

NEWS RELEASE

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Anglo American: strong performance and balanced investment drive sustainable returns

Anglo American plc (“Anglo American” or “the Group”) is today providing an update to the investment community on the Group’s sustained operational and financial performance during 2020. The update will also include the latest guidance for the current and next three financial years, including in relation to capital expenditure and production volumes, and a progress update on Anglo American’s growth projects.

Mark Cutifani, Chief Executive of Anglo American, said: “This year has brought numerous challenges and I am immensely proud of how the 90,000 people of Anglo American have responded to every aspect of the pandemic. Our agility to protect our people and communities while sustaining our operations has enabled us to continue to improve the quality, resilience and performance of our business in 2020. At the same time, we have continued to enhance our long term business prospects.

“We expect to deliver sector leading volume growth of 20-25% over the next three to five years that includes first copper production from Quellaveco in 2022. Together with our P101 and technology improvement initiatives, we are on track to deliver our targeted \$3-4 billion run-rate of incremental annual improvement by the end of 2022.

“Looking further out, our diversified portfolio of world-class competitive operations, development projects and undeveloped resources provide us with many further high quality and high returning growth options. With the bulk of those options in copper, PGMs, and now also crop nutrients, we are increasingly positioned to supply those metals and minerals that enable a cleaner, greener, more sustainable world.”

Anglo American maintained a strong performance during 2020, in the face of Covid-19 related and other operational impacts, and expects further performance improvement in 2021:

- Unit costs for 2020 expected to reduce by 2%, despite lower total production volumes;
- Mining EBITDA margin sustained at c.42%, supported by cost control and price strength across copper and iron ore;
- Forecast 2021 capex increased to \$5.7-6.2 billion to reflect carry-over from 2020 deferrals, additional investment in new business improvement opportunities, and the targeting of critical path items for the Woodsmith polyhalite project; and
- Production in 2021 expected to increase by 14%; unit costs to decrease by a further 3%.

Stephen Pearce, Finance Director of Anglo American, commented: “We are delivering strong cash returns, with \$5 billion returned to our shareholders since 2017, investing in quick payback growth and maintaining our strong balance sheet. Our balanced investment programme is driving considerable business improvement, with associated emissions and water benefits, while also delivering margin-enhancing growth – taking us towards our longer term target of a 45-50% mining EBITDA margin.”

Mark Cutifani added: “Anglo American offers a high quality differentiated investment proposition. We have a diversified mix of premium products that are increasingly tilted towards a low carbon economy and broad-based consumer demand. Combined with our integrated approach to technology and sustainability, that will also help us achieve carbon neutrality across our operations by 2040, we are well positioned to meet the expectations of our full breadth of business and societal stakeholders.”

Anglo American plc

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The presentation which contains the details relating to the information referred to above is available on the Anglo American website at: <https://www.angloamerican.com/investors/investor-presentations>

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Notes to editors:

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, development projects and undeveloped resources, provides many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers – and to discover new resources – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

www.angloamerican.com



Forward-looking statements:

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, 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 (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserves and Mineral Resource estimates), 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, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the effects of global pandemics and outbreaks of infectious diseases, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting 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.

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