

## News Release

7 December 2022

### **Anglo American combines nuGen™ with First Mode and invests \$200m to accelerate Zero Emissions Haulage Solution**

Anglo American has signed a binding agreement with First Mode Holding Inc (“First Mode”) to combine Anglo American’s nuGen™ Zero Emissions Haulage Solution (“ZEHS”) with First Mode, the specialist engineering technology company that partnered with Anglo American to develop the nuGen™ ZEHS (the “Transaction”).

The Transaction, first indicated in June 2022, is intended to accelerate the development and commercialisation of Anglo American’s nuGen™ ZEHS. Anglo American acquired a 10% strategic equity interest in First Mode in 2021. The Transaction includes Anglo American making an additional capital investment of \$200 million in the combined business to help fund the ongoing development of ZEHS which, upon completion of the Transaction, values the business in the order of \$1.5 billion and results in Anglo American owning a majority shareholding in First Mode. The balance of the equity interest at that time will be held by a number of First Mode’s founders and employees.

Upon closing of the Transaction, expected in January 2023, Anglo American will enter into a supply agreement with First Mode to decarbonise its global fleet of ultra-class mine haul trucks, of which approximately 400 are currently in operation, in support of Anglo American achieving its 2040 target for carbon neutral operations. The roll-out across Anglo American’s haul truck fleet over the next c.15 years is subject to the completion of agreed and committed studies across seven mine sites, certain performance and cost criteria, and relevant regulatory, corporate and shareholder approvals. The supply agreement also includes the appropriate provision of critical supporting infrastructure such as refuelling, recharging, and facilitation of hydrogen production.

Anglo American also recognises its role in supporting broader decarbonisation objectives outside its own business. The technologies and capabilities that it has been developing as part of the nuGen™ project with First Mode present opportunities beyond Anglo American’s haul truck fleet, including across other industries that rely on heavy duty forms of transport, such as rail.

In addition to accelerating the development and commercialisation of the ZEHS technology, the new combined business will allow strategic third parties to co-invest alongside Anglo American and First Mode, offering the opportunity to accelerate their own decarbonisation and participate in the potential offered by the clean ZEHS technology.

The new combined business retains the First Mode name and will prioritise developing nuGen™ ZEHS, building on three years of extensive development by Anglo American and First Mode.

#### **Anglo American plc**

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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

## Notes to editors:

### nuGen™ ZEHS

Anglo American launched the prototype of its nuGen™ ZEHS hydrogen-powered mine haul truck at its Mogalakwena PGMs mine in South Africa in May 2022 – the world's largest designed to operate in everyday mining conditions.

Conceived as part of Anglo American's FutureSmart Mining™ programme, nuGen™ ZEHS is an end-to-end solution to decarbonise heavy duty transport and includes hydrogen production, on-site storage, ultra-heavy duty refuelling and hydrogen-battery hybrid powertrains to replace incumbent fossil fuel technology. With diesel emissions from its mine haul truck fleets accounting for 10-15% of Anglo American's total Scope 1 emissions, and haulage trucks accounting for up to 80% of diesel emissions at open pit mines, nuGen™ ZEHS will play an important role in delivering not only Anglo American's target of carbon neutral operations by 2040, but also supporting the decarbonisation of the mining industry, with potential across other industries.

### First Mode

First Mode is a global carbon reduction company developing creative, clean energy solutions for heavy industry's toughest problems. We started by removing the diesel engine from a colossal mining truck and replacing it with a hydrogen fuel cell powerplant. A world-first, and the world's largest. But we're not stopping there. We are also working on providing critical mine site infrastructure for hydrogen production, battery recharging, and hydrogen refuelling. Today, we're starting at the source, the mining industry, and tomorrow the larger supply chain, to completely eliminate the use of diesel and speed the clean energy transition.

[www.firstmode.com](http://www.firstmode.com)

### Anglo American

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, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and steelmaking coal, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring 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](http://www.angloamerican.com)



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**Forward-looking statements:**

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 (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and environmental, social and corporate governance goals and aspirations, as well as those regarding the proposed combination of Anglo American's nuGen™ ZEHS with First Mode and related commercial arrangements, 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, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the outcome of litigation or regulatory proceedings, 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 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, the possibility that the proposed combination of Anglo American's nuGen™ ZEHS with First Mode may not be completed in a timely manner or at all, or that Anglo American and First Mode may fail to agree upon commercial terms for

their arrangement or fail to finalise and enter into definitive documentation relating to the anticipated transaction, the possibility that the final terms of any transaction with First Mode may differ, including materially, from the terms currently anticipated, any failure of Anglo American or First Mode to obtain the necessary regulatory approvals to consummate the proposed combination 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.

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