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SENS announcement

Anglo American Platinum Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1946/022452/06)

Share Code: AMS

ISIN: ZAE000013181

("the Company" or "Anglo American Platinum")

Anglo American Platinum enters into renewable energy offtake agreement with Envusa Energy

Anglo American Platinum, through its wholly owned subsidiary, Rustenburg Platinum Mines Limited ("RPM"), has entered into a 20-year Energy Offtake Agreement ("EOA") with Envusa Energy Proprietary Limited ("Envusa Energy"), subject to several outstanding conditions.

Envusa Energy is a joint venture between EDF Renewables and Anglo American plc to develop a regional renewable energy ecosystem ("RREE") in Southern Africa. Envusa Energy will operate as an energy trader sourcing energy generated from renewable sources (from separate generation plants, in which Envusa Energy will hold a majority shareholding) through power purchase agreements (PPAs) and then sell this energy to offtakers.

Under the EOA, Envusa Energy will supply RPM with ~460 MW of renewable energy generated through its Koruson 2 solar and wind projects, via the Eskom electricity grid.

The construction on the Koruson 2 projects is expected to begin in 2024, with all the projects planned to reach commercial operation during 2026. Each Koruson 2 project will be constructed, owned and operated by Envusa Energy subsidiaries which will be funded by a combination of Envusa Energy's shareholders and a consortium of external lenders. Considering the Koruson 2 projects will be majority project financed, RPM will enter into ancillary agreements with the consortium of lenders, as is market practice in project finance transactions.

Craig Miller, CEO of Anglo American Platinum, said: *"The conclusion of the EOA with Envusa Energy to secure clean energy for our operations is a significant milestone in our journey towards our decarbonisation commitments, ensuring that our PGM metals, which are themselves critical to enabling the just energy transition, are produced in a safe and sustainable manner, supporting our ESG leadership priority. In addition, the generation of energy from these wind and solar projects will provide further resilience to Eskom's national electricity provision and reduce our electricity costs."*

This arrangement supports Anglo American Platinum's commitment to reduce its greenhouse gas emissions by 30% (off a 2016 baseline) by 2030 and achieve carbon neutral operations by 2040 (scope 1 & 2 emissions). At steady state, the EOA will result in approximately 35% renewable energy usage by RPM.



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As a result of its ownership structure, Envusa Energy is a related party of Anglo American Platinum and the entry into the EOA constitutes a related party transaction under the JSE Listing Requirements ("JSE LR").

Following engagement with the Johannesburg Stock Exchange (JSE), they have advised that the transaction is in the ordinary course of business of the Company (below a categorisation of 30% of the Anglo American Platinum market capitalization) pursuant to paragraphs 9.1(d) and (e) of the JSE LR, on the basis that the cost of energy is already incurred on a monthly basis and energy is crucial for the normal functioning of the business operations of the company.

Salient terms of the ordinary course of business transaction

- 20-year term, with an option to purchase energy post the initial 20-years at a tariff to be agreed;
- The tariff is in line with market practice of Independent Power Producers which is determined by taking into account the capital cost of investment, operating cost and funding and an expected equity return for the project;
- The energy generated is to be purchased by RPM on a take-or-pay arrangement, subject to specified exceptions;
- ~30% saving on the EOA tariff compared to current Eskom tariff (with the savings over the term of the EOA dependent on future Eskom tariff escalations, amongst other factors);
- Envusa Energy provides a minimum level of performance guarantee with defined financial consequences if this level is not achieved;
- Allocation of risk arising from network events or load curtailment is aligned with market practice for wheeled energy offtake arrangements;
- Envusa Energy to maintain a minimum BBBEE rating that is equal to or better than a level 4 BBBEE rating;
- Remedies for force majeure and network events;
- Termination for events of default; and
- The EOA is subject to the fulfilment of suspensive conditions which include that the projects reach financial close.

Corporate governance processes

Pursuant to paragraph 10.9(b) of the JSE Listings Requirements, the independent non-executive directors of Anglo American Platinum, who are members of an already constituted sub-committee of the Board (the "Governance Committee"), have considered the terms and overall impact of the EOA and are of the opinion that the EOA is in the ordinary course of business of the Company and has been concluded on an arm's length basis.

The Company followed the corporate governance processes set out below before the Governance Committee approved the execution of the EOA:

- Engaged the JSE in accordance with paragraph 9.1(e) of the JSE LR;
- Engaged independent technical and financial advisors to provide assurance to the Governance Committee on the power distribution modelling, energy allocation, and benchmarking the competitiveness of the underlying projects proposed to supply electricity under the EOA;
- Appointed independent external counsel to negotiate the EOA and separate external counsel to undertake a review of the EOA to confirm to the Governance Committee that the terms are arm's length; and



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- Convened several Governance Committee meetings at which committee members were provided with required information, had an opportunity to have queries addressed and/or to request further information.

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Sponsor:

Merrill Lynch South Africa (Pty) Ltd t/a BofA Securities

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Notes to editors:

Anglo American Platinum Limited is a member of the Anglo American plc Group and is a leading primary producer of platinum group metals. The company is listed on the Johannesburg Securities Exchange (JSE). Its mining, smelting and refining operations are based in South Africa. Elsewhere in the world, the Group owns Unki Platinum Mine in Zimbabwe. Anglo American Platinum is committed to the highest standards of safety and continues to make a meaningful and sustainable difference in the development of the communities around its operations.

www.angloamericanplatinum.com

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 copper, nickel, platinum group metals, diamonds (through De Beers), and premium quality iron ore and steelmaking coal – 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



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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.

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