GEM DIAMONDS

HALF-YEAR RESULTS

2023

31 August 2023

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The information contained herein is correct as at 30 August 2023.

H1 2023 IN REVIEW

Revenue
US$71.8 million

EBITDA
US$8.4 million

Carats recovered
50 601

Basic loss per share
0.7 US cents

All injury frequency rate
0.57

Net debt position
US$2.0 million

Decarbonisation target
30% by 2030

US$ per carat achieved
US$1 373

Available facilities
US$72.9 million

DIAMOND MARKET

GLOBAL ROUGH DIAMOND MARKET DOWNTURN IN 2023

GLOBAL ECONOMIC BACKDROP

- Global economic growth of 2% forecast for 2023 (down from 3%)
- Russian / Ukraine conflict continues to impact:
  - Diesel prices
  - Supply chain disruptions
  - Explosives and other consumable prices
  - Commodity prices
  - Inflation and interest rate increases

DIAMOND MARKET

- Downturn of rough diamond market seen in 2023
- De Beers reportedly decreased prices for two consecutive sales
- Petra postponed June tender to August
- Luxury jewellery brands continue to expand
- Lab-grown diamonds

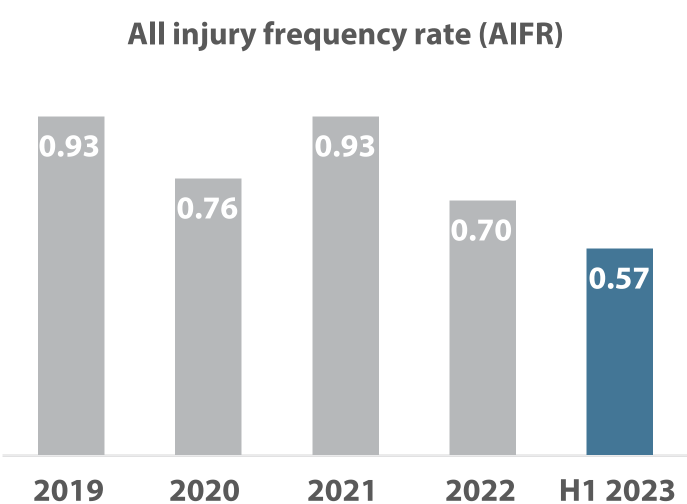
GEM DIAMONDS' POSITION

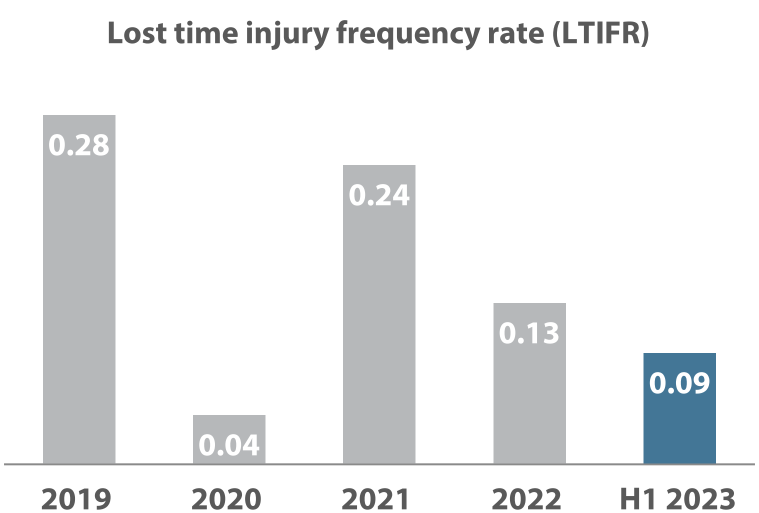
- Highest US$ per carat kimberlite producer
- Revenue impact:
  - market
  - number / quality of large diamonds recovered
- Downstream value program

SUSTAINABILITY

ZERO HARM IS A PRIORITY

- Organisational safety maturity strategy implemented
- Improved safety performance:
  - Zero fatalities and one LTI
  - AIFR: 0.57 (lowest in 10 years)
- No major or significant environmental incidents
- No major or significant social incidents





SUSTAINABILITY

- Decarbonisation target of 30% by 2030
- H1 2023 vs H1 2022 performance:
  - Reduced direct energy consumption by 29%
  - Reduced Scope 1, 2 and 3 carbon emissions by 24%

