News Release

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14 May 2024

Anglo American accelerates delivery of strategy to unlock significant value

Radically simplified portfolio of world-class assets in copper, premium iron ore and crop nutrients

Anglo American plc ("Anglo American") is today setting out a clear, compelling and decisive plan to unlock significant value from its portfolio and accelerate the delivery of consistently stronger shareholder returns.

Following completion of the asset review initiated during 2023, Anglo American plans to implement a number of major structural changes to accelerate delivery against its strategic priorities of operational excellence, portfolio simplification, and growth:

Undiluted Anglo American shareholder participation in a simpler portfolio of world-class assets with full value transparency

- Copper
  - 3 of the top 10 producing copper mines in South America, with outstanding resource endowments
  - Set for multiple decades of competitive production and growth, with a defined pathway to >1mtpa of copper production
- Premium iron ore
  - Focused producer of 100% premium product, ideally suited to support steel decarbonisation
  - Attractive resource endowments in Brazil and South Africa
- Crop nutrients
  - Slow down development to support balance sheet deleveraging, while critical technical studies are completed in 2025, to then support syndication. Capex reduced to $200 million in 2025 and no capex in 2026
  - Preserving long term value from high quality asset with multi-generational resource scale

Compelling value proposition exclusively for Anglo American's shareholders

- Portfolio and structure transformation – 100% future-enabling portfolio, including 54% copper production, in products that support the energy transition, improving global living standards and food security
- Outstanding organic growth – Proven project delivery and sustainability leadership
- High quality financial profile – EBITDA margin increases to 46% from 31% on a 2023 pro forma basis[1]

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Registered office as above. Incorporated in England and Wales under the Companies Act 1985.
Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

- **Efficiency and accountability** – $1.7 billion lower cost of new portfolio configuration. This includes $0.8 billion of additional pre-tax recurring annual run rate cost benefits from the end of 2025[2]
- **Disciplined capital allocation** – less than 1.5x net debt:EBITDA leverage at bottom of the cycle, with 40% dividend payout maintained

Clear pathway for portfolio value delivery – in the right way and for value

- **Steelmaking Coal** – To be divested and currently responding to strong buyer interest
- **Nickel** – Exploring options for care and maintenance and divestment
- **Anglo American Platinum** – To be demerged in a responsible and orderly way to optimise value for both Anglo American's and Anglo American Platinum's shareholders
- **De Beers** – To be divested or demerged, to improve strategic flexibility for both De Beers and Anglo American

Duncan Wanblad, Chief Executive of Anglo American, said:

"We set out our clear strategic priorities earlier this year – operational excellence, portfolio simplification, and growth. Our decision to focus Anglo American's portfolio in our world-class resource asset base in copper and premium iron ore – while retaining our crop nutrients optionality at Woodsmith – marks a major new phase in executing our strategy.

"We expect that a radically simpler business will deliver sustainable incremental value creation through a step change in operational performance and cost reduction.

"Anglo American's shareholders will see the full undiluted upside from these extensive changes, with the value of our copper and iron ore assets brought to the fore. This next step in the transformation of Anglo American's portfolio is set to accelerate the recognition of value that has been inherent in our business for many years and provide Anglo American's shareholders with undiluted and differentiated participation in the major structural demand trends, while minimising any frictional costs associated with this major portfolio transformation.

"These actions represent the most radical changes to Anglo American in decades. I believe these are the right decisions to position Anglo American to capitalise on the outstanding resource endowment opportunities within our portfolio today. Our proven and differentiated capabilities within Anglo American, our global relationship networks and our longstanding reputation as a responsible mining company will help us unlock numerous of these and other opportunities in the jurisdictions where our experience and track record are most valuable and most valued, namely in South America and Southern Africa.

"Of course, we are conscious of the impacts of making such far-reaching changes, particularly on our employees. We see considerable opportunities for our employees, both in delivering the full potential of Anglo American and in the businesses that we will be divesting or demerging, all of which are high quality businesses in their own right. By implementing these portfolio changes ourselves, we will be able to do so in a manner that is respectful of our employees, host communities and countries, including ensuring that in South Africa in particular Anglo American continues to play its role as a responsible business leader to support the country's national priorities.

