per year ("MTPY") of aluminum. This license was issued by the National Planning Agency in December 2015. The license is valid until December 2031.

Production in 2024 was 308,335 MT of hot metal (Casted 309,564MT) compared to production of 310,421 MT of hot metal in 2023 (Casted 311,691 MT). Decrease in hot metal production in 2024 from 2023 is largely due to power curtailment in larger scale during the year 2024 than in 2023.

## 2. Basis of preparation

The Financial Statements of Nordural Grundartangi for the year 2024 are prepared according to generally accepted accounting principles in Iceland. Cost method is used in the Financial Statements. The Financial Statements are prepared in United States dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand unless otherwise stated.

## 3. Salaries and other employee expenses

Salaries and salary-related expenses paid by the Company are specified as follows:

	2024	2023
Salaries .....	60,220	55,514
Pension fund .....	8,946	8,113
Salary-related expenses .....	5,832	3,907
Other employee expenses .....	731	755
	<u>75,729</u>	<u>68,290</u>
Average number of positions .....	645	614

Information about management salaries is included in the Notes to the Financial Statements of Nordural ehf.

## 4. Fees to Auditors

	2024	2023
Deloitte - audit.....	465	340
PWC - other services.....	2	10
KPMG - other services.....	96	0
	<u>563</u>	<u>350</u>

## 5. Finance costs

	2024	2023
Interest to related parties.....	2,341	1,312
Lease interest expenses.....	218	130
Other finance costs.....	8,761	3,948
	<u>11,319</u>	<u>5,390</u>

## Notes

### 6. Income tax

	2024	2023
Current tax liabilities.....	5,168	18,290
Changes in deferred tax liabilities.....	298	(28,788)
	<u>5,466</u>	<u>(10,498)</u>

### 7. Property, plant and equipment

	Leased assets	Real estates and related rights	Machinery and equipment	Construction in progress	Total
<b>Cost or valuation</b>					
At beginning of the year.....	5,416	459,097	1,029,039	123,036	1,616,587
Reclassified.....		410,185	(301,425)	(157,166)	(48,406)
Additions.....	1,224			39,150	40,373
Disposals.....			(313)		(313)
Revaluation of fixed assets .....		(80,424)	(26,250)		(106,674)
At end of the year.....	<u>6,640</u>	<u>788,858</u>	<u>701,051</u>	<u>5,019</u>	<u>1,501,568</u>

#### Accumulated depreciation

At beginning of the year.....	3,280	140,448	572,604		716,332
Reclassified.....		158,504	(206,909)		(48,406)
Charge for the year.....	1,126	10,019	26,428	0	37,572
Disposals.....			(313)		(313)
At end of the year.....	<u>4,406</u>	<u>308,970</u>	<u>391,810</u>	<u>0</u>	<u>705,186</u>

#### Carrying Amount

At beginning of the year.....	<u>2,136</u>	<u>318,649</u>	<u>456,434</u>	<u>123,036</u>	<u>900,255</u>
At end of the year.....	<u>2,234</u>	<u>479,888</u>	<u>309,241</u>	<u>5,019</u>	<u>796,382</u>

#### Carrying Amount without revaluation

At beginning of the year.....	<u>2,136</u>	<u>143,659</u>	<u>202,088</u>	<u>123,036</u>	<u>470,919</u>
At end of the year.....	<u>2,234</u>	<u>286,269</u>	<u>196,240</u>	<u>5,019</u>	<u>489,762</u>

#### Depreciation and amortization:

	31.12.2024	31.12.2023
Depreciation of property, plant and equipment .....	37,572	32,746
Amortization of gain on forward contracts .....	(186)	(186)
	<u>37,386</u>	<u>32,560</u>

In 2021 the Company changed its accounting policy for plant, equipment, tools, and land and apply the revaluation model as allowed under the Icelandic Financial Statements Act. Revaluation to fair value was carried out as of December 31, 2021 and an increase in the total carrying amount of the aforementioned assets in the total amount of ISK 461.7 million was recognized. The revaluation was allocated on a pro-rata basis to the individual assets in the revalued class of assets.

According to the Icelandic Financial Statements Act a revaluation is to be carried out annually. At the year-end 2024 revaluation of carrying amounts 31.12.2024 of its tangible assets was carried out by independent professional valuation experts, based on value in use to determine whether there is any indication that those assets have suffered an impairment loss.

Results of the revaluation for the Company tangible assets in year-end was 106.7 million lower than its revalued carrying amount and therefore decrease in revaluation was recognized for that same amount.

# Notes

## 7. Property, plant and equipment (continued)

The revaluation was carried out by independent professional valuation experts based on value in use. Following are the key assumptions used in calculation of value in use:

Weighted average cost of capital is estimated 12.0%. Production capacity is assumed 311,477 tons in 2025 and to increase to maximum capacity of 318,000 tons of hot metal in 2028 of which 120,000 tons casted in PFA and 150,000 casted in Billets. Revenue is based on forward aluminum contracts. The forward curve is expected to increase over the forecast period and revenue increases as a result. Compound annual growth over the forecast period from 2025 to 2032 is estimated 3.3%. Future growth is estimated 2.2% which is in line with long-term inflation expectations in the United States, as the company's revenue is in USD.

Operation costs consist mainly of cost of alumina, power, carbon and labor. Alumina cost is assumed to be as proportion of LME in line with proportions of LME in previous years. Five of the six power supply contracts the company has with energy providers will expire over the next seven years. Therefore, the forecast period is extended to be renewed of these contracts. The contracts are assumed to be renewed on terms of fixed price of USD and expected to increase in line with inflation in USD. Carbon cost is expected to follow forward price of the corresponding products. Labor cost is extrapolated based on long-term inflation and wage index expectation in Iceland.

