GEM DIAMONDS

2026

HALF-YEAR REPORT

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INTERIM BUSINESS REVIEW

OVERVIEW

The Group presents its results for the six months ended 30 June 2026 (the Period). The diamond market remained challenging during the Period, with rough and polished diamond prices continuing to be affected by macro-economic volatility and synthetic diamonds which have negatively impacted the market prices in the smaller size and lower-quality segments of the market. Letšeng's diamonds, renowned for their exceptional quality and size, have been less impacted, with encouragingly strong demand leading to an improvement in prices during H1 2026.

Letšeng’s production volumes in the Period were in line with planned output and its long-term mine plan published in the Group’s Annual Report and Accounts 2025, available on the Group’s website. Operating costs remained well in control, reflecting the benefits of the structural changes and cost-reduction initiatives implemented through the Business Resilience (BR) Programme launched in July 2025.

Revenue increased by 32% to US$59.7 million compared to US$45.4 million in H1 2025. An average price of US$1 395 per carat was achieved from the sale of 42 624 carats (H1 2025: US$1 008 per carat from the sale of 44 360 carats) from Letšeng. The higher revenue compared to H1 2025 was due to the higher quality of diamonds sold and an improvement in prices seen during the Period, notwithstanding the lower volumes of higher-value Satellite pipe ore treated during the Period. This resulted in higher revenue in the Period despite a marginal 4% decrease in carats sold.

Underlying EBITDA increased to US$8.6 million (H1 2025: negative underlying EBITDA of US$2.6 million) while the Group recorded an attributable profit of US$0.6 million, compared to an attributable loss of US$11.7 million in H1 2025.

The Group ended the Period with a cash balance of US$20.2 million (31 December 2025: US$3.8 million) and a net debt position of US$0.5 million (31 December 2025: US$20.1 million).

Waste tonnes mined during the Period were reduced to 0.3 million tonnes (H1 2025: 1.7 million) in line with the BR Programme and other short-term mine plan optimisation initiatives. Notwithstanding the necessary deferral of waste mining to weather current economic conditions, the long-term waste mining profile and ore availability remains sufficient to support the current treatment rate of approximately 5.0 million tonnes per annum through to 2034.

Ore tonnes treated increased marginally to 2.6 million tonnes (H1 2025: 2.5 million) from which 41 695 carats were recovered (H1 2025: 47 125). The decrease in carats recovered is primarily due to the higher proportion of lower-grade Main Pipe ore, which contributed 84% of the ore treated during the Period (H1 2025: 68%).

The safety of the Group's workforce remains a top priority. The critical control management strategy initiated in 2021 to enhance the maturity of Letšeng's organisational safety culture is fully embedded. Safety performance remained strong during the Period, with an all-injury frequency rate (AIFR) of 0.50 (H1 2025: 0.51). One lost time injury (LTI) was recorded in the Period (H1 2025: none).

The Group reached its decarbonisation target in 2025, of reducing its 2021 Scope 1 and 2 carbon emissions by 30% by 2030, and remains focused on minimising its environmental footprint. The Group achieved a 10% reduction in carbon emissions compared to H1 2025.

LOOKING AHEAD

The timing and extent of any sustainable recovery in the diamond market remains uncertain. In the near term, the Group will remain focused on maintaining the cost management benefits achieved through the BR Programme to preserve cash, while continuing to operate Letšeng safely, responsibly and efficiently.

Alternative mining methods are being investigated to access the higher-value Satellite Pipe ore sooner than 2031 per Letšeng’s current mine plan.

The Group’s revolving credit facilities remain an important component of its liquidity position. Discussions with lenders are underway to conclude the renewal or extension of the current facilities ahead of their expiry in December 2026.

OPERATIONS REVIEW

H1 2026 IN REVIEW

- Zero fatalities and one lost time injury (LTI)
- Zero significant or major environmental or social incidents
- Recovered three diamonds greater than 100 carats (H1 2025: four)
- Achieved an average price of US$1 395 per carat (H1 2025: US$1 008 per carat)
- The highest price achieved was US$32 908 per carat for a 52.24 carat white diamond

SUSTAINABILITY

Health, safety and environment

The Group's unwavering commitment to health and safety remains at the core of its operations, underpinned by a zero harm and zero tolerance approach. The Group has embedded a culture of accountable, proactive safety leadership, underpinned by disciplined yet supportive practices, resulting in consistent and measurable improvements in safety performance.

The Group maintained a strong safety performance during the Period, achieving an AIFR of 0.50 while recording one LTI.

Safety performance	Unit	H1 2026	H1 2025	H1 2024	H1 2023	H1 2022
Fatalities	Number	**0**	0	0	0	0
Lost time injuries (LTIs)	Number	**1**	0	3	2	3
Lost time injury frequency rate (LTIFR)	200 000 man hours	**0.17**	0.00	0.18	0.10	0.13
All injury frequency rate (AIFR)	200 000 man hours	**0.50**	0.51	0.61	0.67	0.70

No major or significant environmental incidents occurred at any of the Group's operations during the Period.

Corporate social responsibility investment (CSRI)

In H1 2026, the Group continued to advance its CSRI strategy, implementing targeted initiatives addressing the needs of and supporting its project-affected communities, maintaining its social license to operate, and upholding its commitment to the adopted UN Sustainable Development Goals.

The five-year CSRI strategy (2022 - 2026) remains firmly on track, with projects closely aligned to both the evolving needs of local communities and the broader objectives of the Group. No major stakeholder complaints were received during the Period, underscoring the Group's commitment to proactive and constructive community and other stakeholder engagement.

Carbon emissions

The Group reached its decarbonisation target in 2025, of reducing its Scope 1 and 2 carbon emissions by 30% by 2030 (measured against 2021). The Group remains committed to its decarbonisation objectives and continuously mitigating its environmental impact. The implementation of energy efficiency initiatives and the assessment of suitable low-carbon and renewable energy alternatives continue.

In H1 2026, the Group's total carbon footprint (Scope 1, 2 and 3) was 45 433 tCO_2e, a 10% reduction compared to H1 2025 of 50 717 tCO_2e, mainly due to lower diesel consumption in the mobile mining fleet that was driven by lower waste mining volumes and reduced reliance on standby generators. This resulted in a 9% reduction of Scope 1 and 2 emissions and a 30% reduction in Scope 1 emissions in H1 2026 compared to H1 2025.

Carbon emissions	Unit	H1 2026	H1 2025	% change
Scope 1 (direct)	tCO_2e	**10 499**	14 923	(30)
Scope 2 (indirect)	tCO_2e	**31 361**	31 243	–
Total Scope 1 and 2	tCO_2e	**41 860**	46 166	(9)
Scope 3 (indirect)	tCO_2e	**3 573**	4 551	(21)
Total Scope 1, 2 and 3	tCO_2e	**45 433**	50 717	(10)

Residue storage facility (RSF) management

The Group's RSF management policy and standards are aligned to the Global Industry Standard on Tailings Management (GISTM). Robust management and governance structures are in place at both operational and Group levels to ensure effective management, oversight and assurance. Letšeng's RSFs remain in good condition, supported by a focused and well-executed operations, management and control strategy.

PRODUCTION OVERVIEW

Production volumes at Letšeng for the Period were in line with the mine plan as published in the Group's Annual Report and Accounts 2025 that included initiatives aimed at responsibly reducing waste mining volumes to contain costs in the prevailing market conditions.

	Unit	H1 2026	H1 2025	% change
Waste mined	tonnes	**308 118**	1 698 817	(82)
Ore mined	tonnes	**2 595 495**	2 565 796	1
Ore treated	tonnes	**2 604 145**	2 504 001	4
Carats recovered	carats	**41 695**	47 125	(12)
Recovered grade	cpht[1]	**1.60**	1.88	(15)

[1] *Carats per hundred tonnes.*

Waste mining decreased by 82% to 0.3 million tonnes compared to 1.7 million tonnes in H1 2025. Notwithstanding the deferral of certain waste mining activities to weather current economic conditions in line with the BR Programme, planned ore availability remains consistent at the current annual treatment rate of c.5.0 million tonnes until 2034 as set out in the life-of-mine plan.

Ore tonnes treated in H1 2026 of 2.6 million was consistent with H1 2025 and in line with the planned treatment throughput rate of c. 5.0 million tonnes per annum.

Letšeng recovered 41 695 carats compared to 47 125 carats in H1 2025. The 12% decrease in carats recovered during the Period is primarily due to the lower-grade Main Pipe contributing 84% (H1 2025: 68%) to the treated ore in the Period.

The combined Main and Satellite Pipe grade for H1 2026 was 1.60 cpht (H1 2025: 1.88 cpht). The 15% decrease was due primarily to a lower contribution of higher-grade Satellite Pipe ore (0.4 million tonnes), which accounted for 16% (H1 2025: 32%) of ore treated during the Period.

Frequency of large diamond recoveries

Number of diamonds	H1 2026	H1 2025	FY average 2008 – 2025
>100 carats	**3**	4	8
60 – 100 carats	**4**	10	17
30 – 60 carats	**24**	21	75
20 – 30 carats	**39**	51	112
10 – 20 carats	**187**	211	447
Total diamonds > 10 carats	**257**	297	659

Three greater than 100 carat diamonds were recovered in the Period of which two were sold. A 346.99 carat white diamond was recovered on 21 June and has been named the 'Lesotho Jubilee' to commemorate the 60th anniversary of Lesotho's independence that will be celebrated on 4 October this year. The diamond will be sold after Period end.