"We are taking clear and decisive action to deliver value – safely, responsibly and reliably – in the long term interests of our shareholders and other stakeholders, and to deliver the products that are so critical to enabling the energy transition and supporting improved global living standards and food security."

Three strategic priorities

Operational excellence

- Simplification of structure and portfolio to facilitate step change in performance

Anglo American is focused on operational and cost performance to deliver superior margins. The organisational re-design simplifies work execution and provides clear accountabilities for delivery. Anglo American is on track to achieve the previously announced run rate of US$1 billion annual savings in operating expenditure in 2024. Additionally, a further $0.8 billion of cost out from the end of 2025[2] is targeted. The capital expenditure reduction of US$1.6 billion over the next three years set out in December 2023 is also on track. Technology is being deployed into each operation in a targeted fashion to deliver improvements in safety, costs and productivity.

These initiatives are creating a more focused and robust platform to deliver consistent operational performance and give confidence in the effectiveness of further change. The portfolio simplification and organisation streamlining will also support greater focus on operational excellence and value creation.

Portfolio simplification

- Transformation of the portfolio to focus on world class assets in copper, premium iron ore and crop nutrients
- Changes implemented in the most effective manner, with timing to optimise shareholder and stakeholder value

A comprehensive asset review been completed. Each asset was assessed for competitiveness and performance optimisation potential, and for its role in the portfolio. The review examined how the portfolio as a whole can deliver the most attractive through the cycle returns for Anglo American's shareholders considering asset competitive positioning, commodity outlook and the cash flow required to realise both growth potential and sustainable shareholder returns. The impact of portfolio composition on the recognition of the value of the underlying assets by the market has also been considered.

The principle behind the portfolio changes is to deliver the best value outcome for assets and businesses over time, leading to decisions relating to the following businesses, to be implemented as separate transactions and for value:

Steelmaking coal –. Anglo American intends to divest its high quality Steelmaking Coal business, with proceeds used to reset Anglo American's balance sheet.

Anglo American Platinum – Anglo American Platinum's assets have exceptional geological potential and Anglo American is currently setting up Anglo American Platinum to be resilient and deliver sustainable returns through the cycle as one of the world's leading PGMs producers, despite the current cyclical downturn. Anglo American and Anglo American Platinum are working together to transform Anglo American Platinum to generate multi-decade cash flows, high returns and delivering its full potential. The ongoing reconfiguration of Anglo American Platinum and associated employee consultation process, announced in February 2024, continue and are not affected by this announcement.

It is, however, increasingly clear that if Anglo American were to retain Anglo American Platinum in its portfolio, it limits the ability to have the full value of both businesses fully reflected, limiting the ability of both Anglo American and Anglo American Platinum to achieve their full potential. Anglo American's portfolio and structure are simpler without Anglo American Platinum, Anglo American's portfolio will have strong geographic balance and less complexity in future capital allocation. As a standalone business, Anglo American Platinum will be best positioned to set its own priorities to deliver its full potential, with Anglo American's shareholders able to participate in full through the demerger.

De Beers – Having made significant progress towards finalising the sales agreement with the Government of the Republic of Botswana, Anglo American is exploring the full range of options to separate the business in order to set it up for success in unlocking full value from its new Origins strategy, its world-class assets and its iconic brand. This will provide both Anglo American and De Beers with a new level of strategic flexibility to maximise value for both company's shareholders.

Growth

- Outstanding growth potential across the portfolio with well-sequenced, value accretive opportunities in copper, premium iron ore and crop nutrients
- Leveraging differentiated and proven technical and sustainability capabilities, and multi-decade relationship networks in South America and Southern Africa
- A proven track record of major copper greenfield project delivery
- On plan and on budget with Woodsmith development

Each of the three portfolio verticals has the benefit of a number of value accretive growth and replacement options already owned by Anglo American and that can be developed at the right time.