- Aligned to Global Industry Standard on Tailings Management

- CSI initiatives:
  - Education, infrastructure and SMEs
  - Projects receive continued support

- Advanced bioremediation project for run-off water treatment to be commissioned end Q4 2023

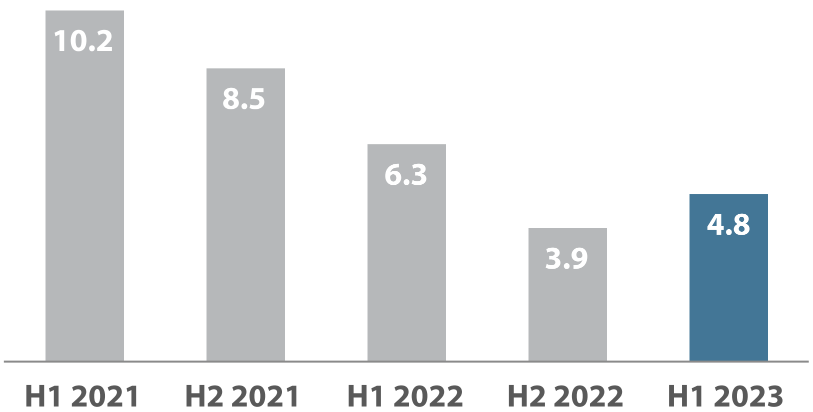
- Integration of our eight adopted UN SDGs

LETŠENG

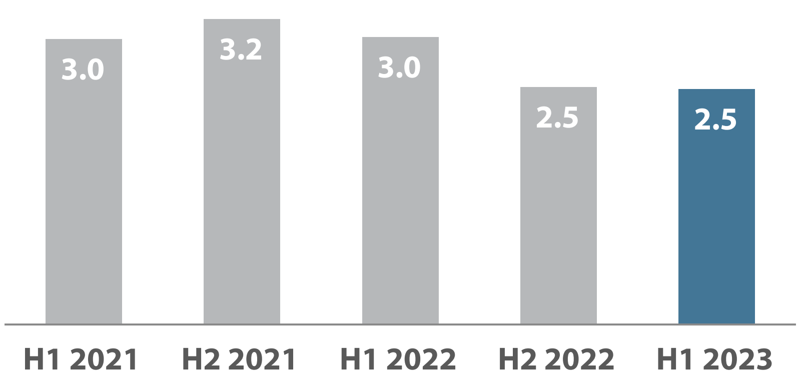
OPERATIONS REVIEW

- Ore tonnes treated impacted primarily by:
  - Electricity grid interruptions
  - Higher levels of internal basalt dilution
- Cost reduction
  - Steeper slopes in Main pit
  - Reduced haulage distances
  - Contract review
  - Management

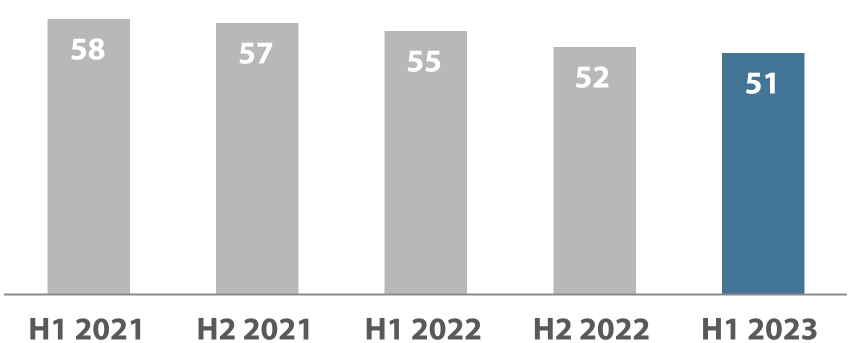
Waste tonnes mined (millions)



Ore tonnes treated (millions)



Carats recovered (thousands)