### Sensitivity of fair value assessment

The fair value estimation is subject to estimation uncertainty since some of the assumptions are not directly or indirectly based on market information. A change in key inputs applied in determination of fair value, i.e., alumina price as a percentage of LME, future growth rate, WACC and EBITDA margin would have had the following effects on the fair value estimation as of December 31, 2024:

	Increase	Decrease
Increase/(Decrease) in future growth of 1.0%-point .....	28,364	(23,123)
Increase/(Decrease) in WACC of 1.0%-point .....	(57,222)	69,007
Increase/(Decrease) in alumina price as a % of LME of 1.0%-point .....	(85,741)	85,741
Increase/(Decrease) in EBITDA margin of 1.0%-point .....	82,362	(82,362)

## 8. Other financial assets

	31.12.2024	31.12.2023
<b>Trade receivables</b>		
Trade receivables .....	1,894	8,969
Trade receivables from related party .....	24,632	1,192
	<u>26,526</u>	<u>10,161</u>
<b>Other receivables</b>		
Value added tax .....	5,605	7,542
Prepaid expenses .....	869	1,584
Capital income tax .....	123	134
Other receivables .....	54	140
	<u>6,651</u>	<u>9,399</u>

### Cash and cash equivalents

The Company's cash and cash equivalent consists of bank balances.

	31.12.2024	31.12.2023
Bank balances in USD .....	3,225	45,021
Bank balances in other currencies .....	621	7,075
	<u>3,846</u>	<u>52,096</u>

# Notes

## 9. Inventories

	31.12.2024	31.12.2023
Aluminum finished goods .....	42,077	16,596
Aluminum in pots .....	17,297	19,653
Anodes .....	12,460	25,402
Alumina .....	43,343	28,496
Other materials .....	27,411	15,644
Operational supplies .....	27,618	23,053
	<u>170,205</u>	<u>128,845</u>

## 10. Loans due from related parties

Non-current loans due from related parties are specified as follows:

	31.12.2024	31.12.2023
Loans due from related parties .....	25,860	29,119
Current maturities of loans due from related parties and current loans .....	(3,460)	(3,519)
	<u>22,400</u>	<u>25,600</u>

Non-Current loan due from related party is due in twenty even semiannual payments with last payment 2032. Interest payments are due semiannual each year. Weighted average interest rates on non-current loans due from related parties are 440 bps + SOFR.

## 11. Investments in subsidiaries

	Proportion of ownership	Book value 31.12.2024	Gain (Loss) 2024	2023
<b>Shares in subsidiaries</b>				
Century Vlissingen Aluminum B.V. ....	100.00%	73,254	(348)	4,533
Klafi ehf, Grundartanga, Transport Company .....	50.00%	31	30	(52)
Balance at January 1 .....			76,533	74,982
Goodwill Amortization .....			(2,930)	(2,930)
(Loss) gain for the year .....			(317)	4,481
At December 31 .....			<u>73,285</u>	<u>76,533</u>

Investments in subsidiaries are divided as follows:

	2024	2023
Share in subsidiaries equity .....	52,772	53,090
Goodwill .....	20,513	23,443
Investment subsidiaries .....	<u>73,285</u>	<u>76,533</u>

## Notes

### 12. Equity

Share capital is specified as follows:

	Share capital	Share premium	Other reserves	Revaluation reserve	Retained earnings	Accumulated OCI
Equity 1.1.2023 .....	146,988	117,964	45,035	356,415	282,543	1,395
Currency options, net of tax .....						(149)
Legal reserve for the share of earnings of affiliates .....			4,533		(4,533)	
Dissolution of revaluation of property, plant and equipment ...				(12,945)	12,945	
Dividends paid .....					(100,000)	
Loss for the year .....					(42,147)	
Equity 31.12.2023 .....	146,988	117,964	49,568	343,469	148,809	1,246
Currency options, net of tax .....						(149)
Legal reserve for the share of earnings of affiliates .....			(348)		348	
Revaluation of fixed assets .....				(85,339)		
Dissolution of revaluation of property, plant and equipment ...				(12,945)	12,945	
Paid dividend .....					(50,000)	
Profit for the year .....					17,487	
Equity 31.12.2024 .....	146,988	117,964	49,220	245,185	129,589	1,097

The Company's share capital according to its Articles of Association amounts to USD 163.320 million. Each share has the nominal value of one USD. One vote is attached to each share in the Company. The Company holds treasury shares in the nominal value of USD 16.332 million, recognised as decrease in equity.

Other reserves consist of Statutory reserves 40.83 million (2023: 40.83 million) and Legal reserves for the share of earnings of affiliates 8.390 million (2023: 8.738 million) which cannot be paid out as dividend to shareholders. According to the Icelandic Companies Act, 25% of nominal value share capital must be held in as Statutory reserves.

The Company's fixed assets revaluation is recognized in revaluation reserve. Changes in revaluation to fair value in year end is entered to the revaluation reserve. The revaluation is dissolved in accordance with annual depreciation of the revaluation in the income statement. Dissolution of the revaluation is recognized in retained earnings.

### 13. Deferred tax liabilities

The changes in Deferred tax liabilities are as follows:

	2024	2023
At January 1, .....	146,389	175,214
Calculated tax for the year .....	5,466	(10,498)
Deferred tax due to currency options .....	(37)	(37)
Income tax payable for next year .....	(5,168)	(18,290)
Revaluation of fixed assets .....	(21,335)	0
At December 31, .....	125,313	146,389

The following are the major deferred tax liabilities recognised:

	31.12.2024	31.12.2023
Property, plant and equipment .....	123,304	144,711
Other items .....	2,008	(27,147)
	125,313	117,563

# Notes

## 14. Trade and other payables

	31.12.2024	31.12.2023
Functional currency .....	54,445	39,380
Other currencies .....	6,950	5,262
Accruals .....	26,291	31,155
	<u>87,686</u>	<u>75,798</u>

Trade and other payables to affiliated companies amounted to USD 48.6 million in end of year 2024 (2023: 21.7 million)

## 15. Loans and borrowings

Non-current loans and borrowings are specified as follows:	31.12.2024	31.12.2023
Loans and borrowings .....	183,990	150,386
Current maturities of non-current liabilities and current liabilities .....	69,815	50,415
	<u>114,175</u>	<u>99,971</u>

Nordural Grundartangi loans agreements contains covenants on financial conditions and the Company meets all of its covenants on December 31, 2024.