Integral to Anglo American's growth trajectory is the Woodsmith crop nutrients project. Anglo American will continue to work towards the completion of the feasibility study in the first half of 2025, as an essential building block for syndication to a strategic partner. In the meantime, we will slow the investment - which we now expect to be reduced to $0.2 billion in 2025 and no capex in 2026, to support balance sheet deleveraging.

Three major benefits for Anglo American's shareholders

1. Undiluted Anglo American shareholder participation in a simpler portfolio of world-class assets with value transparency

The streamlined portfolio is underpinned by strong industrial logic, with each asset playing a clear role, and is uniquely positioned to enable and benefit from global decarbonisation, the ongoing pull for improved living standards, and food security.

- Copper

  2023 EBITDA US$3.2 billion
  2022 EBITDA US$2.2 billion

  - Copper is critical for ongoing global economic development and the decarbonisation of the global economy through electrification. Copper demand is therefore expected to grow strongly whilst there are key constraints on the supply side including increasing timelines and requirements for licensing and permitting. Anglo American has an established track record of successfully developing such new supply, responsibly and profitably.

- *Anglo American's market position*: Anglo American has an outstanding copper endowment through its interests in three world class copper assets – Quellaveco, Los Bronces and Collahuasi - set for multiple decades of competitive production and growth. In 2024 Anglo American has set guidance of 730-790kt of production with well-sequenced and self-funded brownfield and greenfield prospects (including at Sakatti) for value-accretive growth to more than 1 million tonnes of annual copper production in the next decade and for decades to come. For example, at Quellaveco, the 35-year current life of mine is based on Reserves of ~8 million tonnes of contained copper, but there are an additional ~8 million tonnes in Resources and further Exploration Targets with upside estimated at up to ~59 million tonnes of copper.

  Anglo American's differentiated technical, project delivery and sustainability capabilities built over many decades, coupled with its global relationship networks and longstanding reputation as a responsible mining company, are critical to unlocking the value of these endowments and supplying the copper needed for the energy transition and improved living standards.

  This is expected to be achieved through faster permitting, mutually reinforcing community and stakeholder relationships, and seamless execution, as demonstrated most recently at Quellaveco – a $5.5 billion greenfield investment delivered on time and on budget – while many comparable projects across the industry remain undeveloped due to social and environmental challenges, face significant delays and cost overruns, or experience ongoing operational disruptions.

- Premium iron ore

  2023 EBITDA US$4.0 billion
  2022 EBITDA US$3.5 billion

  - Premium iron ore, in particular the types suitable for the transition towards green steel and for direct reduction iron ("DRI"), is essential for steel industry decarbonisation and is expected to experience growth an order of magnitude more than that of lower quality iron ore, while benefitting from meaningful price premium potential.

  - *Anglo American's market position:* Anglo American's portfolio is exceptionally well-positioned to benefit from this trend through its integrated Minas-Rio operation in Brazil that produces a 67% Fe product ideal for DRI pellet feed. Kumba in South Africa also produces premium quality lump iron ore at 63% Fe that generates product premium with excellent thermal shock resistance, lower fines formation in the blast furnace and increased sinter plant productivity, with potential for further upgrading of product quality. Both Minas-Rio and Kumba assets have contributed significantly to group cash flow in recent years and are well set to underpin shareholder returns and growth ambitions across the portfolio. The recently announced addition to Minas-Rio of the Serpentina endowment, with a strike length more than double that of Minas-Rio's, provides a high value option to double Minas-Rio production by the mid-2030s, with meaningful synergies.

- Woodsmith

Woodsmith is a Tier 1 resource entirely aligned with the demand trends of decarbonisation and food security. Woodsmith has outstanding long term potential given the sheer scale and thickness of the polyhalite orebody, lending itself to fully mechanised, low cost bulk mining, with minimal processing required. This is as close as you can get to a mine-to-field multi-nutrient fertiliser product, translating into its organic status and lower carbon footprint, ideally suited to the long term demand trend caused by threats to food security and the increasing challenges around access to arable land and the need to increase crop yield and support improved soil health.