The overall decrease in the number of diamonds recovered in the above size categories compared to H1 2025 can be attributed to the lower contribution of Satellite Pipe ore treated in the Period. The improved quality of the diamonds recovered during the Period, however, contributed to the increased revenue achieved.

ROUGH DIAMOND SALES

The average price achieved during the Period was US$1 395 per carat (H1 2025: US$1 008 per carat). 42 624 carats were sold during the Period, generating rough diamond revenue of US$59.4 million (H1 2025: 44 360 carats generating revenue of US$44.7 million). Revenue was higher compared to H1 2025 due to an overall improvement in the quality of diamonds sold and an improvement in prices, despite the decrease in higher-value Satellite Pipe ore contribution and a marginal 4% decrease in carats sold.

The highest price achieved for a single diamond was US$32 908 per carat for a 52.24 carat white diamond and a top-quality, 191.82 carat white diamond was sold for US$5.5 million (US$28 720 per carat). Eight diamonds sold for more than US$1.0 million each, generating revenue of US$16.1 million (H1 2025: six diamonds sold for more than US$1.0 million each, generating revenue of US$9.3 million).

GROUP FINANCIAL PERFORMANCE

H1 2026 IN REVIEW

- Revenue achieved of US$59.7 million (H1 2025: US$45.4 million)
- Underlying EBITDA[2] of US$8.6 million (H1 2025: negative underlying EBITDA of US$2.6 million)
- Attributable profit of US$0.6 million (H1 2025: attributable loss of US$11.7 million)

PROFITABILITY AND LIQUIDITY

Refer to the interim consolidated statement of profit or loss on page 12.

US$ million	H1 2026	H1 2025
Revenue	**59.7**	45.4
Royalties and selling costs	**(0.7)**	(5.2)
Cost of sales[1]	**(47.9)**	(39.7)
Corporate expenses	**(2.5)**	(3.1)
Underlying EBITDA[2]	**8.6**	(2.6)
Depreciation and mining asset amortisation	**(5.4)**	(6.1)
Share-based payments	**(0.1)**	(0.1)
Other operating income	**0.2**	0.5
Impairment of goodwill	**–**	(10.7)
Foreign exchange gain	**1.7**	1.1
Net finance costs	**(1.9)**	(2.1)
Profit/(loss) before tax for the Period	**3.1**	(20.0)
Income tax (charge)/benefit	**(0.9)**	2.4
Profit/(loss) after tax for the Period	**2.2**	(17.6)
Non-controlling interests	**(1.6)**	4.3
Attributable profit/(loss) from continuing operations	**0.6**	(13.3)
Profit from discontinued operation	**–**	1.6
Attributable net profit/(loss)	**0.6**	(11.7)
Earnings/(loss) per share (US cents)	**0.5**	(8.4)
Earnings/(loss) per share from continuing operation (US cents)	**0.5**	(9.5)
Earnings per share from discontinued operation (US cents)	**–**	1.1

[1] Including waste stripping amortisation costs but excluding depreciation and mining asset amortisation.
[2] As defined in Note 6, Underlying earnings before interest, tax, depreciation and mining asset amortisation (underlying EBITDA) before discontinued operation of the condensed notes to the consolidated interim financial statements.

The challenging macro-economic environment, characterised by high inflation, elevated fuel prices and a weakening US dollar, has adversely impacted the Group's US dollar reported costs and impacted local currency cash flow generation.

The Group generated an underlying EBITDA[2] of US$8.6 million (H1 2025: negative underlying EBITDA US$2.6 million). The profit attributable to shareholders was US$0.6 million (H1 2025: attributable loss of US$11.7 million after recording a goodwill impairment of US$10.7 million). This equated to an earnings per share of 0.5 US cents (H1 2025: loss per share of 8.4 US cents) on a weighted average number of shares in issue of 139.9 million (H1 2025: 139.7 million) shares.

Revenue

US$ million	H1 2026	H1 2025
Sales – rough	**59.4**	44.7
Sales – polished margin	**0.3**	0.3
Impact of carrying over rough diamonds	**–**	0.4
Group revenue	**59.7**	45.4

The Group's revenue of US$59.7 million was generated by the sale of 42 624 carats at an average price of US$1 395 per carat. Additional revenue is generated through an arrangement with two diamond manufacturing customers to supply polished diamonds to some of the world's most premium luxury brands, and other partnership arrangements. These agreements allow the Group to share in a margin uplift on the sale of polished diamonds. In H1 2026, additional revenue of US$0.3 million (H1 2025: US$0.3 million) was generated from these arrangements.

Costs

The Group closely manages its costs to preserve cash resources and maintain appropriate operating margins. Operating expenses continue to be negatively impacted by high inflation and fuel prices. The implementation of the BR Programme in July 2025 had a positive impact on costs, significantly reducing cash operating expenses in H1 2026 compared to H1 2025, specifically in local currency.

EXCHANGE RATE IMPACTS

While revenue is generated in US dollars, the majority of operational expenses are incurred in the relevant local currency of the operational jurisdictions. Local currency rates for the Lesotho loti (LSL) (pegged to the South African rand) strengthened against the US dollar compared to H1 2025, which increased the Group's US dollar reported costs and decreased local currency cash flow generation.

Exchange rates	H1 2026	H1 2025	% change	FY 2025
LSL per US$1.00				
Average exchange rate	**16.42**	18.39	(11)	17.88
Period end exchange rate	**16.39**	17.77	(8)	16.57
GBP per US$1.00				
Average exchange rate	**0.74**	0.77	(4)	0.76
Period end exchange rate	**0.75**	0.73	3	0.74

ROYALTIES AND SELLING COSTS

In terms of Letšeng's mining lease, royalties are paid to the Government of the Kingdom of Lesotho on the value of rough diamonds sold. At the end of August 2025, the Lesotho Government agreed to suspend Letšeng's royalties for a period of six months, as part of their support to the Lesotho diamond mining industry during the challenging market conditions. During the Period, the suspension was extended to the end of September 2026. Engagement with the Lesotho Government is ongoing to discuss further royalty relief after this date.

The Group's sales and marketing operation in Belgium incurs costs relating to diamond selling and marketing. Royalties and selling costs decreased by 86% overall to US$0.7 million (H1 2025: US$5.2 million), primarily due to the royalty relief.

COST OF SALES

	H1 2026	H1 2025	% change
Direct cash costs (excluding waste costs)	**31.3**	31.7	(1)
Non-cash accounting charges	**16.6**	8.0	107
Total cost of sales	**47.9**	39.7	21

The Group's cost of sales increased by 21% overall from US$39.7 million in H1 2025 to US$47.9 million in H1 2026.

Direct cash costs (excluding waste costs) decreased by 1% compared to H1 2025, despite the 11% strengthening of the local currency against the US dollar, high inflation and significantly increased fuel prices. The structural changes implemented through the BR Programme continued to deliver tangible benefits during the Period and contributed to a lower operating cost base in local currency.

Non-cash accounting charges include waste stripping costs amortised, inventory and ore stockpile movements, and finance lease costs, and exclude depreciation and mining asset amortisation. The material increase in H1 2026 compared to H1 2025 is primarily due to the movement in stockpile and diamond inventory volumes and costs during the various reporting periods.

UNIT COST ANALYSIS

Direct cash costs (excluding waste costs) for the Period was LSL513.4 million (US$31.3 million) in H1 2026, a 12% decrease from LSL582.1 million (US$31.7 million) in H1 2025. The decrease in dollar terms was only 1%, reflecting the negative impact of the weakened US dollar on the Group's cost. The cost per tonne treated decreased by 15% in local currency to LSL197.39 (US$12.01) in H1 2026 compared to LSL232.48 (US$12.65) in H1 2025.

Total all-in cash costs (including direct cash costs and waste costs) decreased 23% in local currency to LSL536.0 million (US$32.6 million) in H1 2026 from LSL699.0 million (US$38.0 million) in H1 2025. This is due to the 82% decrease in waste tonnes mined and the cost savings realised through the BR Programme. The overall decrease is notwithstanding inflationary pressures and the increase in the fuel price from LSL17.44 to LSL25.31 per litre over the Period, with the highest price being LSL29.40 per litre in May. In unit cost terms, the all-in cash cost per tonne treated was LSL205.82 (US$12.53) compared to LSL279.13 (US$15.18) in H1 2025, a decrease of 15%.

Non-cash accounting charges increased 74% to LSL104.73 (US$6.37) per tonne treated from LSL60.27 (US$3.28) H1 2025.

Total waste cash costs decreased by 81% to LSL22.0 million (US$1.3 million) compared to LSL116.8 million (US$6.4 million) in H1 2025 due to the 82% decrease in waste tonnes mined. The waste cash cost per waste tonne mined, however, increased by 4% primarily reflecting the fixed cost component allocated to lower volumes of waste tonnes.

Letšeng unit cost analysis

Unit cost per tonne treated	Direct cash costs[1]	Non-cash accounting charges[2]	Total operating costs	Waste cash costs per waste tonne mined
H1 2026 (LSL)	**197.39**	**104.73**	**302.12**	**71.29**
H1 2025 (LSL)	232.48	60.27	292.75	68.76
% change	(15)	74	3	4
H1 2026 (US$)	**12.01**	**6.37**	**18.38**	**4.34**
H1 2025 (US$)	12.65	3.28	15.93	3.74
% change	(5)	94	15	16

[1] Direct cash costs represent all operating costs (excluding waste costs), excluding royalty and selling costs.
[2] Non-cash accounting charges include waste stripping cost amortised, inventory and ore stockpile adjustments, and finance lease costs, and exclude depreciation and mining asset amortisation.