The Company loans and borrowings from financial institutions are insured with pledges in trade receivables, inventories and in assets at Grundartangi smelter site and assets located at and within the smelter site.

Loans and borrowings due to related parties amounted to USD 0.0 million on December 31, 2024, (2023: USD 4.5 million). Interest rate, 10,0% in Icelandic kronas.

In 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 USD 130.0 million. Under the eight-year Term Facility Agreement, repayments of principal amounts will be made in equal quarterly installments equal to 1.739% of the principal amount, the first payment occurring in July 2024, with the remaining 60% of the principal amount to be paid no later than the termination date in January 2030. The eight-year Term Facility Agreement bears interest at a rate equal to USD SOFR plus an applicable margin. As of December 31, 2024, there were \$123.2 million in borrowings outstanding under the Casthouse Facility.

In September 2022 Nordural Grundartangi entered into a Term Facility Agreement with Arion Bank hf, to provide for borrowings up to EUR 13.6 million. Under this Term Facility, repayments of principal amounts will be made in equal monthly installments, the first payment occurring in February 2023, with the remainder of the principal amount to be paid no later than the termination date in January 2024. Borrowings under this Term Facility will bear interest EUR EURIBOR 1 month plus an applicable margin. As of December 31, 2024, the Iceland Term Facility has been repaid in full and has terminated pursuant to its terms.

Nordural Grundartangi have a Revolving Credit Facility with Landbankinn hf, in amount of USD 100.0 million which expires in December 2026. At December 31, 2024, there was \$34.0 million in outstanding borrowings under this Credit Facility.



## Notes

### 15. Loans and borrowings (continued)

In 2023, Nordural Grundartangi, entered into a structured repurchase arrangement with an affiliate of Glencore pursuant to which it sold 430,000 European Union Allowances ("Carbon Credits") for total EUR 35.4 million. Pursuant to the terms of the transaction, Nordural Grundartangi will repurchase the same number of Carbon Credits in March 2024 at a fixed price of EUR 36.0 million. In March 2024, the Amended Agreement was amended to extend the repurchase window from March 25, 2024 to August 30, 2024 for an aggregate amount of €33.9 million. In addition, the Second Agreement was amended to extend the repurchase window from March 25, 2024 to August 30, 2024 for an aggregate amount of €2.9 million. In August 2024, the Amended Agreement was amended to extend the repurchase window from August 30, 2024 to December 27, 2024 for 370,700 Carbon Credits. The repurchase price was for an aggregate amount of €26.4 million. In addition, 59,300 Carbon Credits were settled on August 30, 2024 for an aggregate amount of €11.1 million. In December 2024, the Amended Agreement was amended to extend the repurchase window from December 27, 2024 to August 22, 2025 for 370,700 Carbon Credits. The repurchase price was for an aggregate amount of €25.6 million.

Given the repurchase element of the agreement, the Company retains substantially all of the remaining benefits of the assets and has accounted for the transaction as a financing arrangement in accordance IFRS 9.

### 16. Derivatives

In the year 2024, the Company settled all LME forward financial sales contracts to fix forward LME aluminum price and all forward contracts to hedge the risk of fluctuations associated with the Icelandic Krona (ISK) and Euro for contracts related to the construction of the Grundartangi Billet casthouse. As of December 31, 2024, the Company had no open derivative positions.

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:

Asset Fair Value:	31.12.2024	31.12.2023
Commodity Contracts .....	0	2,989
Foreign exchange contracts .....	0	0
	<u>0</u>	<u>2,989</u>
Liability Fair Value:	31.12.2024	31.12.2023
Commodity Contracts .....	0	0
Foreign exchange contracts .....	0	69
	<u>0</u>	<u>69</u>

Commodity contracts reflect our outstanding LME forward financial sales contracts and LME forward financial sales contracts and Nord Pool power price swaps. Foreign exchange contracts reflect our outstanding FX swaps.

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

	2024	2023
Commodity Contracts .....	3,118	33,537
Foreign exchange contracts .....	(98)	(5,598)
	<u>3,020</u>	<u>27,938</u>

For the year 2024, USD 0.0 million (2023: USD 2.0 million) gain of Commodity contracts was with Glencore, affiliated company.

# Notes

## 17. Related parties

Related parties are those parties which have considerable influence over the Company, directly or indirectly, including parent company, owners or their families, large investors, key employees and their families and parties that are controlled or dependent on the Company, i.e. affiliates and joint ventures. Business with related parties has been done on a similar basis as business with unrelated parties.

Related parties transactions in the year 2024:

	Purchases of goods and services	Sales of goods and services	Assets	Liabilities
Norðurál ehf., parent company .....	8,971	0	1	9,603
Century Aluminum Vlissingen B.V. subsidiary .....	122,629	11,690	27,526	31,069
Century Aluminum Company, ultimate parent .....	5,717	0	0	7,961
Glencore Int., affiliated company .....	0	753,779	22,885	25,386
CATCO, affiliated company .....	226,281	0	0	0
Klafi ehf., subsidiary .....	2,219	0	0	0
	<u>365,817</u>	<u>765,470</u>	<u>50,413</u>	<u>74,019</u>

Related parties transactions in the year 2023:

	Purchases of goods and services	Sales of goods and services	Assets	Liabilities
Norðurál ehf., parent company .....	8,666	0	2	6,333
Century Aluminum Vlissingen B.V. subsidiary .....	168,989	18,051	30,311	14,216
Century Aluminum Company, ultimate parent .....	6,472	0	0	5,580
Glencore Int., affiliated company .....	49,675	775,332	0	39,212
Jamalco., affiliated company .....	101,552	0	8	0
Klafi ehf., subsidiary .....	1,839	0	0	0
	<u>337,193</u>	<u>793,384</u>	<u>30,321</u>	<u>65,341</u>

## 18. Leases

The company elected to apply IFRS 16 Leases from January 1, 2019. Under IFRS 16, distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and replaced by a model where the right-of-use asset and a corresponding liability have to be recognized for all leases by the lessees. The nature of recognised expenses related to operating leases will change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease.