Anglo American has high confidence, backed by its proven track record in project delivery, to develop the Woodsmith project, which is currently on plan and on budget. In the near term, Anglo American will slow the development of the Woodsmith project to support Anglo American's balance sheet deleveraging, with capex for critical studies and other activities expected to total $200 million in 2025 and no capex in 2026. Anglo American continues to recognise the asset's unique resource and long term value potential and will complete critical technical studies in 2025 to then enable syndication for value with one or more strategic partners.

- Proven capabilities for value delivery:

  Supporting Anglo American's more focused portfolio will be an aligned organisation structure that is fit for purpose to leverage Anglo American's differentiated capabilities and global relationship networks to deliver the full potential of the portfolio and each asset within it. The organisation will be set up to unlock numerous future resource opportunities in the jurisdictions where Anglo American's experience is most valuable and valued, in two of the most prospective mining regions – South America and Southern Africa.

  Such proven capabilities include the projects, technical and sustainability expertise that was integral to delivering the Quellaveco project on time and budget despite numerous headwinds over many years, including the global pandemic. This also benefited from Anglo American's deep-seated regional capabilities that provide confidence in future project execution – these capabilities will be of increasing importance given the social and environmental challenges associated with bringing to the market new sources of critical raw materials, such as copper, particularly given the likely locations of new high quality assets. Anglo American's global Marketing business will also be focused accordingly and will continue to ensure the optimisation of Anglo American's products across the value chain.

2. Compelling value proposition exclusively for Anglo American shareholders

This simplification of the portfolio stands to accelerate – and step up – value delivery exclusively for Anglo American shareholders:

- **Portfolio and structure transformation** – 100% future-enabling product portfolio including 54% of pro forma production from copper (2023 CuEq production basis), focused solely on products that support the energy transition, improving global living standards, and food security.

- **Outstanding organic growth** – Defined pathway to >1mtpa copper by early 2030s through growth options within the portfolio, with proven sustainability and project delivery capabilities.

- **High quality financial profile** – EBITDA margin increases from 31% to 46% on a 2023 pro forma basis[1].

- **Efficiency and accountability** – $1.7 billion lower cost with new portfolio configuration. This includes an additional $0.8 billion of cost out from the end of 2025[2]. The additional cost out will be achieved from: additional reductions in operating expenditure; reduced corporate initiatives and other funding commitments; implementing a fit for purpose organisation at the headquarters and country offices to leverage Anglo American's differentiated capabilities and global relationship networks to deliver the portfolio's full potential; and delivering the targeted operating model for the simplified Anglo American portfolio.

- **Disciplined capital allocation** – less than 1.5x net debt:EBITDA leverage at the bottom of the cycle, with 40% dividend payout maintained.

3. Clear pathway for portfolio value delivery – in the right way and for value

The pathway to portfolio simplification is designed to have shareholder value at its centre, with actions intended to ensure that Anglo American's shareholders can maximise their participation in value creation, while minimising frictional costs and mitigating execution risks. Anglo American intends to execute with urgency, but not at the expense of shareholder value or without due regard to Anglo American's stakeholders.

The key steps will include:

- *Steelmaking Coal*: Divest Anglo American's high quality steelmaking coal interests. Proceeds will be used to reset Anglo American's balance sheet.

- *Nickel*: Urgent action is being taken to limit the impact of short term market pressure on cash flow and, in parallel, exploring options for care and maintenance and divestment.

- *Anglo American Platinum*: Demerger of Anglo American Platinum in a way that both optimises value for Anglo American shareholders and Anglo American Platinum shareholders, and ensures that such separation is implemented in a responsible and orderly way, with due regard for ensuring Anglo American Platinum's ongoing positive stakeholder value contribution. The demerger will enable Anglo American's shareholders to gain direct participation in strong PGMs fundamentals and Anglo American Platinum's leading competitive and market positions.

- *De Beers*: Having made significant progress towards finalising the sales agreement with the Government of the Republic of Botswana, Anglo American is exploring the full range of options to separate the De Beers business. This will give both Anglo American and De Beers a new level of strategic flexibility to maximise value for both Anglo American and the Government of the Republic of Botswana, as De Beers' shareholders.