CORPORATE EXPENSES

Corporate office costs are incurred to provide expertise in all areas of the business to realise maximum value from the Group's assets. These costs are incurred by the Group through its technical and administrative offices in South Africa (in South African rand) and head office in the UK (in British pounds).

Corporate costs are closely managed and ongoing rationalisation has resulted in a 19% decrease in costs to US$2.5 million compared to US$3.1 million in H1 2025.

FINANCIAL POSITION

Selected totals of the Interim Consolidated Statement of Financial Position and key asset drivers are tabled below.

US$ million	H1 2026	FY 2025	% change
Non-current assets	**213.0**	219.0	
Current assets	**66.6**	60.8	
Total assets	**279.6**	279.8	–
Equity attributable to parent company	**111.3**	109.9	
Non-controlling interest	**70.5**	68.7	
Total equity	**181.8**	178.6	2
Non-current liabilities	**69.8**	75.3	
Current liabilities	**28.0**	26.0	
Total liabilities	**97.8**	101.3	(3)

Key asset drivers

US$ million	H1 2026	H1 2025	% change
Waste cost capitalised	**1.9**	8.1	(77)
Waste stripping cost amortised	**15.7**	13.6	16
Depreciation and mining asset amortisation	**5.4**	6.1	(11)
Capital expenditure	**0.3**	2.2	(88)

Waste cost capitalised decreased in line with the 82% decrease in waste tonnes mined. The waste stripping cost amortised increased to US$15.7 million (H1 2025: US$13.6 million) mainly driven by the impact of the 11% strengthening of the local currency against the US dollar. Depreciation and mining asset amortisation decreased by 11% to US$5.4 million (H1 2025: US$6.1 million) due to the impairment charge in 2025 that decreased the carrying value of the mining asset by US$63.7 million and, as a result, decreased the mining asset amortisation.

During the Period, the majority of capital spent related to the completion of capital projects that commenced in 2025 for the modification and improvement of the diamond recovery plant and sort house, and improvements in the scrubber bypass process within the plants.

Liquidity and solvency

The Group ended the Period with a cash balance of US$20.2 million (31 December 2025: US$3.8 million), of which US$14.7 million is attributable to Gem Diamonds. Utilisation of the revolving credit facilities amounted to US$12.0 million and term loan facilities outstanding of US$8.7 million (31 December 2025: US$13.0 million and US$10.9 million respectively) resulting in a net debt position of US$0.5 million (31 December 2025: US$20.1 million). The decrease in net debt is mainly due to higher revenue generated and the cost management benefits following the implementation of the BR Programme. Unutilised available facilities amounted to US$69.9 million (31 December 2025: US$68.3 million) comprising US$18.0 million at Gem Diamonds and US$51.9 million at Letšeng.

The Group generated cash from its operating activities of US$24.8 million (H1 2025: US$14.9 million) before investing US$0.7 million in working capital and incurring net finance costs of US$2.0 million.

The Group-wide revolving credit facilities at Letšeng of LSL450.0 million and ZAR300.0 million (together US$45.8 million) and Gem Diamonds of US$30.0 million expire in December 2026. It is the intention to refinance these facilities and the Board has a reasonable expectation that the refinancing will be successfully concluded. The successful refinancing of these facilities remains a key assumption in the Group's going concern assessment (refer to the Going concern section below). Discussions with lenders regarding the renewal or extension of these facilities are underway.

Letšeng has a LSL100.0 million (US$6.1 million) general banking facility.

Summary of loan facilities as at 30 June 2026:

Company	Term/ description/ expiry	Lender	Interest rate	Amount US$ million	Drawn down/ Balance due US$ million	Available US$ million
Gem Diamonds Limited	Revolving credit facility Expires 21 December 2026	Nedbank Standard Bank Firstrand Bank	Facility A (US$30 million): Term SOFR (3.70%)+ 5.21%	30.0	12.0	18.0
Letšeng Diamonds	Revolving credit facility Expires 21 December 2026	Standard Lesotho Bank Nedbank Lesotho First National Bank of Lesotho Firstrand Bank	Facility B (LSL450 million): Central Bank of Lesotho rate (6.75%)+ 3.25%	27.5	–	27.5
		Nedbank	Facility C (ZAR300 million): South African JIBAR (6.75%)+ 3.00%	18.3	–	18.3
Letšeng Diamonds	Four-and-a-half-year project facility Expires 31 May 2027	Nedbank Export Credit Insurance Corporation	ZAR132 million South African JIBAR (6.75%) + 2.50%	8.1	2.3	–
Letšeng Diamonds	General banking facility Reviewed annually	Nedbank	ZAR100 million South African Prime Lending Rate (10.50%) minus 0.70%	6.1	–	6.1
Letšeng Diamonds	Five-year term loan facility Expires 28 February 2029	Standard Lesotho Bank Nedbank Lesotho	LSL200 million Lesotho prime rate (10.25%) minus 1.50%	12.2	6.4	–
Total				102.1	20.7	69.9

Taxation

The Group applies all relevant principles in accordance with prevailing legislation when assessing its tax obligations. The Group's effective tax rate for the Period is 30.1% (31 December 2025: 21.2%). The tax charge has historically been calculated by applying the effective full year forecast tax rate to the pre-tax income of the Period. In this Period, however, management has determined that applying this rate would result in an anomalous and severely distorted interim tax charge resulting in a tax rate of c.120%. Management has therefore opted to calculate the income tax expense using the actual effective tax rate applicable to the Period, as it considers this method to provide a more accurate and relevant representation of the financial information.

Most of the Group's taxes are incurred in Lesotho, which has a corporate tax rate of 25%. The applied tax rate is higher than the Lesotho statutory tax rate mainly due to the impact of permanent differences and deferred tax assets not recognised on losses incurred in other operations. Refer Note 8, Income tax (charge)/benefit for more detail.

The Group continues to pursue a long-standing legal matter relating to an amended tax assessment that was issued to Letšeng by the Revenue Services Lesotho in December 2019, contradicting the application of certain tax treatments in the current Lesotho Income Tax Act, 1993. The Group has sought senior legal counsel and their advice indicates good prospects for success.

GOING CONCERN

The going concern assumption remains dependent on the successful refinancing of the Group's revolving credit facilities, expiring in December 2026. The Group's financial position has improved since year-end. Cash on hand increased to US$20.2 million (31 December 2025: US$3.8 million), the net debt position improved by US$19.6 million to US$0.5 million (31 December 2025: US$20.1 million), and total liquidity (net cash and available undrawn facilities) strengthened to US$69.3 million from US$48.1 million at 31 December 2025.

Notwithstanding this improved performance, the Group acknowledges that the refinancing of its facilities remains an important consideration of its going concern assessment. The Group has been actively engaged with its lenders on the renewal and/or extension of the facilities prior to their expiry in December 2026.

Should the renewal or extension not be concluded, this may indicate a material uncertainty and cast significant doubt on the Group's ability to continue as a going concern in the absence of other mitigating actions. The Board has a reasonable expectation, supported by the Group's strengthened financial position and the constructive lender engagement underway, that these facilities will be successfully refinanced and that the Group will have adequate financial resources to continue operations for the foreseeable future. This assessment, in conjunction with a review of forecasts, budgets, timing of cash flows, current cost structures and sensitivity analyses, supports the adoption of the going concern basis in preparing the Half-year financial statements.

LOOKING AHEAD

The availability of the Group's revolving credit facilities is critical for the business, and lender discussions continue in order to conclude the refinancing before the expiry of these facilities in December 2026.

There is no certainty around a full recovery of the diamond market in the short term, and the focus will remain on ensuring that the benefits from the BR Programme continue to deliver to preserve cash resources, while mining and processing safely, responsibly and efficiently.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal risks and uncertainties, both current and emerging, that could have a material financial, operational and compliance impact on its performance and long-term growth, were presented in the Annual Report and Accounts 2025 (pages 18 to 23). The Group's implemented risk management strategy aims to manage Group risk so as to minimise threats and maximise opportunities.

The Group's principal risks as presented in the Annual Report and Accounts 2025 remain unchanged in the medium to long term and take into consideration current market and operational conditions of the Group's operations and global markets to determine whether any changes occurred in the perceived risk level associated with each principal risk.

The assessed risk levels for all principal risks as presented in the Annual Report and Accounts 2025, remain unchanged.

Clifford Elphick

Chief Executive Officer

2 September 2026

HALF-YEAR FINANCIAL STATEMENTS CONTENTS

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEAR REPORT AND FINANCIAL STATEMENTS

PURSUANT TO DISCLOSURE AND TRANSPARENCY RULES (DTR) 4.2.10

The Directors confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting and that the Half-Year Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

(a) an indication of important events that have occurred during the first six months of the financial year and their impact on this condensed set of financial statements; and

(b) material related-party transactions in the first six months of the year and any material changes in the related-party transactions described in the Gem Diamonds Limited Annual Report and Accounts 2025.

On 3 June 2026, Harry Kenyon-Slaney, the independent non-Executive Chair retired from the Board following his nine-year tenure and in line with UK Corporate Governance principles. He was replaced as Chair by existing independent non-Executive Director, Mike Brown, on the same day. With effect from 3 June 2026, Mike Brown retired as a member of the Audit Committee and was appointed as Chair of the Nominations Committee. He retained his position as Chair of the Sustainability Committee. Rosalind Kainyah retained her position as Chair of the Remuneration Committee and is a member of the Audit, Nomination and Sustainability Committees. Janet Blas retained her position as Chair of the Audit Committee and is a member of the Remuneration Committee. The names and functions of the other Directors of Gem Diamonds Limited are listed in the Annual Report and Accounts for the year ended 31 December 2025.