Leased assets are factory site, warehouses and car leases. Leases are generally 24-36 months except for the factory site which is long term.

## Notes

### 18. Leases (continued)

Right-of-use assets are specified as follows:

	2024	2023
Right-of-use assets beginning of the year .....	2,136	1,171
Depreciation .....	(1,126)	(878)
Additions to right-of-use assets .....	1,224	1,842
Right-of-use assets end of year .....	2,234	2,136

Effects of leases in Income statement is divided as follows:

	2024	2023
Interest payment of lease liabilities .....	218	130
Depreciation .....	1,126	878
	1,343	1,008

Lease liabilities are specified as follows:

Payments next year .....	1,297	1,003
Payments after year one .....	1,031	1,181
Net investment in leases end of year .....	2,328	2,184

### 19. Insurance

Nordural Grundartangi has purchased commercial property and business interruption insurance intended to compensate for temporary breakdown of operations. The property insurance amount is USD 250 million.

### 20. Commitments and Contingencies

#### Power contracts

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). The power purchase agreements with each of HS and OR provide power at LME-based variable rates for the duration of these agreements. The larger Landsvirkjun agreement provides for fixed rates with an additional variable rate linked to the LME. Grundartangi also has a separate 25 MW power purchase agreement with Landsvirkjun at LME-based variable rate. Historically, all of the power supplied to Grundartangi has been delivered at prices indexed to the price of primary aluminum. 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.

#### Sale and Raw Material Contracts

Nordural Grundartangi has a sales contracts to be delivered through the year 2029 with Glencore International and through 2024 with Concord Resources Limited for all aluminum produced each year. Under these contracts Nordural Grundartangi receives price based on the LME primary aluminum plus an applicable premium.

Nordural Grundartangi has a contract for the supply of anodes with Century Aluminum Vlissingen B.V. The contract is effective through 2027 and can be extended. During the term of the agreement, Century Aluminum Vlissingen B.V. shall supply to Nordural the annual quantity of anodes in accordance with the written production schedule agreed to by the parties.

Nordural Grundartangi has a short-term contracts with various suppliers for key raw materials required for its aluminum production. Key raw material including Alumina, Cathodes, and Fluoride.

# Notes

## 21. Accounting policies

### Estimates and decisions

For the Annual Report, the Management, in accordance with laws on Financial Statements, needs to make decisions, estimates and draw conclusions which affect assets and liabilities at the reporting date, information in the notes and Income Statement. All conclusions and estimates are based on knowledge and experience and other relevant factors. Those factors make up the basis that can not be ascertained by any other means.

### Risk management and derivatives

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, raw materials and power. We may from time to time enter into financial contracts to manage our exposure to such risk. 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 Income Statement of operations as they occur.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss. Profit or loss is moved from Equity to the Income Statement in the same period(s) as the probable transactions affect the Income Statement.

### Revenue recognition

Revenues from production are recognized when earned as required by generally accepted accounting principles. Revenues are recognized when title and ownership of the products passes to customers in accordance with contract terms. Interest income is accrued over time, by reference to the principal amount and at the interest rate applicable.

### Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising from currency fluctuations are included in net profit or loss for the period.

### Taxation

Income tax is calculated and recognised in the Financial Statements. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods, and it further excludes items that are never taxable or deductible. The Company's tax rate in 2024 was 21% compare to 20% in 2023.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax basis used for calculation of taxable profit, and is accounted for using the balance sheet liability method. The difference is due to different assumptions in calculation of income tax.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The Company is jointly taxed with its Icelandic parent company.

## 21. Accounting Policies (continued)

### Property, plant and equipment

Assets are recognised as property, plant and equipment when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the assets can be measured reliably. Property, plant and equipment are either recognised at amortised cost or at their revalued amounts. Under the cost method, property, plant and equipment are recognised at original cost less accumulated depreciation and impairment. The cost of property, plant and equipment consists of the purchase price and all direct costs of bringing the property into a revenue-generating state. According to the revaluation method, assets are recognised at the fair value at the valuation date, less any accumulated depreciation and impairment.

Any revaluation increase, less income tax effects, is recognised as revaluation reserve among equity. Depreciation on revalued assets is recognised in profit or loss. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the asset's revaluation reserve is transferred directly to retained earnings.

The depreciable amount of the asset is allocated on a fixed annual percentage of the historical cost over its useful life, less residual value.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses on cash generating units reduces first goodwill, and after that to reduce other assets. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment loss on goodwill is not reversed.

### Inventories

Inventories are stated at the lower of cost or net realisable value, after taking obsolete and defective goods into consideration. Cost comprises of direct materials and, where applicable, direct labor costs and those overhead expenses that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

### Trade receivables

Accounts receivable are valued at nominal value. Accounts receivable in currencies other than USD have been recorded at the exchange rate prevailing at the balance sheet date.

# Notes

## 21. Accounting Policies (continued)

### **Loans due to and from related parties and borrowing costs**

Loans due to related parties are initially recognised at fair value plus all related transaction costs. After initial recognition loans due to related parties are recognised at amortised cost using the effective interest method.

### **Trade payables**

Trade payables are valued at nominal value and accounts payable in other currencies have been recorded at the exchange rates prevailing at the balance sheet date.

### **Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation.

# Corporate Governance Statement

Nordural Grundartangi ehf. is owned by Nordural ehf. which is owned by a foreign parent company Century Aluminum. The foreign ownership shapes to a certain extent the corporate governance of the Company. The parent company has issued internal corporate governance guidelines accessible on the parent company's website which applies to Nordural. Century Aluminum is a publicly traded company listed on the NASDAQ Stock Exchange (NASDAQ) under the symbol "CENX" and as such, it must adhere to strict rules on corporate governance in connection therewith as evidenced by its internal corporate governance guidelines. Nordural in turn follows these internal corporate guidelines and all applicable mandatory Icelandic laws and regulations relating to corporate governance of Nordural.