Workforce considerations

- Anglo American acknowledges that many of the intended portfolio and other changes set out above may create uncertainty for Anglo American's workforce, recognising the scale of the portfolio transformation. Anglo American intends to implement the changes in a manner that recognises the impact of such changes on its employees, with appropriate planning and engagement with relevant stakeholders.

- However, Anglo American also expects the changes to present numerous opportunities for Anglo American's workforce, particularly in relation to the acceleration of Anglo American's strategy and the differentiated skills and capabilities required to deliver that strategy, as well as in the standalone businesses that Anglo American plans to separate and/or divest. Anglo American's workforce will be key in the delivery of the changes, and in the sustained success of all the businesses.
- Anglo American expects to take steps to retain the skills and talent required to deliver Anglo American's full potential, as part of its review of its workforce arrangements to ensure alignment with these portfolio changes.
- Anglo American will need to consider its global workforce arrangements to realise the opportunities for its employees and to ensure delivery of the accelerated strategy. All options will be considered and if any restructuring is proposed in due course, Anglo American will comply with all consultation requirements contained in collective agreements and relevant legislation.
- The ongoing workforce and wider reconfigurations of Anglo American Platinum and Kumba, and their associated employee consultation processes, as set out in February 2024, continue and are not affected by this announcement.

Webcast of presentation:
A webcast of the presentation, starting at 11.00am UK time on 14 May 2024, can be accessed through the Anglo American website at www.angloamerican.com

Footnotes:

[1] 2023 Pro-forma financials represent 2023 reported performance of the retained business adjusted for the incremental $0.6bn of Corporate cost savings (relating to Corporate and business overheads and Corporate projects and initiatives) included in the QFBS and $0.2bn of previously announced Corporate cost savings not already recognised in 2023, reflecting the cost of the ongoing Corporate business supporting the retained businesses.

[2] The statements above labelled by way of footnote 2 include a quantified financial benefits statement (the "QFBS Footnoted Statements") for the purposes of Rule 28 of the City Code on Takeovers and Mergers (the "Takeover Code"), which have been reported on in accordance with the requirements of the Takeover Code in the form set out in Part A to the Appendix (the "Quantified Financial Benefits Statement"). Further information on the Quantified Financial Benefits Statement, including the basis of preparation and principal assumptions, are set out in the Appendix to this announcement. As required by Rule 28.1(a) of the Takeover Code, the Quantified Financial Benefits Statement has been reported on by KPMG LLP ("KPMG"), as reporting accountant to Anglo American, and Centerview Partners UK LLP ("Centerview"), Goldman Sachs International ("Goldman Sachs") and Morgan Stanley & Co. International plc ("Morgan Stanley"), as financial advisers to Anglo American, have provided the relevant reports required under that Rule. Copies of these reports are included in Parts B and C of the Appendix to this announcement and references in this announcement to the QFBS Footnoted Statements should be read in conjunction with those parts of the Appendix. As required by Rule 28.1(a) of the Takeover Code, KPMG, as reporting accountant to Anglo American, has provided a report (set out in Part B of the Appendix) stating that, in its opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition, Centerview, Goldman Sachs and Morgan Stanley, as financial advisers to Anglo American, have provided a report (set out in Part C of the Appendix) for the purposes of the Takeover Code stating that, in their opinion and subject to the terms of the report, the Quantified Financial Benefits Statement, for which the Anglo American directors are responsible, has been prepared with due care and consideration.

Each of KPMG, Centerview Partners, Goldman Sachs and Morgan Stanley has given and has not withdrawn its consent to the publication of its report in the form and context in which it is included.

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IMPORTANT NOTICES

Centerview Partners UK LLP ("Centerview"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Anglo American and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any other matters referred to in this announcement. Neither Centerview nor any of its affiliates, nor any of Centerview's and such affiliates' respective members, directors, officers, controlling persons or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Centerview in connection with this announcement, any statement contained herein or otherwise.