For and on behalf of the Board

Michael Michael

Chief Financial Officer

2 September 2026

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	30 June 2026[1] US$'000	30 June 2025[1] US$'000
CONTINUING OPERATIONS			
Revenue from contracts with customers	4	**59 738**	45 369
Cost of sales		**(53 139)**	(45 729)
Gross profit/(loss)		**6 599**	(360)
Other operating income	5	**174**	534
Royalties and selling costs		**(734)**	(5 167)
Corporate expenses		**(2 614)**	(3 124)
Share-based payments	15	**(104)**	(137)
Foreign exchange gain		**1 750**	1 128
Impairment of goodwill		**–**	(10 743)
Operating profit/(loss)		**5 071**	(17 869)
Net finance costs		**(1 933)**	(2 159)
– Finance income		**561**	528
– Finance costs		**(2 494)**	(2 687)
Profit/(loss) before tax for the Period		**3 138**	(20 028)
Income tax (charge)/benefit	8	**(946)**	2 413
Profit/(loss) for the Period before discontinued operation		**2 192**	(17 615)
DISCONTINUED OPERATION			
Profit after tax for the Period from discontinued operation	13	**–**	1 598
Profit/(loss) for the Period		**2 192**	(16 017)
Attributable to:			
Equity holders of parent		**631**	(11 689)
Non-controlling interests		**1 561**	(4 328)
Earnings/(loss) per share (cents)			
– Basic earnings/(loss) for the Period attributable to ordinary equity holders of the parent		**0.45**	(8.37)
– Diluted earnings/(loss) for the Period attributable to ordinary equity holders of the parent		**0.43**	(8.37)*
Earnings/(loss) per share (cents) for continuing operations			
– Basic earnings/(loss) for the Period attributable to ordinary equity holders of the parent		**0.45**	(9.51)
– Diluted earnings/(loss) for the Period attributable to ordinary equity holders of the parent		**0.43**	(9.51)*

[1] *Unaudited*

** The diluted loss per share in the prior period has been restated to be equal to the basic loss per share due to the anti-dilutive impact caused by the reported loss in that period.*

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Profit/(loss) for the Period	**2 192**	(16 017)
Other comprehensive income that will be reclassified to the interim Consolidated Statement of Profit or Loss in subsequent periods:		
Exchange differences on translation of foreign operations, net of tax	**999**	12 693
Other comprehensive income for the Period, net of tax	**999**	12 693
Total comprehensive income for the Period	**3 191**	(3 324)
Attributable to:		
Equity holders of parent	**1 331**	(2 811)
Non-controlling interests	**1 860**	(513)

[1] *Unaudited*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026[1] US$'000	31 December 2025[2] US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**196 006**	211 258
Right-of-use assets	10	**1 939**	2 497
Receivables and other assets	11	**10 670**	908
Deferred tax assets		**4 396**	4 294
		213 011	218 957
Current assets			
Inventories		**41 926**	43 341
Receivables and other assets	11	**4 525**	11 997
Income tax receivable		**15**	1 736
Cash and short-term deposits	12	**20 157**	3 773
		66 623	60 847
Total assets		**279 634**	279 804
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	14	**1 416**	1 415
Treasury shares	14	**(1 157)**	(1 157)
Share premium		**885 648**	885 648
Other reserves		**(188 452)**	(189 255)
Accumulated losses		**(586 119)**	(586 750)
		111 336	109 901
Non-controlling interests		**70 512**	68 652
Total equity		**181 848**	178 553
Non-current liabilities			
Interest-bearing loans and borrowings	16	**3 925**	6 228
Lease liabilities	17	**1 246**	1 256
Provisions		**14 853**	14 022
Deferred tax liabilities		**49 749**	53 767
		69 773	75 273
Current liabilities			
Interest-bearing loans and borrowings	16	**16 704**	18 648
Lease liabilities	17	**981**	1 640
Trade and other payables	18	**6 420**	5 690
Income tax payable		**3 908**	–
		28 013	25 978
Total liabilities		**97 786**	101 251
Total equity and liabilities		**279 634**	279 804

[1] *Unaudited*
[2] *Audited*

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to the equity holders of the parent							
	Issued capital	Share premium	Treasury shares	Other reserves[1]	Accumulated (losses)/ retained earnings	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 1 January 2026	**1 415**	**885 648**	**(1 157)**	**(189 255)**	**(586 750)**	**109 901**	**68 652**	**178 553**
Total comprehensive income	**–**	**–**	**–**	**700**	**631**	**1 331**	**1 860**	**3 191**
Profit for the period	**–**	**–**	**–**	**–**	**631**	**631**	**1 561**	**2 192**
Other comprehensive income	**–**	**–**	**–**	**700**	**–**	**700**	**299**	**999**
Share capital issued (Note14)	**1**	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**
Share-based payments (Note 15)	**–**	**–**	**–**	**104**	**–**	**104**	**–**	**104**
As at 30 June 2026	**1 416**	**885 648**	**(1 157)**	**(188 452)**	**(586 119)**	**111 336**	**70 512**	**181 848**
As at 1 January 2025	1 413	885 648	(1 157)	(255 334)	(487 990)	142 580	80 320	222 900
Total comprehensive income	–	–	–	8 878	(11 689)	(2 811)	(513)	(3 324)
Loss for the period	–	–	–	–	(11 689)	(11 689)	(4 328)	(16 017)
Other comprehensive income	–	–	–	8 878	–	8 878	3 815	12 693
Share capital issued (Note14)	2	–	–	(2)	–	–	–	–
Share-based payments (Note 15)	–	–	–	137	–	137	–	137
As at 30 June 2025	1 415	885 648	(1 157)	(246 321)	(499 679)	139 906	79 807	219 713
Attributable to discontinued operation (Note 13)	–	–	–	(52 615)	52 663	48	–	48

[1] *Other reserves relate to Foreign currency translation reserves and Share-based equity reserves.*

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Cash flows generated from/(used in) operating activities		**23 664**	(8 091)
Cash generated by operations	19.1	**24 797**	14 891
Working capital adjustments	19.2	**694**	(11 766)
Interest received		**160**	160
Interest paid		**(1 957)**	(2 227)
Income tax paid		**(30)**	(9 149)
Cash flows used in investing activities		**(1 991)**	(10 176)
Purchase of property, plant and equipment	9	**(259)**	(2 173)
Waste stripping costs capitalised	9	**(1 899)**	(8 085)
Proceeds from sale of property, plant and equipment		**167**	82
Cash flows generated from/(used in) financing activities		**(5 329)**	11 532
Lease liability capital repayment	17	**(893)**	(941)
Net financial liabilities (repaid)/raised	19.3	**(4 436)**	12 473
– Financial liabilities raised		**9 309**	15 598
– Financial liabilities repaid		**(13 745)**	(3 125)
Net increase/(decrease) in cash and cash equivalents		**16 344**	(6 735)
Cash and cash equivalents at beginning of Period		**3 773**	12 878
Foreign exchange differences		**40**	621
Cash and cash equivalents at end of Period	12	**20 157**	6 764
Cash and cash equivalents at end of Period - continuing operations		**20 157**	6 673
Cash and cash equivalents at end of Period - discontinued operation	13	**–**	91

[1] *Unaudited*

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. CORPORATE INFORMATION

1.1 Incorporation and authorisation

The holding company, Gem Diamonds Limited (the Company), was incorporated on 29 July 2005 in the British Virgin Islands (BVI) and is domiciled in the United Kingdom (UK). The Company's registration number is 669758.

The financial information shown in this report relating to Gem Diamonds Limited and its subsidiaries (the Group) was approved by the Board of Directors on 2 September 2026, is not audited or reviewed by the auditor and does not constitute statutory financial statements. The report of the auditor on the Group's 2025 Annual Report and Accounts was unqualified.

The Group is principally engaged in operating diamond mines.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2026 (the Period) have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Financial Statements for the year ended 31 December 2025. The condensed consolidated interim financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act, 2006. The financial information for the year to 31 December 2025 included in this report was derived from the statutory accounts for the year ended 31 December 2025, a copy of which has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, however drew attention to a material uncertainty relating to the going concern assumption. The auditor's report did not contain a statement under sections 498(2) or (3) of the Companies Act, 2006.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 1 to 3. The financial position of the Group, its cash flows and liquidity position are described in the Group Financial Performance on pages 5 to 8.

The going concern assumption remains dependent on the successful refinancing of the Group's revolving credit facilities, expiring in December 2026. The Group's financial position has improved since year-end. Cash on hand increased to US$20.2 million (31 December 2025: US$3.8 million), the net debt position improved by US$19.6 million to US$0.5 million (31 December 2025: US$20.1 million), and total liquidity (net cash and available undrawn facilities) strengthened to US$69.3 million from US$48.1 million at 31 December 2025.

Notwithstanding this improved performance, the Group acknowledges that the refinancing of its facilities remains an important consideration of its going concern assessment and until this is confirmed, this creates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Board has a reasonable expectation that the refinancing will be achieved, based on:

- the improved financial position to the end of the current Period together with projected forecasts;
- the mine plan reflecting positive cash flows after the waste stripping investment to access Satellite ore in the next cutback;
- constructive ongoing and early engagement with lenders; and
- long-standing relationships and previous successful refinancing and/or renewals.