## **Laws, rules and regulations**

The following are some of the most important laws applicable to Nordural's operations:

Act on Annual Accounts

Act on Private Limited Companies

Act on Pollution Prevention

The Competition Law

Act on Data Protection and the Processing of Personal Data

Act on Measures against Money Laundering and Terrorist Financing

The above mentioned laws are accessible on [www.althingi.is](http://www.althingi.is).

The Company furthermore operates in accordance with an operating licence accessible on [www.ust.is](http://www.ust.is).

## **Internal controls and risk management**

The Board of Directors holds the ultimate responsibility for an effective internal control system. The management of Nordural is responsible for implementing and maintaining adequate internal controls.

The internal control system is designed with the purpose of providing reasonable assurance that financial reporting is in accordance with accepted accounting standards. The management of Nordural assess the effectiveness of the internal control system which is based on "Internal Control – Integrated Framework" issued by COSO and on Sarbanes Oxley Act from 2002 for listed US companies as part of consolidated Financial Statements of Century Aluminum. The design and effectiveness of the internal control system has been audited by Deloitte.

An effective risk management framework has been implemented and Nordural has defined its major risks as: Business risk, financial risk, operational risk and environmental risk. The Board of Directors and Nordural's management regularly receive risk reports addressing the major risks Nordural is exposed to.

The Board's major objective with regard to an effective internal control and risk management system is to contribute to Nordural reaching its goals concerning its purpose, obligations, earnings, reliability of financial information and compliance with laws, rules and regulations.

Nordural has not appointed a compliance officer but there is a compliance department in the parent company. Internal audit is supervised by Century Internal Audit Department additionally to be outsourced to KPMG and conducted yearly on a consolidated basis.

## **Sustainability and ethical standards**

Nordural emphasizes that its operations are in cohesion with the environment. Nordural constantly strives towards minimizing its effects on the environment and the responsible usage of energy and raw materials. Nordural contributes to increased environmental awareness and the involvement of its employees in reformations. Nordural is in compliance with all requirements stipulated in its operating licence, laws and rules regarding environmental issues.

A Code of Ethics is accessible on the website of Nordural.

## Corporate Governance Statement (continued)

### Composition and activities of the Board of Directors

The Board of Directors holds supreme authority in Nordural's matters between shareholders' meetings.

The Board of Directors shall ensure that Nordural's organization and operations are in a good state. The Board shall also promote the development and long-term performance of Nordural and monitor its daily operations.

The Board is composed of five individuals, three males and two females. None of the board members is considered independent of Nordural or the shareholder since they are all employees of the group. Formal rules of procedures were approved by the Board of Directors in 2021.

The Board of Directors is composed of the following individuals;

**John DeZee**, Chairman of the Board, is born in 1963. He received his B.A. from Whitman College and his J.D. from the University of California at Berkeley Law School. He joined Century in 2008 as Associate General Counsel. After taking on roles of increasing responsibility, John DeZee was promoted to Executive Vice President, General Counsel and Secretary in May 2021. He started his legal career at Paul Hastings in Los Angeles and served as in-house counsel at James Hardie Building Products just prior to joining Century.

**Gunnar Guðlaugsson**, Director, is born in 1960. He has a Master's degree in electrical engineering, Diploma in business and operations and a journeyman's examination in electrical trades. He is the Executive Vice President of Global Operations and Managing Director of Nordural since 2021. He was plant manager of Nordural Grundartangi from 2009, manager for various departments of ISAL from 2000 and an engineer at ISAL from 2008. He has done various engineering work since 1994.

**Robert Hoffman**, Director is born in 1969. He received Bachelor of Science degree in Accounting from Golden Gate University, a Masters of Business in Finance from Saint Mary's College of California and is a Certified Public Accountant (inactive). He joined Century Aluminum in October 2004. After taking on various roles of increasing responsibility in accounting, finance, and information technology, he was promoted to Vice President Information Technology and Chief Technology Officer in 2021. Prior to joining Century, he was the Accounting Manager at The Granite Rock Company, served as a Senior Associate at Mowat Mackie & Anderson and as a senior auditor with Deloitte & Touche.

**Sigrún Helgadóttir**, Director, is born in 1968. She has a Cand.oecon. degree in business from the University of Iceland and an MBA degree from the Norwegian School of Management (BI). She has been plant manager of Nordural at Grundartangi from 2021, but previously as a managing director of HR and Procurement. Previously, she was an employee of Kaupping, the Stock Exchange in Oslo and the Icelandic Stock Exchange (now Nasdaq Iceland).

**Hólmfríður Kristjánsdóttir**, Board member, is born in 1973. She has a Cand.jur degree and a MBA degree and is a member of the Icelandic BAR association. She is Corporate Counsel for Nordural since 2023. She has previously held the positions of CRO of Pension funds at Landsbanki, Director of Legal at Deloitte and worked for some of Iceland's biggest law firms. She has been practicing law since 1999.

The Board of Directors held a total of 4 board meetings in 2024. The meetings were attended by all board members, the Manager of Finance, and a representative of Century Legal Department and Company's Legal Counsel. Foreign board members and the representative of Century Legal Department attended the meetings through phone. Rules of procedure for the Board of Directors was approved on a Board meeting on June 29th, 2021.



## Corporate Governance Statement (continued)

### **Sub-committees of the Board of Directors**

The Board of Directors appointed an audit committee for first time in 2021. The member of the audit committee are: Jóhann Geir Harðarson, Fríða Aðalgeirsdóttir and Sigrún Helgadóttir. The audit committee held a total of 5 audit committee meetings in 2024.

