

Thursday, 14 March 2024

## **Gem Diamonds Limited Full Year 2023 Results**

**Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Full Year Results for the year ending 31 December 2023 (the "Period").**

### **FINANCIAL RESULTS:**

- Revenue of US\$140.3 million (US\$188.9 million in 2022)
- Underlying EBITDA of US\$15.2 million (US\$43.7 million in 2022)
- Profit for the year of US\$1.6 million (US\$20.2 million in 2022)
- Attributable loss of US\$2.1 million (profit of US\$10.2 million in 2022)
- Loss per share of 1.5 US cents (earnings per share of 7.3 US cents in 2022)
- Cash on hand of US\$16.5 million as at 31 December 2023 (US\$12.3 million attributable to Gem Diamonds)

### **OPERATIONAL RESULTS:**

Letšeng

- Carats recovered of 109 656 (106 704 carats in 2022)
- Waste tonnes mined of 8.8 million tonnes (10.2 million tonnes in 2022)
- Ore treated of 5.0 million tonnes (5.5 million tonnes in 2022)
- Average value of US\$1 334 per carat achieved (US\$1 755 in 2022)
- The highest dollar per carat achieved for a white rough diamond during the year was US\$36 399 per carat

### **Safety performance**

Letšeng's safety performance in 2023 was excellent with zero fatalities (2022: zero), two LTIs (2022: three), an improved LTIFR of 0.10 (2022: 0.13) and our lowest AIFR on record of 0.67 (2022: 0.70).

### **Financial performance**

The turbulent global economic conditions from the previous year continued into 2023 with high inflation, interest rate hikes and slow overall economic growth in major economies which impacted the diamond market. The pressure experienced on the diamond market significantly impacted rough and polished diamond prices which resulted in a 26% decrease in revenue. Despite the implementation of numerous cost containment measures, EBITDA decreased by 65%.

### **Operational performance**

Significant changes were made to management, workforce and operating methodologies at Letšeng and Ghaghoo in 2023 to meet the challenges of lower revenues and increasing costs. The implementation of a number of initiatives in H2 2023 to slow down the rate at which ore is fed into the treatment plants significantly improved overall stability which materially improved the consistency of higher daily overall plant utilisation.

### **TCFD and Climate**

The Group concluded the final phase of its three-year TCFD roadmap in 2023. The Group achieved a 26% reduction of its scope 1 and scope 2 carbon emissions compared to its target of a 30% reduction by 2030.

### **Resource & Reserve Statement**

Following an in-depth resource development programme that involved extensive core resource drilling, pit surface mapping, 3D-modelling, and petrography, the Group has concluded its NI 43-101 Technical Report containing Letšeng's 2024 Resource and Reserve Statement which will be available on the Group's website at [www.gemdiamonds.com](http://www.gemdiamonds.com).

Commenting on the results today, Clifford Elphick, Chief Executive Officer of Gem Diamonds, said:

*"2023 was a challenging year globally with surging inflation and interest rate increases in major economies, two international conflicts and a subdued overall global economic outlook which had a significant negative impact on the diamond industry. Our financial results suffered primarily as a result of a decrease in revenue because of lower diamond prices. We have relentlessly focused on cost control measures, enhanced operational efficiencies, rigorous evaluation of capital projects and the deferment of non-essential longer-term projects.*

*We are proud of our excellent safety performance in 2023 which is a testament to the focus and dedication of our workforce to mature the organisational safety culture, a programme that commenced in 2021.*

*We also released Letšeng's 2024 Resource and Reserve statement today, the result of a lot of hard work over the past number of years. We will continue to optimise our mine plan to ensure sustainable returns for our stakeholders.*

*The pressure on the diamond market has persisted into 2024, although there have been some signs of price recovery. We are cautiously optimistic that prices will stabilise and that there will be some growth towards the end of 2024."*

The Company will host a live audio webcast of the full year results today, 14 March 2024, at 9:00 GMT. If you would like to attend the webcast please register here: [2023 Full Year results webcast](#)

The page references in this announcement refer to the Annual Report and Accounts 2023 which can be found on the Company's website: [www.gemdiamonds.com](http://www.gemdiamonds.com).

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67

**FOR FURTHER INFORMATION:**

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**ABOUT GEM DIAMONDS:**

Gem Diamonds is a leading global producer of high value diamonds. The Company owns 70% of the Letšeng mine in Lesotho. The Letšeng mine is famous for the production of large, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world.