The impact of the current diamond market conditions, the persistent geopolitical tensions, increased fuel prices, the weaker US dollar, current and projected operational performance, ongoing benefits of the BR Programme, working capital and capital expenditure requirements, mine plan flexibility and debt service obligations were considered in assessing future cash flows. The Board also considered access to the Group's insurance asset of US$9.0 million (refer to Note 11, Receivables and other assets). Based on these factors and available mitigating actions, the Directors believe the Group has sufficient financial resources to remain operational for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing this Half-year report of the Group.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Material accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2025.

New accounting pronouncements which became effective on 1 January 2026 are detailed below and will be adopted in the 2026 Annual Report and Accounts. These amendment had no impact on the Group's accounts.

New and amended standards and interpretations

Amendments and improvements	Description
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial instruments

Standards issued but not yet effective

The standards, amendments and improvements that are issued, but not yet effective, up to the date of issuance of the Group's consolidated interim financial statements are listed in the table below. The standards, amendments and improvements have not been early adopted and it is expected that, where applicable, these standards and amendments will be adopted on each respective effective date.

New standards, amendments, and improvements	Description	Effective date*
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

** Annual periods beginning on or after.*

IFRS 18 'Presentation and Disclosure in Financial Statements' is effective for accounting periods beginning on or after 1 January 2027 and will replace IAS 1 'Presentation of Financial Statements'. There are also consequential amendments to IAS 7 'Cash Flows', IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', IAS 33 'Earnings per Share' and IAS 34 'Interim Financial Reporting', also effective for accounting periods beginning on or after 1 January 2027. The new standard introduces several key new requirements:

- Entities are required to classify all income and expenses into five categories in the Consolidated statement of profit or loss: operating, investing, financing, income taxes, and discontinued operations;
- Additionally, entities are required to present a newly-defined operating profit subtotal;
- Management-defined performance measures (MPMs) shall be disclosed in a single note to the financial statements; and
- Enhanced guidance for aggregating and disaggregating information in financial statements.

In addition, entities are required to use the operating profit subtotal as the starting point for the Consolidated statement of cash flows when presenting cash flows provided by operating activities under the indirect method.

The Group is currently assessing the impact of IFRS 18 on its financial statements. While recognition and measurement of items will remain unchanged, the presentation in the Consolidated statement of profit or loss will be affected. Among other impacts, interest income and other financial income will be classified in the investing category. The new operating profit subtotal will be the starting point for the Consolidated statement of cash flows. Interest paid will be reclassified from cash flows from operating activities to cash flows generated by/(used in) financing activities. Interest received and dividends received will be included in cash flows generated by/(used in) investing activities.

Upon adoption, the Group will retrospectively apply the new presentation and disclosure requirements and provide the required reconciliation between the previous and new statement of profit or loss for the comparative period. The Group will ensure full compliance by the effective date, including restating comparative information and preparing for new disclosures.

The Group does not have a specified main business activity as defined in IFRS 18.

2.3 Critical accounting estimates and judgements

The estimates and judgements adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2025. The current diamond market, ongoing global conflicts and foreign currency movements were considered during the Period. The outcome of this review required no material changes to the assumptions used in the judgements and estimates which were applied for the year ended 31 December 2025.

Further details on estimates and judgements applied during the Period are detailed in the Going concern section on page 17, Note 6, Underlying earnings before interest, tax, depreciation and mining asset amortisation (underlying EBITDA) before discontinued operation, Note 8, Income tax (charge)/benefit and Note 15, Share-based payments.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into geographical units as its risks and required rates of return are affected predominantly by differences in the geographical regions of the mines and areas in which the Group operates or areas in which operations are managed. The below measures of profit or loss, assets and liabilities are reviewed by the Board of Directors. The main geographical regions and the type of products and services from which each reporting segment derives its revenue from are:

- Lesotho (diamond mining activities);
- Belgium (sales, marketing and manufacturing of diamonds);
- BVI, RSA, UK and Cyprus (technical and administrative services); and

- Botswana (diamond mining activities), classified as a discontinued operation in the prior Period and abandoned by 31 December 2025.

During the prior period, the Ghaghoo mine was classified as a discontinued operation. This operation was abandoned by 31 December 2025, following the relinquishment of the associated mining license and the formal handover of the mine site to the Botswana Ministry of Minerals and Energy, through the Department of Mines.

Management monitors the operating results of the geographical units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss. Intersegment transactions are entered into under normal arm's length terms in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between segments. Those transactions are eliminated on consolidation.

Segment revenue is derived from mining activities, polished diamond manufacturing margins and diamond analysis and manufacturing services.

The following tables present revenue from contracts with customers, profit/(loss) for the Period, underlying EBITDA and asset and liability information from operations regarding the Group's geographical segments:

	Lesotho	Belgium	BVI, RSA, UK and Cyprus[3]	Total
Six months ended 30 June 2026[1]	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Revenue from contracts with customers				
Total revenue	58 846	59 590	2 624	121 060
Intersegment	(58 562)	(136)	(2 624)	(61 322)
External customers	284	59 454	–	59 738
Segment operating profit/(loss)	7 477	199	(2 605)	5 071
Net finance costs	(1 282)	(7)	(644)	(1 933)
Profit/(loss)	6 195	192	(3 249)	3 138
Income tax (charge)/benefit	(946)	35	(35)	(946)
Profit/(loss) for the Period	5 249	227	(3 284)	2 192
Underlying EBITDA	10 880	307	(2 558)	8 629

	Lesotho	Belgium	BVI, RSA, UK and Cyprus[3]	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**
Segment assets				
30 June 2026[1]	269 201	1 639	4 398	275 238
31 December 2025[2]	269 356	1 710	4 444	275 510
Net cash/(debt) and short term deposits[4]				
30 June 2026[1]	9 587	648	(10 745)	(510)
31 December 2025[2]	(11 754)	612	(9 013)	(20 155)
Segment liabilities				
30 June 2026[1]	34 293	1 230	12 514	48 037
31 December 2025[2]	35 453	1 178	10 853	47 484

[1] *Unaudited*
[2] *Audited*
[3] *No revenue was generated in BVI and Cyprus.*
[4] *Calculated as cash and short-term deposits less drawn down bank facilities (excluding insurance premium financing and credit underwriting fees). Refer Note 16, Interest-bearing loans and borrowings.*

Included in revenue for the Period is revenue from three customers who individually contributed 10% or more to total revenue. This revenue in total amounted to US$26.1 million (30 June 2025: US$20.4 million from three customers) arising from the sales reported in the Belgium segment.

Segment assets and liabilities do not include deferred tax assets and liabilities of US$4.4 million and US$49.7 million respectively (31 December 2025: deferred tax asset US$4.3 million, deferred tax liabilities US$53.8 million).

Total revenue for the Period is higher than that of the prior period due to higher-quality production sold during the Period achieving US$1 395 per carat compared to the prior period of US$1 008 per carat. This higher price was achieved notwithstanding the lower volumes of the higher-value Satellite pipe ore treated during the Period. Revenue was also higher despite a marginal 4% decrease in carats sold from 44 360 to 42 624 carats.

3. SEGMENT INFORMATION (continued)

Six months ended 30 June 2025[1]	Lesotho US$'000	Belgium US$'000	BVI, RSA, UK and Cyprus[2] US$'000	Total Continuing operations US$'000	Discontinued operation US$'000	Total US$'000
Revenue from contracts with customers						
Total revenue	44 693	45 361	3 126	93 180	–	93 180
Intersegment	(44 393)	(292)	(3 126)	(47 811)	–	(47 811)
External customers	300	45 069	–	45 369	–	45 369
Segment operating (loss)/profit	(14 505)[3]	(37)	(3 327)	(17 869)	1 655	(16 214)
Net finance costs	(1 627)	(22)	(510)	(2 159)	(57)	(2 216)
(Loss)/profit before tax	(16 132)	(59)	(3 837)	(20 028)	1 598	(18 430)
Income tax benefit	1 719	100	594[4]	2 413	–	2 413
(Loss)/profit for the Period	(14 413)	41	(3 243)	(17 615)	1 598	(16 017)
Underlying EBITDA	339	120	(3 031)	(2 572)	–	(2 572)

[1] Unaudited
[2] No revenue was generated in BVI and Cyprus.
[3] Segment operating (loss)/profit is after the impairment of goodwill of US$10.7 million.
[4] This includes the adjustment made in the prior period to align the forecast effective tax rate for the full year, to the actual results. Refer Note 8, Income tax (charge)/benefit.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Sale of goods	**59 454**	45 069
Partnership arrangements	**284**	300
	59 738	45 369

[1] Unaudited

The revenue from the sale of goods represents the sale of rough diamonds, for which revenue is recognised at the point in time at which control transfers.

The revenue from partnership arrangements of US$0.3 million (30 June 2025: US$0.3 million) represents the additional uplift from partnership arrangements for which revenue is recognised when the significant constraints are lifted or resolved and the amount of revenue is guaranteed; and variable consideration of rough diamonds sold into cooperation agreements. The variable consideration is recognised at the time of the sale and adjusted based on the actual uplift received. At Period end 1 630 carats (30 June 2025: 1 236 carats) have significant constraints in recognising revenue relating to the additional uplift.

5. OTHER OPERATING INCOME

Other operating income is categorised separately as it relates to income which is minor or irregular and is sourced outside of normal operations.