### **Executives**

The Managing Director carries out the daily operations of Nordural in accordance with the policies and instructions of the Board of Directors. The Managing Director shall, among other things, regularly provide the Board of Directors with accurate information on the Nordural's finances, structure, development and operations. The Managing Director shall at all times conduct his/her work with integrity and Nordural's interests at the forefront.

Gunnar Guðlaugsson is the Managing Director of Nordural Grundartangi.

### **Communication with the shareholder**

The Board of Directors is responsible for communication with and providing information to the shareholder.

Communication with the shareholder takes place at the Annual General Meeting, other shareholders' meetings and specific information meetings as needed.

The Board of Directors shall receive information regarding all questions and propositions from the shareholder and supervise Nordural's reactions to them.

### **Information on infringements of laws and regulations that the appropriate supervisory or ruling body has determined**

Nordural was not subject to sentences by the courts of fines from relevant public authorities in 2024.

## Non-Financial Information

### About Nordural Grundartangi

Nordural Grundartangi ehf. (Nordural) operates an aluminum smelter at Grundartangi, Iceland and produces premium quality aluminum and aluminum alloys. The Company's operating license is for an annual output of 350,000 metric tons of pure aluminum, in accordance with the strictest standards for environmental and social responsibility, and employee safety.

Nordural production for the year 2024 was 308,335 metric tons, around 2,100 metric tons decrease in production from previous year. The company is expanding its production capacity and intends to continue those efforts in the coming years.

Nordural is a member of the European Union's greenhouse gas emission trading system, commonly known as ETS. Its aim is to reduce emissions from the production processes of major industrial concerns in Europe. The trading system functions as an economic incentive for industrial concerns to reduce emissions. In that the concerns members must pay for all excess emissions beyond allocated allowances. In relation to CO<sub>2</sub> and waste from sources outside the ETS, Nordural has set targets for 55% reduction by 2030, compared to 2015.

Nordural is certified by the Aluminum Stewardship Initiative (ASI) for responsible production, sourcing and stewardship of aluminum. The ASI Performance Standard defines environmental, social and governance principles and criteria, with the aim to address sustainability issues in the aluminum value chain. Quality systems are ISO 9001 certified. Environmental and safety systems are certified according to ISO 14001 and ISO 45001 standards. Production processes, environmental and safety standards are under continuous review. Nordural has implemented the Equal Pay Standard ÍST85:2012 and received Certification with PwC Gold standard.

Nordural produces aluminum according to customer needs in a responsible, safe and competitive manner. Emphasis is placed on employees' quality awareness and participation in continuous improvement. Nordural is a responsible member of the community and complies with the laws and regulations of the company. The quality management system is regularly reviewed and improved. Nordural quality objectives are: Satisfied customers, efficient production and outstanding products.

Further information on Nordural including Nordural sustainability report is accessible at the Company's website. [www.nordural.is](http://www.nordural.is)

### Environment

Aluminum production inevitably leads to considerable emissions of CO<sub>2</sub>. At Nordural, we work hard to achieve the lowest emissions in the world.

CO<sub>2</sub> emissions directly linked to the production processes fall under the scope of ETS and Nordural has achieved considerable success in limiting emissions that fall under the system. Thus, localized emissions generated by Nordural's aluminum production amounted to 1.59 tons of CO<sub>2</sub> equivalents per produced ton in 2024 compared to 2.1 tons per produced tons in 2006.

### Climate Action Plan

Nordural's Climate Action Plan consists of 10 specific actions which will guide the way to reach the goal of a 55% reduction in greenhouse gas emissions and general wastes by 2030. The plan identifies the main types of emissions generated by the company's activities that are outside the scope of the ETS system. The plan is in accordance with the Paris Agreement commitments which Nordural has signed.

## Non-Financial Information (continued)

Nordural's Action Plan for reducing emissions was done with The Greenhouse Gas Protocol methods for detecting emissions, an international system designed to standardize carbon accounting. The main focus is on assessing direct emissions from Nordural's operations, i.e. by mobile equipment and refrigerants while emissions from the employees' work-related plane trips and their carpooling in Nordural's cars as well as emissions from the disposal of general waste were also assessed. While the Action Plan thus calculates emissions from five elements of Nordural's operation, the actions put forward also cover other elements.

### Environmental monitoring

Environmental monitoring entails research and monitoring of more than 100 environmental factors in and surrounding the area of Grundartangi. The purpose is to ensure that the operations of Nordural Grundartangi are not harmful to the environment. The environmental monitoring is conducted by independent parties. Nordural met or exceeded all other requirements in the operational license and regulations, including total fluoride emission.

### Green accounting

Nordural keeps and publishes its audited Green Accounting on an annual basis and delivers this report to the Environment Agency of Iceland in accordance with applicable law and regulation No. 851/2002. The aim of Green Accounting is to improve our Nordural plant's ability to identify opportunities to increase efficiency, improve processes, reduce waste, and increase general awareness of environmental issues throughout the manufacturing process.

### ASI

Nordural Grundartangi ehf is certified by the ASI Performance Certification. The ASI standard sets out 59 criteria under the three sustainability pillars of Governance, Environment and Social, which address issues such as biodiversity, Indigenous Peoples rights, and greenhouse gas emissions. An independent, third-party audit of the Nordural's facility is carried out by DNV GL on an annual basis.

### Innovation

Nordural is participating in an international project, "CarbFix", examining if it can become a viable option, both technically and financially to capture CO<sub>2</sub> from the smelter's exhaust, dissolve it in water under pressure then pump it down to a depth of 500 or 800 meters, where CO<sub>2</sub> binds permanently to the bedrock in the form of rocks.

Nordural's experienced employees have valuable knowledge. Nordural considers sharing such resources with the academic community as well as the tech and innovation industry to be a part of its social responsibility. By contributing to a dynamic cooperation in this field Nordural can support the adaption of new technologies or methods in aluminum production that result in a more efficient operation and possibly in reducing greenhouse gas emissions.