Goldman Sachs International, ("Goldman Sachs") which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Anglo American and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Anglo American for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the matters referred to in this announcement.

Morgan Stanley & Co. International plc ("Morgan Stanley") which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK is acting as financial adviser to Anglo American and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

Forward-looking statements and third party information

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations, prospects and projects (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and sustainability performance related (including environmental, social and governance) goals, ambitions, targets, visions, milestones and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, unanticipated downturns in business relationships with customers or their purchases from Anglo American, mineral resource exploration and project development capabilities and delivery, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the impact of attacks from third parties on our information systems, natural catastrophes or adverse geological conditions, climate change and extreme weather events, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to obtain key inputs in a timely manner, the ability to produce and transport products profitably, the availability of necessary infrastructure (including transportation) services, the development, efficacy and adoption of new or competing technology, challenges in realising resource estimates or discovering new economic mineralisation, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, liquidity and counterparty risks, the effects of inflation, terrorism, war, conflict, political or civil unrest, uncertainty, tensions and disputes and economic and financial conditions around the world, evolving societal and stakeholder requirements and expectations, shortages of skilled employees, unexpected difficulties relating to acquisitions or divestitures, competitive pressures and the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this announcement constitutes, or should be construed, as a profit forecast for the purposes of Rule 28 of the City Code on Takeovers and Mergers (the "City Code") for any period, and nothing in this document should be interpreted, or construed, to mean that future earnings for Anglo American or future earnings per share of Anglo American, as appropriate, for the current or future financial years will necessarily match or exceed its historical published earnings for Anglo American or per Anglo American share. Certain statistical and other information included in this document is sourced from third party sources (including, but not limited to, externally conducted studies and trials). As such it has not been independently verified and presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such information.

General information

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available subject to certain restrictions relating to persons resident in restricted jurisdictions on Anglo American's website at www.anglo american.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law or regulation and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws or regulations of any such jurisdictions.

This document is for information purposes only and does not constitute, nor is to be construed as, an offer to sell or the recommendation, solicitation, inducement or offer to buy, subscribe for or sell shares in Anglo American or any other securities by Anglo American or any other party. Further, it should not be treated as giving investment, legal, accounting, regulatory, taxation or other advice and has no regard to the specific investment or other objectives, financial situation or particular needs of any recipient.

Quantified Financial Benefits Statement

Except as expressly stated, nothing in this announcement constitutes a quantified financial benefits statement for the purposes of Rule 28 of the City Code. The statements which are labelled as containing a quantified financial benefits statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, any targets, actions or outcomes referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Further details are set out in the Appendix to this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing

Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Appendix

Part A

Quantified Financial Benefits Statement

"The Anglo American Directors expect that corporate restructuring intended as part of simplifying the Anglo American portfolio and incremental opex opportunities can deliver at least $800 million of pre-tax recurring cost benefits on an annual run-rate basis from the end of 2025.

The quantified cost benefits are expected to be realised primarily from:

- **Corporate and business overheads:** Right-sizing support functions and delivering the target operating model for the simplified Anglo American portfolio (approximately 42%);

- **Corporate projects and initiatives:** Targeted savings from third party spend, investment prioritisation and reduction of change initiatives within Group and corporate functions (approximately 39%);

- **Opex benefits:** Incremental sustainable unit cost benefits driven by operational rightsizing and restructuring in certain existing cost savings programmes (expected to contribute approximately 19% of full run-rate pre-tax cost benefits).

The Directors estimate that the realisation of the quantified cost benefits will result in one-off costs to achieve of approximately $400 million, incurred by the end of 2025.

Potential areas of dis-benefit have been considered in quantifying the expected cost benefits and none have been identified or are expected to arise.

The identified cost benefits reflect both the beneficial elements and relevant costs.

In addition to the quantified benefits identified above, The Directors also believe that incremental value can be created through evolving to a more operationally and asset-focused structure.