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Sundry income	**8**	499
Profit on disposal and scrapping of property, plant and equipment	**166**	35
	174	534

[1] Unaudited

6. UNDERLYING EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND MINING ASSET AMORTISATION (UNDERLYING EBITDA) BEFORE DISCONTINUED OPERATION

Underlying EBITDA is shown, as the Directors consider this measure to be a relevant guide to the operational performance of the Group and excludes such non-operating costs and income as listed below. The reconciliation from operating profit to underlying EBITDA is as follows:

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Operating profit/(loss)[2]	**5 071**	(17 869)
Other operating income	**(174)**	(534)
Impairment of goodwill[3]	**–**	10 743
Foreign exchange gain	**(1 750)**	(1 128)
Share-based payments	**104**	137
Depreciation and amortisation (excluding waste stripping cost amortised)	**5 378**	6 079
Underlying EBITDA before discontinued operation	**8 629**	(2 572)

[1] *Unaudited*

[2] *Operating profit/(loss) includes the write-down of consumable inventories at Letšeng of US$37.5 thousand.*

[3] *In the previous period, an impairment charge was allocated solely to Goodwill associated to the Letšeng cash generating unit, resulting in the Goodwill balance being fully impaired. At 31 December 2025 an additional impairment charge of US$66.7 million was allocated to other Property, Plant and Equipment associated to the Letšeng cash generating unit. In the current Period, the achieved diamond prices, exchange rates and financial and operational performance were considered for assessment of indicators of further impairment. There were no material changes required to the assumptions applied to the value in use model for the year ended 31 December 2025 and therefore no further impairment was necessary.*

7. SEASONALITY OF OPERATIONS

The Group's sales environment with regard to its diamond sales is not materially impacted by seasonal and cyclical fluctuations. The mining operations may be impacted by seasonal weather conditions. Appropriate mine planning and ore stockpile build-up ensures that operations can continue during adverse weather conditions.

8. INCOME TAX (CHARGE)/BENEFIT

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Current		
– Foreign	**(5 670)**	(324)
Withholding tax		
– Foreign	**(1)**	(2)
Deferred		
– Foreign	**4 725**	2 739
	(946)	2 413

[1] *Unaudited*

During the Period, the Group reported a profit before tax of US$3.1 million which resulted in a tax charge of US$0.9 million and an effective tax rate of 30.1% (31 December 2025: 21.2%).

In accordance with IAS 34, the Group's interim tax charge has historically been calculated by applying the forecast annual effective corporate income tax rate to the pre-tax income for the six month period. However, due to the full-year forecast of profit before tax being close to break-even, applying the forecast full-year effective tax rate would result in a material distortion of the interim tax charge, and therefore the tax charge for the six months ended 30 June 2026 is the actual tax charge for this Period. In accordance with the requirements of IAS 12 this is considered the best estimate of the average annual effective income tax rate. No adjustments have been made to prior period comparatives.

The effective tax rate of 30.1% is above the Lesotho statutory tax rate of 25% primarily as a result of deferred tax assets not recognised on losses incurred in other operations.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group invested US$0.3 million (30 June 2025: US$2.2 million) into property, plant and equipment, all of which related to Letšeng.

Letšeng's capital spend was incurred mainly on the completion of prior period capital projects relating to the modification and improvement of the diamond recovery plant and sort house of US$0.1 million and improvements in the scrubber bypass process within the plants of US$0.1million.

Letšeng further invested US$1.9 million (30 June 2025: US$8.1 million) in deferred stripping costs that were capitalised. Amortisation of the deferred stripping asset (waste stripping cost amortisation) of US$15.7 million (30 June 2025: US$13.6 million) was charged to the Interim Consolidated Statement of Profit or Loss during the Period. The amortisation is directly related to the areas that were mined during the Period and their associated waste to ore strip ratios.

Depreciation and amortisation of US$4.6 million (30 June 2025: US$5.2 million) was charged to the Interim Consolidated Statement of Profit or Loss during the Period.

In addition to the above, foreign exchange movements on translation affecting property, plant and equipment increased the asset balances by US$2.9 million (30 June 2025: US$15.3 million).

10. RIGHT-OF-USE ASSETS

	Right-of-use assets			
	Plant and equipment US$'000	Motor vehicles US$'000	Buildings US$'000	Total US$'000
As at 30 June 2026[1]				
Cost				
Balance at 1 January 2026	**4 084**	**663**	**2 264**	**7 011**
Additions	**–**	**324**	**–**	**324**
Derecognition of lease	**–**	**(504)**	**(140)**	**(644)**
Foreign exchange differences	**45**	**7**	**6**	**58**
Balance at 30 June 2026[1]	**4 129**	**490**	**2 130**	**6 749**
Accumulated depreciation				
As at 1 January 2026	**3 186**	**435**	**893**	**4 514**
Charge for the Period	**504**	**102**	**186**	**792**
Derecognition of lease	**–**	**(398)**	**(140)**	**(538)**
Foreign exchange differences	**36**	**4**	**2**	**42**
Balance at 30 June 2026[1]	**3 726**	**143**	**941**	**4 810**
Net book value at 30 June 2026[1]	**403**	**347**	**1 189**	**1 939**
As at 31 December 2025[2]				
Cost				
Balance at 1 January 2025	3 586	537	5 800	9 923
Additions	–	48	715	763
Derecognition of lease	–	–	(4 517)	(4 517)
Foreign exchange differences	498	78	266	842
Balance at 31 December 2025[2]	4 084	663	2 264	7 011
Accumulated depreciation				
As at 1 January 2025	1 925	169	3 958	6 052
Charge for the year	924	224	613	1 761
Derecognition of lease	–	–	(3 875)	(3 875)
Foreign exchange differences	337	42	197	576
Balance at 31 December 2025[2]	3 186	435	893	4 514
Net book value at 31 December 2025[2]	898	228	1 371	2 497

[1] *Unaudited*
[2] *Audited*

Plant and equipment mainly comprise of pit dewatering and back-up power generating equipment utilised at Letšeng. Motor vehicles mainly comprise vehicles utilised by contractors at Letšeng. Buildings comprise office buildings in Maseru, Antwerp and Johannesburg.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Movements within right-of-use assets mainly relates to renewals of leases of vehicles used by contractors at Letšeng and the derecognition of the vehicles used by the catering and housing contractor, following the insourcing of these activities during the Period. Refer Note 17, Lease liabilities.

11. RECEIVABLES AND OTHER ASSETS

	30 June 2026[1] US$'000	31 December 2025[2] US$'000
Non-current		
Deposits	**1 687**	908
Insurance asset[3]	**8 983**	–
	10 670	908
Current		
Insurance asset[3]	**423**	8 994
Trade receivables	**265**	256
Prepayments	**592**	870
Deposits	**14**	31
Other receivables[4]	**1 185**	1 115
Vat receivable[5]	**2 046**	731
	4 525	11 997
The carrying amounts above approximate their fair value due to the nature of the instruments.		
Analysis of trade receivables based on their terms and conditions		
Neither past due nor impaired	**265**	237
Past due but not impaired:		
> 120 days	**–**	19
	265	256

[1] Unaudited
[2] Audited
[3] The non-current insurance asset relates to Letšeng's Multi-aggregate Protection Insurance Policy with The Lesotho National General Insurance Company (LNGIC) which was entered into originally in 2021 for a five year period and renewed for a further five years in June 2026. Under the renewal, premium payments of LSL5.0 million (US$0.3 million) for the policy are payable annually in advance. The policy gives Letšeng the right to claim up to LSL75.0 million (31 December 2025: LSL75.0 million) for each-and-every-loss and LSL150.0 million (31 December 2025: LSL150.0 million) in the aggregate (subject to terms and conditions contained in the policy). The renewal resulted in the asset being classified from current to non-current during the Period. On expiry of the policy, all unutilised funds within the policy are due and payable to Letšeng. The current insurance asset relates to a similar insurance policy held at the Company which is renewed annually and has no further premium commitments.
[4] Other receivables relates to a financing arrangement provided to a third party to assist with possible mine expansion opportunities. This loan is expected to be repaid in December 2026.
[5] Vat receivable mainly comprises US$2.0 million at Letšeng.

Based on the nature of the Group's client base and the negligible exposure to credit risk through its client base, insurance asset and other financial assets, the expected credit loss is insignificant and has no impact on the Group.

12. CASH AND SHORT-TERM DEPOSITS

	30 June 2026[1] US$'000	31 December 2025[2] US$'000
Cash on hand	**2**	1
Bank balances	**17 823**	1 605
Short-term bank deposits	**2 332**	2 167
	20 157	3 773

[1] Unaudited
[2] Audited

The amounts reflected in the financial statements approximate fair value due to the short-term maturity and nature of cash and short-term deposits.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are generally call deposit accounts and earn interest at the respective short-term deposit rates.

The Group's cash surpluses are deposited with major financial institutions of high-quality credit standing predominantly within Lesotho and the United Kingdom.

At 30 June 2026, the Group had US$69.9 million (31 December 2025: US$68.3 million) of undrawn facilities, representing the LSL450.0 million (US$27.5 million) (31 December 2025: LSL420.0 million (US$25.4 million)) and ZAR300.0 million (US$18.3 million) (31 December 2025: ZAR280.0 million (US$16.9 million)) of the secured revolving credit facility at Letšeng, ZAR100.0 million (US$6.1 million) (31 December 2025: ZAR100.0 million (US$6.0 million)) of the Letšeng general banking facility, and US$18.0 million (31 December 2025: US$20.0 million) of the Company's secured revolving credit facility. For further details on these facilities, refer Note 16, Interest-bearing loans and borrowings.