### Natur-Al™

In 2019 Nordural Grundartangi ehf. announced its line of low-carbon aluminum products, Natur-Al™ aluminum, with one of the lowest CO<sub>2</sub> footprints in the world. The entire production process was analyzed and the environmental impact of all links in the production chain was assessed and documented. There we see in black and white where and how procurement can be altered, and the production process designed to minimize the environmental impact. The result is Natur-Al™, which is a registered trademark on both sides of the Atlantic.

## Non-Financial Information (continued)

Aluminum under the Natur-Al™ brand has a carbon footprint of less than 4 tons of carbon dioxide equivalent per ton of aluminum, and everything is taken into account - the acquisition of bauxite and the processing of aluminum oxide for aluminum production and transport all the way to the buyer. Total carbon dioxide emissions from Natur-Al™ production are less than a quarter of the world's average aluminum production, which is about 18 tons per ton of aluminum. The life cycle analysis was performed by an independent party and we can offer our customers data needed to analyze the carbon footprint of consumer products made from Natur-Al™ aluminum.

### Environmental policy

Nordural emphasizes that its operations are conducted in harmony with the environment. We strive to minimize the environmental impact as well as promoting responsible use of energy and raw materials. Nordural promotes increased environmental awareness and staff participation in reforms. Nordural meets the requirements in operating licenses, laws and regulations on environmental issues. Environmental goals are: Minimizing emission, employee know the environmental impact of the operation and responsible recycling and disposal.

### Social impact

As the largest workplace in the western region, and one of the largest workplaces in Iceland, Nordural plays a pivotal social role – not only as the principal source of income for thousands of people, but also more generally for the economic, environmental and social well-being of the region as a whole. We take our responsibilities seriously, as well as our commitment to operate well within the framework set by law and regulations. Nordural is of key importance to the local economy, in particular, the town of Akranes and its surroundings. The residence of our employees has varied somewhat over the years and seems to be influenced by a variety of external factors, from housing costs to the general state of the economy. Local residency at the end of 2024 was about 65% of the workforce which is historically fairly high.

### Community Projects

Nordural supports various kinds of community projects. We are proud sponsors of the ÍA soccer team in Akranes and Valur Sport Club in Reykjavik, focusing on the younger players. Each summer Nordural soccer tournament for 5-8-year old kids, is held in Akranes.

### Employees

Average number of employee positions in year 2024 were 645 compared to 614 in year 2023. We have managed to keep employee turnover at modest levels with ambitious programs of compensation and benefits, workplace safety and comfort and opportunities for career development and growth. The average length of employment at Nordural's is around 8 years.

Approximately 85% of Nordural Grundartangi ehf. employees are 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. To attract talent in Iceland, we work with colleges and universities to invite students to attend plant tours at Nordural that showcase our production processes. We offer internships to give hands-on experience to students interested in craftsmanship. At Nordural, we also operate our own Heavy Industry School with a curriculum that awards points towards the Icelandic school system. The school provides between 15 to 20 students at a time with the opportunity to further their education.

We emphasize equal rights of employees to careers, wages and rights, regardless of gender, sexual orientation, religion or origin. Nordural is responsible for its activities and business with respect for human rights. Nordural is committed to continuous reform and complies with human rights and equality laws and regulations. Human rights and equality goals are: Prevention of bullying, harassment and other violence, promote gender equality and equal pay for comparable jobs.

## Non-Financial Information (continued)

### Health and safety

In recent years, Nordural has engaged in a safety culture transformation, with an emphasis on front line management's responsibility. We have implemented intensive training in hazard identification, leadership skills, and incident investigation, all of which have helped to increase personal knowledge and commitment and standards as well as improving work practices and habits. 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 into all aspects of our operations.

Safety and health policy: Safety and health are a priority at Nordural. Employees are familiar with risks and safe working methods and that no task should be undertaken in unsafe conditions. Emphasis is placed on active involvement of staff when it comes to prevention and improvement. Nordural complies with health and safety laws and regulations. Safety and health goals are: Accident - free workplace, employee health protection, employee participation in prevention.

### Equality

We aim to improve our male/female ratio, but our employees are still dominantly male. In 2017 13% of Nordural's employees were female, but in 2024 the number was close to 30%. We will continue on this path. As one would expect, the proportion of males is highest in the manufacturing section of the company, where four out of every five employees are male. One-third of our managers and specialists are female and at top level management the two genders are represented 50/50. Nordural has an Equal Pay Certification and a Workplace Equality Program.

### Transparency

Nordural is one of the largest energy user in Iceland, buying approximately quarter of all energy produced. In November 2020 Nordural requested permission from energy suppliers to lift confidentiality of energy contracts. Three of Nordural's four long-term energy contracts are now available on our website. This is an important step in increasing transparency in the Icelandic electricity market, which we believe is beneficial for both buyers and sellers of electricity, but not least for the Icelandic public.

### Business Ethics

Nordural parent company, Century Aluminum Company, and its subsidiaries are committed to ethical behavior and comply with the laws around the world. US and international laws and regulations prohibit corrupt business practices, e.g. abnormal facilities and misrepresentations in accounting and other data. The purpose of the policy is to establish standards and procedures that employees are required to adhere to in order to ensure compliance with the law and ensure the good reputation of a company that conducts honorable business.

### Code of conduct

Century Aluminum Company and all related companies are committed to complying with the strictest standards of honesty, ethics and integrity in business. The management signs of code of ethics which sets out clear guidelines for combating dishonesty and immorality in conduct and promoting that all of the company's operations meet these requirements.

Employees may not allow, offer, promise or provide payments in cash or other valuables, directly or through a third party, to a public official or employee of a private sector company, nor to a spouse, cohabitant, child or other relative of any such party for the purpose of having influence or reward for the actions or decision making of such parties or to obtain improper benefits. In the same way, employees and their immediate family may not demand, accept or receive payments or other valuable directly or through third parties in excess of normal business practice.