Bases of belief, assumptions and sources

- The assessment and quantification of the potential cost benefits has been informed by the Anglo American Group's experience of assessing and executing past cost savings programmes and organisational restructuring activities.
- There is no assumed change to ownership or control of the Anglo American Group.
- Estimated opex benefits are expected to arise from the Anglo American underlying businesses (excluding portfolio rationalisation as announced in the Regulated News Service document "Anglo American accelerates delivery of strategy to unlock significant value" published on 14 May 2024), and are incremental to previously announced savings estimates. Additionally, the baselines used for the basis of the Quantified Financial Benefits Statement have been adjusted to reflect this.
- The cost base used as the basis for the Quantified Financial Benefits Statement are Anglo American audited financial results for the year ending 31 December 2023 (with adjustments made to reflect expected future changes in certain costs) and headcount information as at 31 March 2024.

- The expected benefits have been assessed and are stated on a pre-recharge and allocation basis.
- Ongoing costs and dis-benefits of delivery have been considered.
- Stretch case of benefits has also been prepared, alongside several potential unquantified upsides.
- The Anglo American Directors have assumed that the cost benefits are substantively within their control, albeit that certain elements are dependent in part on negotiations with third parties.
- The Anglo American Directors have, in addition, made the following assumptions, each of which is outside the influence of the Anglo American Board:
  - there will be no material change to macroeconomic, political, inflationary, regulatory or legal conditions in the markets or regions in which the Anglo American Group operates that will materially impact the implementation of the benefits plans or costs to achieve the proposed cost savings;
  - there will be no material change in current foreign exchange rates or interest rates;
  - there will be no material change in accounting standards; and
  - there will be no change in tax legislation or tax rates or other legislation or regulation in the countries in which the Anglo American Group operate that could materially impact the ability to achieve any benefits."

Reporting

As required by Rule 28.1(a) of the Code, KPMG, as reporting accountants to Anglo American, have provided a report (set out in Part B of the Appendix) stating that, in their opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition, Centerview Partners UK LLP ("**Centerview**"), Goldman Sachs International ("**Goldman Sachs**") and Morgan Stanley & Co. International plc ("**Morgan Stanley**"), as financial advisers to Anglo American have provided a report (set out in Part C of the Appendix) stating that, in their opinion, and subject to the terms of the report, the Quantified Financial Benefits Statement, for which the Directors of Anglo American are responsible, has been prepared with due care and consideration. Copies of these reports are included in the next parts of this Appendix below. Each of KPMG, Centerview, Goldman Sachs and Morgan Stanley have given and not withdrawn their consent to the publication of their reports in the form and context in which they are included.

Notes

The assessment and quantification of the potential cost savings relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the potential cost savings may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. As a result, and given the fact that the changes relate to the future, the resulting cost savings may be materially greater or less than those estimated. No statement in the Quantified Financial Benefits Statement or in this announcement generally should be construed as a profit forecast or interpreted to mean that Anglo American's earnings in the year to 31 December 2024, or any subsequent period, would necessarily match or be greater than or be less than those of Anglo American for the relevant preceding financial period or any other period.

Part B

Accountant’s Report on Quantified Financial Benefits Statement

The Directors
Anglo American plc
17 Charterhouse Street
London
EC1N 6RA

Centerview Partners UK LLP
1 Sherwood Street
London
W1F 7BL

Goldman Sachs International
25 Shoe Lane
London
EC4A 4AU

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London
E14 4QA

14 May 2024

Ladies and Gentlemen

Anglo American plc

We report on the statement (‘the Statement’) made by the directors of Anglo American plc (‘the Directors’) in Appendix Part A of the Regulated News Service document “Anglo American accelerates delivery of strategy to unlock significant value” published on 14 May 2024 (‘the Announcement’) to the effect that:

"The Anglo American Directors expect that corporate restructuring intended as part of simplifying the Anglo American portfolio and incremental opex opportunities can deliver at least $800 million of pre-tax recurring cost benefits on an annual run-rate basis from the end of 2025.