OPERATIONS REVIEW continued

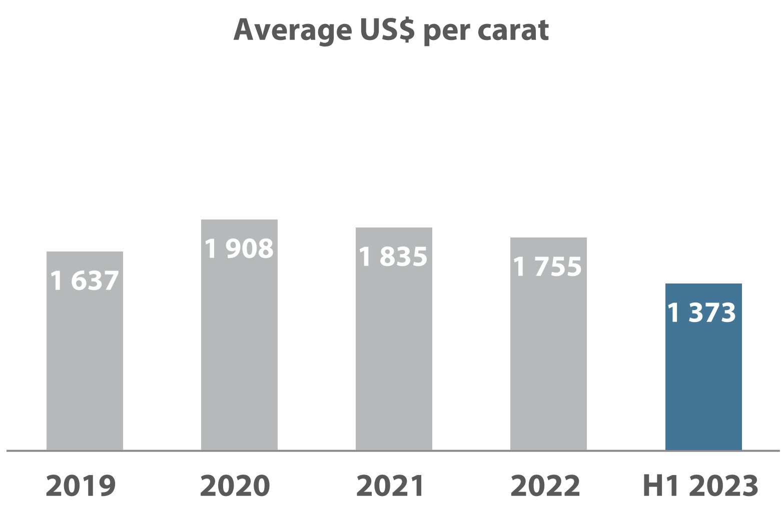
Frequency of large diamond recoveries

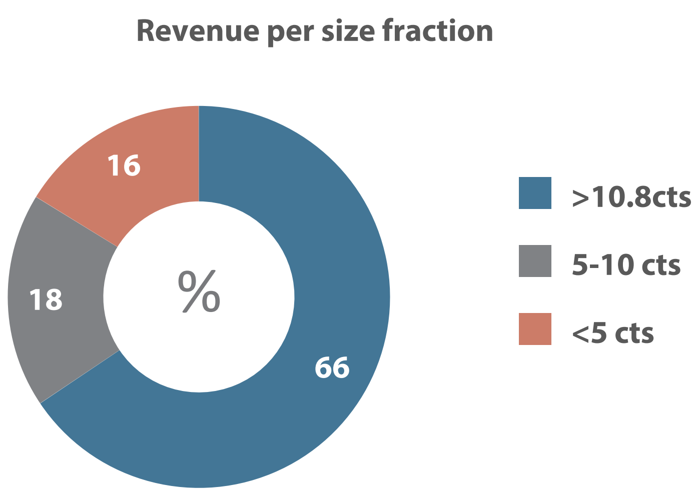
Weight category	H1 2023	H1 2022	FY average 2008 – 2022
>100 carats	2	3	8
60 – 100 carats	4	8	18
30 – 60 carats	28	42	76
20 – 30 carats	58	63	114
10 – 20 carats	226	258	447
Total diamonds >10 carats	**318**	**374**	**663**

- Material capital projects
  - Primary crushing area
  - Underground study

SALES AND MARKETING

- Achieved US$1 373 per carat
- Sold one diamond greater than 100 carats
- Sold 12 diamonds for more than US$1.0 million
- Sold 29 diamonds for more than US$20 000 per carat
- >10.8 carat diamonds contributed 66% of revenue
- Targeted supply to premium, luxury brands





SIGNIFICANT DIAMOND RECOVERIES IN H1 2023

120 CARAT WHITE DIAMOND

58 CARAT WHITE DIAMOND
(HIGHEST WHITE $/CT)

7 CARAT PINK DIAMOND
(THIRD HIGHEST $/CT ACHIEVED TO DATE)

FINANCIAL RESULTS

INCOME STATEMENT

US$ million	**H1 2023**	H1 2022	% Variance
Revenue from contracts with customers	**71.8**	100.0	
Royalties and selling costs	**(7.5)**	(10.8)	
Cost of sales	**(50.7)**	(63.3)	
Corporate expenses	**(5.2)**	(5.0)	
Underlying EBITDA	**8.4**	20.9	(60)
Depreciation and mining asset amortisation	**(3.3)**	(4.3)	
Share-based payments	**(0.2)**	(0.1)	
Other operating expenses	**(0.8)**	(1.0)	
Foreign exchange gain	**2.1**	–	
Net finance costs	**(2.2)**	(2.2)	
Profit before tax for the Period	**4.0**	13.3	(70)
Income tax expense	**(2.5)**	(5.0)	
Profit after tax for the Period	**1.5**	8.3	(82)
Non-controlling interests	**(2.5)**	(4.5)	
Attributable (loss) / profit	**(1.0)**	3.8	(127)
(Loss) / earnings per share (US cents)	***(0.7)***	*2.7*	*(126)*