## Non-Financial Information (continued)

### EU Taxonomy

#### Introduction

In 2023, Nordural reports EU Taxonomy for the first time. According to Icelandic laws, 25/2023, companies that fulfill specific requirements are required to publish non-financial information based on Article 8(1) of the Taxonomy regulation (EU 2020/852), as from the year 2023.

The EU Taxonomy Regulation entered into force in Iceland on 1 June 2023 with Act No. 25/2023, on Sustainability Disclosures in the Financial Services Sector and the Taxonomy for Sustainable Investments. The law was retroactive to January 1, 2023, and therefore applies to the entire fiscal year 2023.

The Regulation defines which economic activities are considered environmentally sustainable and promotes transparency in sustainability disclosure. There are six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Technical screening criteria for climate change mitigation and adaptation has been implemented by EU Delegated Regulation 2021/2139 and the economic activities listed therein are subject to reporting requirements in Iceland, while EU Delegated Regulation 2023/2486 on other environmental objectives and updating the first two of EU Delegated Regulation 2023/2485 entered into force in the EU in 2023 and are awaiting implementation in Iceland.

To be considered environmentally sustainable within the scope of the Regulation, undertakings must meet the criteria for environmentally sustainable economic activities according to Article 3 of the Taxonomy Regulation. First, economic activities must contribute significantly to one or more environmental objectives, while they must not harm others. They need to comply with minimum safeguards and ultimately with technical screening criteria.

Companies are required to disclose the ratio of turnover, capital expenditure and operating expenditures for the most recent financial period to an eligible activity, that is, an activity in scope with the Taxonomy Regulation. Similarly, the same key indicators for activities that meet all the criteria of the Regulation and are considered aligned activities should be published.

#### Eligible assessment

Nordural has reviewed its operations in accordance with technical screening criteria where the company's activities were compared with the technical screening criteria already published and applicable in Iceland (Climate change mitigation and adaptation). The Company's main activity is manufacture of aluminum and therefore the following activity is applicable:

#### *-3.8 Manufacture of aluminum*

The manufacture of primary aluminum in Nordural is an eligible and transitional activity according to the EU taxonomy. The technical screening criteria refers to the production of liquid aluminum through electrolysis of alumina. Nordural operates primary aluminum plant at Grundartangi, Iceland, with potlines and casthouse, where liquid aluminum is cast to form of ingots, primary aluminum, and primary foundry alloys.

## Non-Financial Information (continued)

### Environmentally sustainable activities

For an activity to be considered aligned and thereby meets the requirements of the Taxonomy to be environmentally sustainable, it must be a substantial contribution and do no significant harm, and in addition, fulfill the minimum safeguards criteria. The requirements are detailed and if a company wants to be in compliance, a lot of groundwork must have taken place.

Nordural is currently working on alignment assessment against all six environmental objectives and will enhance its reporting in the 2025 Financial statement. Therefore, Nordural publishes calculations for Taxonomy - Eligible but not environmentally sustainable activities for the year 2024.

### Accounting policy

The EU has issued instructions on calculation of key performance indicators (KPIs) in Delegated Regulation EU 2021/2178. Proportion of turnover, CapEx and OpEx is calculated in accordance with art. 8 of the Taxonomy Regulation. However, there is a possibility that the requirements or methodology will change as the regulation evolves, which might affect the company's future calculations.

### Turnover

The turnover covers the revenue recognized pursuant to International Accounting Standard (IAS) 1, paragraph 82(a). The total turnover in accordance with the definition is in accordance with the total turnover of the company for the year 2024 as it appears in the Income Statement in the financial statement. 100% is for taxonomy eligible but not environmentally sustainable activities. See proportion for turnover in table on page 31.

### CapEx

We have allocated CapEx to eligible activities in accordance with the EU Taxonomy Regulation. CapEx in accordance with the EU Taxonomy is the sum of additions due to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments and excluding fair value changes, for the year 2024. Total CapEx was USD 39,150 thousand for the year 2024 in accordance with the additions of the year in notes 7 in the financial statement. 100% is for taxonomy eligible but not environmentally sustainable activities. See proportion for CapEx in table on page 32.

### OpEx

The EU Taxonomy defines OpEx more narrowly than general accounting definition. OpEx shall include non-capitalised cost that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment by the company or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Total OpEx was USD 26,837 thousand for the year 2024. 100% is for taxonomy eligible but not environmentally sustainable activities. See proportion for OpEx in table on page 33.

## Non-Financial Information (continued)

### Proportion of revenues associated with taxonomy-aligned economic activities 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')											
Economic Activities	Code	Absolute turnover (USD '000)	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Taxonomy aligned proportion of total turnover year 2024	Taxonomy aligned proportion of total turnover year 2023	Enabling activity	Transitional activity	
			%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
			0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Production of Aluminum	3.8	793,304	100%																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		793,304	100%																		
Total (A.1+A.2)		793,304	100%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		0	0%																		
Total (A+B)		793,304	100%																		



## Non-Financial Information (continued)

### Proportion of CAPEX associated with taxonomy-aligned economic activities 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned proportion of CAPEX year 2024	Taxonomy aligned proportion of CAPEX year 2023	Enabling activity	Transitional activity
Economic Activities	Code	Absolute turnover (USD '000)	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
			%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
			0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%		
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Production of Aluminum	3.8	39,150	100%																	
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		39,150	100%																	
Total (A.1+A.2)		39,150	100%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CAPEX of Taxonomy-non-eligible activities		0	0%																	
Total (A+B)		39,150	100%																	

## Non-Financial Information (continued)

### Proportion of OPEX associated with taxonomy-aligned economic activities 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic Activities	Code	Absolute turnover (USD '000)	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Taxonomy aligned proportion of total turnover year 2024	Taxonomy aligned proportion of total turnover year 2023	Enabling activity	Transitional activity
			%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
			0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%		
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Production of Aluminum	3.8	26,837	100%																	
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		26,837	100%																	
Total (A.1+A.2)		26,837	100%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OPEX of Taxonomy-non-eligible activities		0	0%																	
Total (A+B)		26,837	100%																	