The quantified cost benefits are expected to be realised primarily from:

- **Corporate and business overheads:** Right-sizing support functions and delivering the target operating model for the simplified Anglo American portfolio (approximately 42%);

- **Corporate projects and initiatives:** Targeted savings from third party spend, investment prioritisation and reduction of change initiatives within Group and corporate functions (approximately 39%);

- **Opex benefits:** Incremental sustainable unit cost benefits driven by operational rightsizing and restructuring in certain existing cost savings programmes (expected to contribute approximately 19% of full run-rate pre-tax cost benefits).

The Directors estimate that the realisation of the quantified cost benefits will result in one-off costs to achieve of approximately $400 million, incurred by the end of 2025.

Potential areas of dis-benefit have been considered in quantifying the expected cost benefits and none have been identified or are expected to arise.

The identified cost benefits reflect both the beneficial elements and relevant costs.

In addition to the quantified benefits identified above, The Directors also believe that incremental value can be created through evolving to a more operationally and asset-focused structure.*"*

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers ('the City Code') and is given for the purpose of complying with that requirement and for no other purpose.

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Appendix Part A of the Announcement setting out, inter alia, the basis of the Directors' belief (including the principal assumptions and sources of information) supporting the Statement and their analysis and explanation of the underlying constituent elements.

Responsibilities

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of Rule 28 of the City Code.

It is our responsibility to form an opinion, as required by Rule 28.1(a) of the City Code as to whether the Statement has been properly compiled on the basis stated and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code, consenting to its inclusion in the Announcement.

Basis of preparation of the Statement

The Statement has been prepared on the basis stated in Appendix Part A of the Announcement.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC').

We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

We have discussed the Statement, together with the underlying plans, with the Directors and Centerview Partners UK LLP, Goldman Sachs International and Morgan Stanley & Co.

International plc. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdiction(s) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement. The Statement is subject to uncertainty as described in the Appendix to the Announcement. Since the Statement relates to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully

KPMG LLP

KPMG LLP
15 Canada Square, Canary Wharf
London
E14 5GL
United Kingdom

Part C

Report from Centerview Partners UK LLP, Goldman Sachs International and Morgan Stanley & Co. International plc

The Board of Directors
Anglo American plc (the "Company")
17 Charterhouse Street
London
EC1N 6RA

14 May 2024

Dear Sirs/Madams,

We refer to the quantified financial benefits statement, the bases of belief thereof and the notes thereto (the "**Statement**") set out in Part A of the Appendix of the announcement issued by the Company (the "**Announcement**"), for which the board of directors of the Company (the "**Directors**") are solely responsible under Rule 28.3 of the City Code on Takeovers and Mergers (the "**Code**").

We have discussed the Statement (including the assumptions, bases of calculation and sources of information referred to therein), with the Directors and those officers and employees of the Company who have developed the financial forecasts underlying the estimated cost savings. The Statement is subject to uncertainty as described in the Announcement and our work did not involve an independent examination, or verification, of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of the Company, or otherwise discussed with or reviewed by us, in connection with the Statement, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any view as to the achievability of the quantified financial benefits, whether on the basis identified by the Directors in the Statement, or otherwise.

We have also reviewed the work carried out by KPMG LLP ("**KPMG**") and have discussed with KPMG its opinion addressed to you and us on this matter and which is set out in Part B of the Appendix to the Announcement.

On the basis of the foregoing, we consider that the Statement, for which the Directors are solely responsible, has been prepared with due care and consideration.

This letter is provided to you solely having regard to the requirements of, and in connection with, Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to the Company, its shareholders or to any person other than the Directors in respect of the contents of this letter. We are acting exclusively as financial advisers to the Company and no one else and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that the Company requested us to prepare this letter relating to the Statement. No person other than the Directors can rely on the contents of, or the work undertaken in connection with, this letter, and to the fullest extent permitted by law, we expressly exclude and disclaim all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its contents or the work undertaken in connection with this letter or any of the results or conclusions that may be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

Yours faithfully,

For and on behalf of
Centerview Partners UK LLP

For and on behalf of
Goldman Sachs International

For and on behalf of
Morgan Stanley & Co. International plc