LETŠENG UNIT COST ANALYSIS

		H1 2023	H1 2022	% Variance
Ore tonnes treated (millions)		**2.5**	3.0	(18)
Operating Costs	*Direct cash costs*[1]	**296.54**	223.76	
	Plant 3 operator costs	**–**	14.28	
Total direct cash operating costs		**296.54**	238.04	25
Non-cash accounting charges[2]		**78.24**	85.67	
Total operating cost per tonne treated – LSL		**374.78**	323.71	16
Average foreign exchange rate (LSL: US$)		***18.21***	*15.41*	
Total operating cost per tonne treated – US$		**20.57**	21.00	(2)

Waste tonnes mined (millions)	**4.8**	6.3	(23)
Total waste cash costs per waste tonne mined – LSL	**63.80**	56.88	12
Average foreign exchange rate (LSL: US$)	***18.21***	*15.41*	
Total waste cash costs per waste tonne mined – US$	**3.50**	3.69	(5)

[1] *Direct mine cash costs represent all operating costs, excluding royalty and selling costs.*

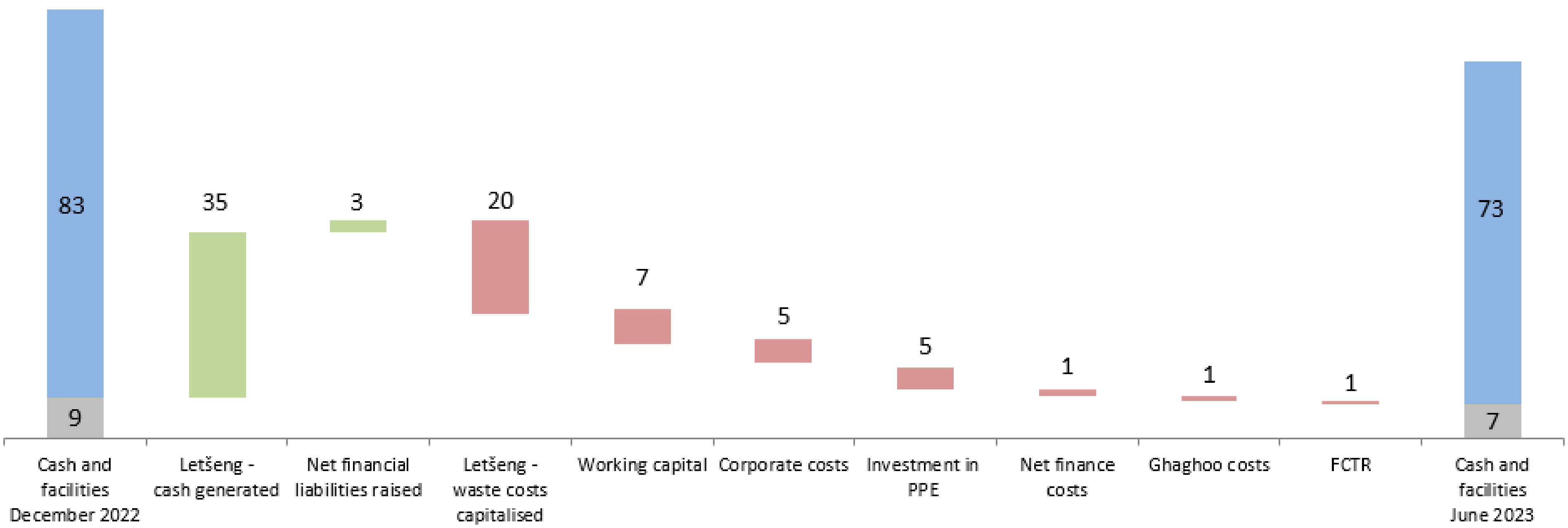
[2] *Non-cash accounting charges include waste stripping cost amortised, inventory and ore stockpile adjustments, finance lease costs, and excludes depreciation and mining asset amortisation.*

FINANCIAL POSITION

US$ million	30 June 2023	31 December 2022	% change
Non-current assets	**288.1**	313.6	
IFRS 16 Right-of-use assets	**5.6**	6.3	
Current assets	**35.9**	35.2	
Income tax receivable	**1.2**	2.3	
Cash	**7.3**	8.7	
Total assets	**338.1**	366.1	(8)
Equity attributable to the parent company	**135.2**	152.6	
Non-controlling interest	**76.0**	80.4	
Total equity	**211.2**	233.0	(5)
Interest-bearing loans and borrowings (long and short term)	**8.9**	5.9	
IFRS 16 lease liabilities (long and short term)	**6.9**	7.9	
Non-current liabilities	**16.1**	17.6	
Deferred tax liabilities	**77.1**	82.0	
Current liabilities	**17.9**	19.6	
Income tax payable	**–**	0.1	
Total liabilities	**126.9**	133.1	(5)