The general banking facility at Letšeng is held with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division). This facility is reviewed annually. During the Period the facility was utilised from time to time based on cash flow requirements but repaid in full by Period end.

13. DISCONTINUED OPERATION

The results and cashflows of Gem Diamonds Botswana (Ghaghoo diamond mine), the discontinued operation in the previous comparative Period and the year end, are presented below:

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Revenue	–	279
Care and maintenance costs	–	(735)
Profit on sale of property, plant and equipment	–	47
Rehabilitation provision released	–	2 291
Foreign exchange differences	–	(5)
Impairment of asset	–	(222)
Operating profit	–	1 655
Net finance costs	–	(57)
Profit before tax from discontinued operation	–	1 598
Income tax expense	–	–
Profit after tax from discontinued operation attributable to equity holders of the parent	–	1 598
Profit per share from discontinued operation (US cents):		
- Basic	–	1.14
- Diluted	–	1.10

	30 June 2026[1] US$'000	31 December 2025[2] US$'000
The net cash flows attributable to the discontinued operation are as follows:		
Operating	–	(165)
Investing	–	47
Financing[3]	–	(5)
Foreign exchange differences	–	2
Net cash outflow	–	(121)

[1] Unaudited
[2] Audited
[3] Financing provided by Gem Diamonds Limited to fund care and maintenance costs.

14. ISSUED CAPITAL

Share capital

	30 June 2026[1]		31 December 2025[2]	
	Number of shares '000	US$'000	Number of shares '000	US$'000
Authorised – ordinary shares of US$0.01 each				
As at Period/Year end	**200 000**	**2 000**	200 000	2 000
Issued and fully paid balance at beginning of Period/Year	**141 443**	**1 415**	141 236	1 413
Allotments during the Period/Year	**50**	**1**	207	2
Number of ordinary shares outstanding at end of Period/Year	**141 493**	**1 416**	141 443	1 415

[1] Unaudited
[2] Audited

Treasury Shares

	30 June 2026[1]		31 December 2025[2]	
	Number of shares '000	**US$'000**	Number of shares '000	US$'000
Number of treasury shares outstanding at end of Period/ Year[3]	**(1 520)**	**(1 157)**	(1 520)	(1 157)

[1] *Unaudited*
[2] *Audited*
[3] *Represents share repurchased by Gem Diamonds.*

15. SHARE-BASED PAYMENTS

Employee Share Option Plan 2017 Award (ESOP) – 21 April 2026 award

On 21 April 2026, 358 990 nil-cost options were granted to certain key employees under the ESOP of the Company. The value of the award was determined based on the Group performance for the prior 2025 financial year. The vesting of the options will be subject to the satisfaction of certain service conditions which are classified as non-market conditions. The award is subject to malus and clawback conditions in line with the Group's ESOP.

In addition, 2 210 363 nil-cost options were granted to certain Executive employees and the Executive Directors on the same terms as detailed above. These options were granted in line with the adopted Gem Diamonds Incentive Plan (GDIP) in 2021, which integrated annual bonus awards with awards under the ESOP. These options are also subject to a two-year holding period after the vesting date.

All the options vest over a three-year period in tranches of 1/3 commencing on 21 April 2027 and ending on 21 April 2029. The options are exercisable between the respective vesting dates and 21 April 2036. If the service conditions are not met, unvested options lapse. The fair value of the award is based on the observable Gem Diamonds Limited share price on the date of the award with no adjustments made to the price. The Company's share price on the date of the award was £0.04 (US$0.05). The option grants are settled by issuing shares.

The expense disclosed in the Interim Consolidated Statement of Profit or Loss is made up as follows:

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
The expense recognised for employee services received during the Period is shown in the following table:		
Equity-settled share-based payment transactions charged to the statement of profit or loss	**104**	137

[1] *Unaudited*

16. INTEREST-BEARING LOANS AND BORROWINGS

The Group's revolving credit facilities (defined as bank loan facilities in the table below) mature on 21 December 2026. Discussions with lenders regarding the renewal or extension of these facilities are underway.

The carrying amounts and maturities of the revolving credit facilities, project debt facilities and premium financing facilities within the Group are disclosed in the note below.

	Effective interest rate	Maturity	30 June 2026[1] US$'000	31 December 2025[2] US$'000
Non-current				
ZAR132.0 million (US$8.1 million) project debt facility	South African JIBAR (6.75%) + 2.50%	31 May 2027	**–**	1 138
LSL200.0 million (US$12.2 million) term loan facility	Lesotho prime rate (10.25%) minus 1.50%	28 February 2029	**3 925**	5 090
			3 925	6 228
Current				
LSL450.0 million (US$27.5 million) and ZAR300.0 million (US$18.3 million) bank loan facility	Central Bank of Lesotho rate (6.75%) + 3.25% and South African JIBAR (6.75%) + 3.00%	21 December 2026	**–**	3 010
Credit underwriting fees			**(23)**	(36)
US$30.0 million bank loan facility	Term SOFR (3.70%) + 5.21%	21 December 2026	**12 000**	10 000
Credit underwriting fees			**(15)**	(30)
ZAR132.0 million (US$8.1 million) project debt facility	South African JIBAR (6.75%) + 2.50%	31 May 2027	**2 301**	2 276
LSL200.0 million (US$12.2 million) term loan facility	Lesotho prime rate (10.25%) minus 1.50%	28 February 2029	**2 441**	2 414
LSL30.0 million (US$1.7 million) insurance premium finance	3.70 %	Repaid 1 April 2026	**–**	739
LSL12.4 million (US$0.8 million) insurance premium finance	3.70 %	Repaid 1 April 2026	**–**	275
			16 704	18 648
Total			**20 629**	24 876

[1] *Unaudited*
[2] *Audited*

LSL450.0 million and ZAR300.0 million (US$45.8 million) secured bank loan facility at Letšeng Diamonds

The Group, through its subsidiary, Letšeng Diamonds, has a LSL450.0 million (US$27.5 million) and ZAR300.0 million (US$18.3 million) revolving credit facility (maturing on 21 December 2026) jointly with Nedbank Lesotho Limited, Standard Lesotho Bank Limited, First National Bank of Lesotho Limited, Firstrand Bank Limited (acting through its Rand Merchant Bank division) and Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division).

The LSL450.0 million facility is subject to interest at the Central Bank of Lesotho rate plus 3.25% and the ZAR300.0 million facility is subject to South African JIBAR plus 3.00%. At Period end no amounts had been drawn down on this facility resulting in the full LSL450.0 million (US$27.5 million) and ZAR300.0 million (US$18.3 million) remaining available.

The remaining balance of the credit underwriting fees capitalised is US$23.0 thousand (31 December 2025: US$36.0 thousand). The capitalised fees are amortised and accounted for as finance costs in profit or loss over the term of the facility.

US$30.0 million secured bank loan facility at Gem Diamonds Limited

This facility is a secured revolving credit facility (maturing on 21 December 2026) jointly with Nedbank Limited (acting through its London branch), Standard Bank of South Africa Limited (acting through its Isle of Man branch) and Firstrand Bank Limited (acting through its Rand Merchant Bank division) for US$13.5 million, US$9.0 million and US$7.5 million, respectively. All drawdowns are made in these ratios.

At Period end, US$12.0 million (31 December 2025: US$10.0 million) had been drawn down resulting in US$18.0 million (31 December 2025: US$20.0 million) being available. The remaining balance of the previously capitalised credit underwriting fees is US$15.0 thousand (31 December 2025: US$30.0 thousand) at Period end. The capitalised fees are amortised and accounted for as finance costs in profit or loss over the period of the facility.

The US$-based interest rate for this facility at 30 June 2026 was 8.91% (31 December 2025: 9.21%) which comprises term SOFR plus a 0.21% credit adjustment spread and 5.00% margin.

Total interest for the Period on this interest-bearing RCF was US$0.7 million (31 December 2025: US$1.2 million).

The facility includes an additional US$20.0 million accordion option for Gem Diamonds, the utilisation of which is subject to all necessary credit and other approvals from the lenders. There was no utilisation of this facility in the current or prior Period.

ZAR132.0 million (US$8.1 million) unsecured project debt facility at Letšeng Diamonds

This loan is an unsecured project debt facility with Nedbank and underwritten by the Export Credit Insurance Corporation (ECIC) which was entered into on 29 November 2022 to fund the replacement of the primary crushing area (PCA) at Letšeng. The loan is repayable in equal quarterly payments which commenced in March 2024. The outstanding balance at Period end was ZAR37.7 million (US$2.3 million) (31 December 2025: ZAR56.6 million (US$3.4 million)). This loan expires on 27 May 2027.

The South African rand-based interest rate for the facility at 30 June 2026 was 9.25% which comprises South Africa JIBAR plus 2.50% (31 December 2025: 9.50%).

Total interest for the Period on this interest-bearing loan was US$0.1 million (31 December 2025: US$0.4 million).

LSL200.0 million (US$12.2 million) secured term loan facility at Letšeng Diamonds

This loan is a five-year secured term loan facility signed jointly with Standard Lesotho Bank and Nedbank Lesotho on 15 May 2024. The loan is secured by a special notarial bond over the fleet and equipment acquired as part of the insourcing of the mining activities at the end of 2023.

The loan is repayable in equal monthly instalments which commenced in May 2024. The outstanding balance at the end of the Period was LSL104.3 million (US$6.4 million). This loan expires on 30 April 2029.