CASH MANAGEMENT

- Group cash of US$7.3 million
- Net debt of US$2.0 million
- Available facilities of US$72.9 million



LETŠENG 2023 GUIDANCE

	2023 Guidance (revised)	2023 Guidance (original)
Waste stripped (Mt)	9 – 11	9 – 11
Ore treated (Mt)	***4.9 – 5.1***	5.15 – 5.35
Satellite pipe ore contribution[1] (Mt)	2.8 – 3.0	2.8 – 3.0
Carats recovered (Kct)	104 – 107	104 – 107
Carats sold (Kct)	102 – 105	102 – 105
Direct cash costs (before waste) per tonne treated[2] (LSL)	***285 – 305***	250 – 270
Operating costs per tonne treated[3] (LSL)	***380 – 395***	345 – 365
Mining waste cash costs per tonne of waste mined (LSL)	65 – 70	65 – 70
Total capital[4] (US$ million)	13 – 15	13 – 15

[1] The contribution from Satellite pipe material is evenly spread throughout the year.
[2] Direct cash costs excludes royalty and selling costs.
[3] Operating costs comprise direct cash costs, waste stripping cost amortised, inventory and ore stockpile adjustments, depreciation and mining asset amortisation and finance lease costs.
[4] At an exchange rate of US$1: LSL17.50.

CONTACT US

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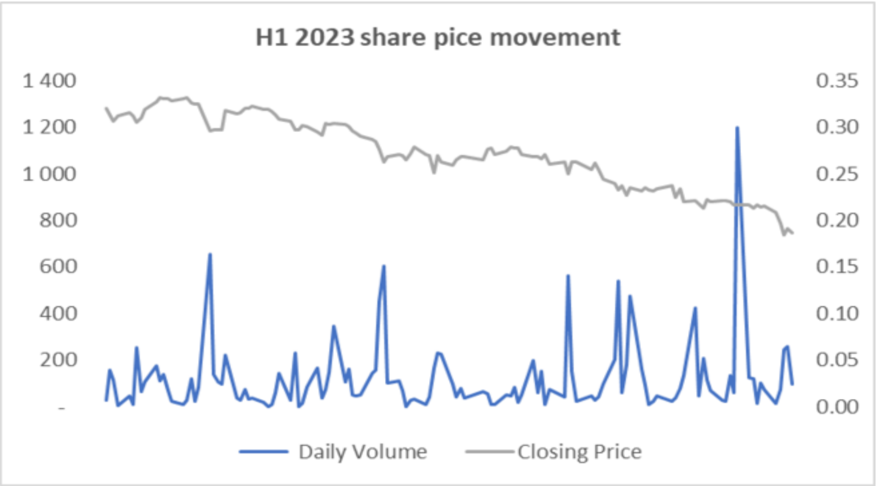
APPENDIX A: MARKET INFORMATION



Gem Diamonds Limited is listed on the Main Board of the London Stock Exchange LSE: GEMD

Daily average trading volume across all platforms in H1 2023	**120k**
Shares in issue (excl. treasury shares)	**139 338 961**
Free float (excl. holders above 5%, ESOP and Directors' holdings) (%)	**30.9**
Share price (29 August 2023)	**£0.18**
Market capitalisation (millions)	**£24/US$31**

Major shareholders	**As at 15 August 2023 (%)**
Sustainable Capital Limited	**21.9**
Graff Investments Limited	**15.0**
Lansdowne Partners Ltd	**13.4**
Aberforth Partners LLP	**12.1**
Gem Diamonds Holdings Ltd	**6.7**
Hosking Partners LLP	**3.4**
Hargreaves Lansdown Asset Management	**2.9**
Dimensional Fund Advisors	**2.5**

Company officers

Clifford Elphick	Chief Executive Officer
Michael Michael	Chief Financial Officer
Brandon de Bruin	Chief Operating Officer

GEM DIAMONDS

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