The interest rate on the loan is 8.75%, representing the Central Bank of Lesotho prime rate minus 1.50% (31 December 2025: 8.50%).

Total interest for the Period on this interest-bearing loan was US$0.3 million (31 December 2025: US$0.8 million).

Loan covenants

The Group's revolving credit facilities, together with Letšeng Diamonds' ZAR132.0 million (US$8.1 million) project debt facility and LSL200.0 million (US$12.2 million) secured term loan facility are subject to certain financial covenants and these are assessed at the end of each quarter. The loans may become immediately repayable if these covenants are breached. The Group monitors its forecasts for covenant compliance and engages with its Lenders regularly. The Group is not aware of any facts or circumstances that indicate that it may have difficulty in complying with the covenants up to the date of the current expiry of the revolving credit facilities, being 21 December 2026 or within 12 months after the reporting period for the term loan facilities.

Insurance premium finance for Multi-Aggregate and Asset All Risk Insurance policies

During the Period, all outstanding insurance premium finance balances for the Multi-aggregate Insurance Policy and its Asset All Risk Policy were fully repaid by 1 April 2026. The total interest paid during the Period relating to these liabilities was US$17.0 thousand (31 December 2025: US$19.3 thousand).

Other facilities

Letšeng Diamonds has a ZAR100.0 million (US$6.1 million) general banking facility with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) which is reviewed annually. During the Period, the facility was utilised from time to time based on cash flow requirements, but repaid in full at Period end.

17. LEASE LIABILITIES

	30 June 2026[1] US$'000	31 December 2025[2] US$'000
Non-current	**1 246**	1 256
Current	**981**	1 640
Total lease liabilities	**2 227**	2 896
Reconciliation of movement in lease liabilities		
As at 1 January	**2 896**	4 763
Additions	**287**	569
Interest expense	**99**	303
Lease payments	**(992)**	(2 140)
Derecognition of lease	**(82)**	(937)
Foreign exchange differences	**19**	338
As at 30 June/31 December	**2 227**	2 896

[1] *Unaudited*
[2] *Audited*

Lease payments comprise principal payments of US$0.9 million (31 December 2025: US$1.8 million) and repayments of interest of US$0.1 million (31 December 2025: US$0.3 million).

Refer Note 10, Right-of-use assets for details on new leases entered into and leases derecognised during the Period.

18. TRADE AND OTHER PAYABLES

	30 June 2026[1] US$'000	31 December 2025[2] US$'000
Current		
Trade payables[3]	**3 648**	3 485
Accrued expenses[3]	**1 815**	1 261
Leave benefits	**831**	786
Withholding taxes[3]	**34**	67
Other	**92**	91
	6 420	5 690

[1] Unaudited
[2] Audited
[3] These amounts are non-interest bearing and are settled in accordance with terms agreed between the parties.

Withholding taxes consist of taxes payable to the Revenue Services Lesotho relating to supplier services. The carrying amounts above approximate fair value.

		Notes	30 June 2026[1] US$'000	30 June 2025[1] US$'000
19.	**CASH FLOW NOTES**			
19.1	**Cash generated by operations**			
	Profit/(loss) before tax for the Period – continuing operations		**3 138**	(20 028)
	Profit before tax for the Period – discontinued operation		**–**	1 598
	Adjustments for:			
	Depreciation and amortisation excluding waste stripping	9	**4 586**	5 180
	Depreciation on right-of-use assets	10	**792**	927
	Waste stripping cost amortised	9	**15 697**	13 567
	Finance income		**(561)**	(528)
	Finance costs		**2 494**	2 744
	Unrealised foreign exchange differences		**(1 807)**	788
	Profit on disposal and scrapping of property, plant and equipment		**(166)**	(82)
	Gain on derecognition of leases		**(17)**	(492)
	Inventory write-down		**38**	1 753
	Rehabilitation provision released - Ghaghoo	13	**–**	(2 291)
	Leave and severance provisions raised		**474**	653
	Share-based payments	15	**104**	137
	Impairment of goodwill		**–**	10 965
	Bad debts written off		**19**	–
	Other		**6**	–
			24 797	14 891
19.2	**Working capital adjustment**			
	Decrease/(increase) in inventory		**1 601**	(7 014)
	Increase in receivables		**(1 893)**	(2 786)
	Increase/(decrease) in payables		**986**	(1 966)
			694	(11 766)
19.3	**Cash flows from financing activities (excluding lease liabilities)**			
	Balance at beginning of Period		**24 876**	21 030
	Net cash (used in)/generated from financing activities		**(4 436)**	12 473
	– Financial liabilities raised		**9 309**	15 598
	– Financial liabilities repaid		**(13 745)**	(3 125)
	Interest paid		**(1 858)**	(2 052)
	Non-cash movements		**2 049**	3 383
	– Interest accrued		**1 858**	2 052
	– Amortisation of credit underwriting fees		**38**	35
	– Foreign exchange differences		**153**	1 296
	Balance at Period end		**20 631**	34 834

[1] *Unaudited*

20. COMMITMENTS AND CONTINGENCIES

The Board has approved capital projects of US$1.0 million (31 December 2025: US$1.2 million) at Letšeng, mainly relating to the cost for the commencement of the lateral support and potential rockfall mitigation measure above the SC6W cutback in the Satellite pit.

Of the total approved capital projects, US$4.0 thousand has been contracted at 30 June 2026, relating to certain information system upgrades.

The Group has conducted its operations in the ordinary course of business in accordance with its understanding and interpretation of commercial arrangements and applicable legislation in the countries where the Group has operations. In certain specific transactions, however, the relevant third party or authorities could have a different interpretation of those laws and regulations that could lead to contingencies or additional liabilities for the Group. Having consulted professional advisers, the Group has identified possible disputes approximating US$1.0 million (31 December 2025: US$1.0 million).

The Group monitors possible tax claims within the various jurisdictions in which it operates. It is noted that tax legislation is highly complex and subject to interpretation of the application of the law. It is common for tax authorities to review tax returns, and in some instances, disputes may arise over the interpretation and application of the prevailing tax legislation. Due to the complexity of the legislation, significant judgement is required to determine any effects of uncertainties in accounting for and disclosure of income taxes. When uncertain tax positions have been determined as being probable, they have been provided for and disclosed. There have been no uncertain tax positions that arose during the Period and therefore there has been no change in judgement applied and the accounting treatment compared to that disclosed in the Annual Report and Accounts 2025. While it is difficult to predict the ultimate outcome in some cases, the Group, does not anticipate that there will be any material impact on the Group's results, financial position or liquidity.

21. RELATED PARTIES

Related party	Relationship
Jemax Management (Proprietary) Limited	Common director
Government of the Kingdom of Lesotho	Non-controlling interest

	30 June 2026[1] US$'000	30 June 2025[1] US$'000
Compensation to key management personnel (including Directors)		
Share-based equity transactions	**103**	130
Short-term employee benefits	**1 517**	2 590
Post-employment benefits (including severance pay and pension)	**240**	180
	1 860	2 900
Fees paid to related parties		
Jemax Management (Proprietary) Limited	**(42)**	(37)
Royalties paid to related parties		
Government of the Kingdom of Lesotho	**–**	(4 455)
Lease and licence payments to related parties		
Government of the Kingdom of Lesotho	**(67)**	(60)
Purchases from related parties		
Jemax Management (Proprietary) Limited	**(2)**	(2)
Amount included in trade payables owing to related parties		
Jemax Management (Proprietary) Limited	**(7)**	(7)
Amounts owing to related party		
Government of the Kingdom of Lesotho	**–**	(1 317)

[1] *Unaudited*

Jemax Management (Proprietary) Limited provided administrative services with regards to the mining activities undertaken by the Group. A controlling interest is held by an Executive Director of the Company.

The above transactions were made on terms agreed between the parties. The amounts included in trade payables are non-interest bearing and have no repayment terms.

22. EVENTS AFTER THE REPORTING PERIOD

No events have occurred between the end of the reporting period and the date of approval of these financial statements that require adjustment to, or disclosure in, the financial statements.

CONTACT DETAILS AND ADVISERS

GEM DIAMONDS LIMITED

Registered office

2nd Floor, Coastal Building
Wickhams Cay II
PO Box 2221
Road Town
Tortola
British Virgin Islands
T: +1 (0) 28 4494 9820

Head office

2 Eaton Gate
London SW1W 9BJ
United Kingdom
T: +44 (0) 20 3043 0280

FINANCIAL ADVISER

Panmure Liberum

Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY
United Kingdom
T: +44 (0) 20 3100 2000

AUDITOR

RSM UK Audit LLP

6th Floor, 25 Farringdon Street
London EC4A 4AB
United Kingdom
T: +44 (0) 20 3201 8000

LEGAL ADVISER

Linklaters

One Silk Street
London EC2Y 8HQ
United Kingdom
T: +44 (0) 20 7456 2000

PUBLIC RELATIONS ADVISER

Celicourt Communications Limited

4 Bream's Buildings
London EC4A1HP
United Kingdom
T: +44 (0) 20 7770 6424

FEEDBACK

Gem Diamonds Limited

K. Constantopoulos, Company Secretary
E: IR@gemdiamonds.com

GEM DIAMONDS

2nd Floor, Coastal Building
Wickhams Cay II, PO Box 2221, Road Town,
Tortola, British Virgin Islands,
Registration number: 669758

GEM DIAMONDS LIMITED
www.gemdiamonds.com