



**GEMFIELDS**



## Interim Results

For the six months to 30 June 2024

27 SEPTEMBER 2024

## Shareholder and Investor Presentation

ALL FIGURES UNAUDITED



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## Our Mission

Gemfields strives to be the global leader in African emeralds, rubies and sapphires, promoting transparency, trust and responsible mining, while creating a positive impact for our host communities and countries.

## Our Strategic Objective

Gemfields strives to be *the* standard for African emeralds, rubies and sapphires

## Our Strategic Priorities

Safety first

Drive  
shareholder  
value

Invest for  
growth

Improve our  
efficiency

Develop our  
infrastructure

Increase  
prices of our  
gemstones

Partnership  
with local  
governments

**Exciting outlook - considerable investment for near term growth**

Healthy revenue in period with mixed 'premium' production

- Healthy total revenue in H1 2024: USD 128 million.
- Production of 'premium' rubies at MRM remains low.
- Kagem upgraded processing now running, with 'green shoots'!

Weaker-than-expected Commercial Quality emerald auction held September 2024

- September 2024: USD 11 million, but with only 61% of lots sold.
- Management considers it unlikely that the upcoming emerald and ruby auctions will see below par results of a similar scope.
- Luxury-goods market has softened and is facing greater uncertainty.

Careful management of cash during hefty investment phase in 2024 and 2025

- Second processing plant at MRM: on schedule for H1 2025.
- Capital expenditure to continue into 2025, while mining costs rise.
- Carefully managing cash and capital allocation.

# 2024 Interim Results - Finance Review

DAVID LOVETT, CFO

**GEMFIELDS**



A Story in Every Gemstone | *Discover more about Gemfields and Fabergé at [gemfieldsgroup.com](https://gemfieldsgroup.com)*

# Financial Performance

RETURN TO HEALTHIER EBITDA

# GEMFIELDS

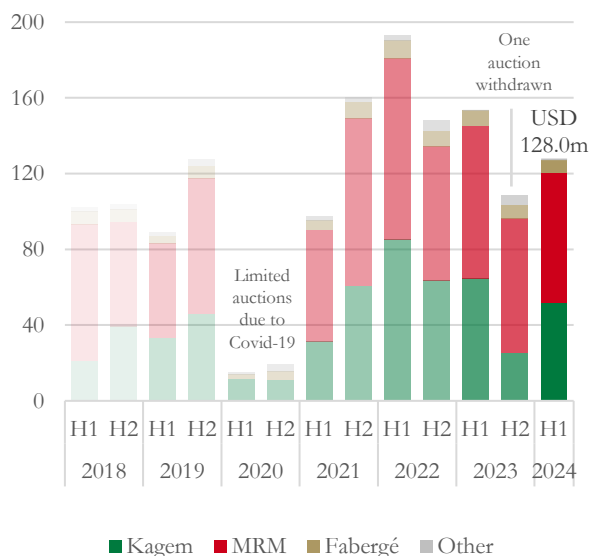
## Revenues - USD

**128.0 million**

**17%**

2023 H1: 153.6 million

USD million



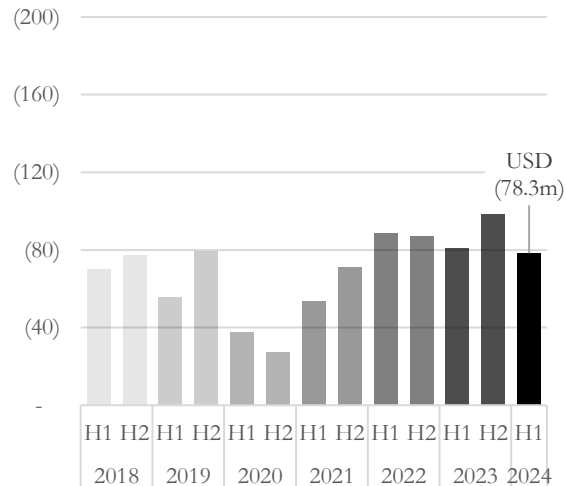
## Operating expenses - USD

**78.3 million**

**3%**

2023 H1: 80.6 million

USD million



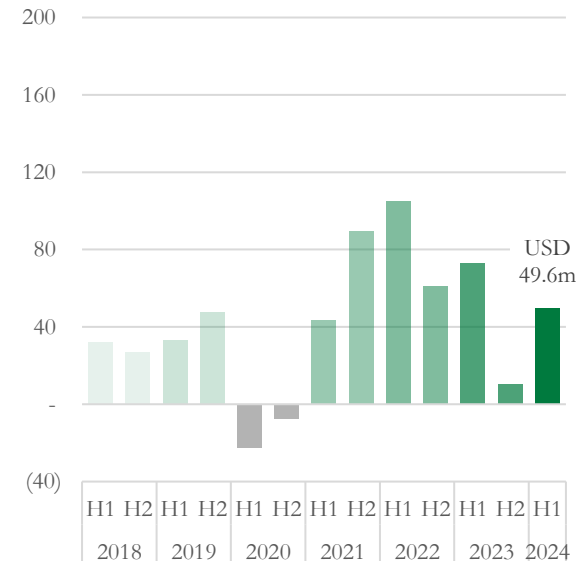
## EBITDA<sup>1</sup> - USD

**49.6 million**

**32%**

2023 H1: 73.0 million

USD million



<sup>1</sup> Operating expenses – Operating costs and cost of sales per cash flow statement

<sup>2</sup> EBITDA, adjusted to exclude one-off impairments to inventory and fair value gains or losses

# Financial Performance

# GEMFIELDS

2024 IS AN INVESTMENT YEAR – SQUEEZE OF FREE CASH FLOW AND NET CASH

## Adjusted Earnings Per Share

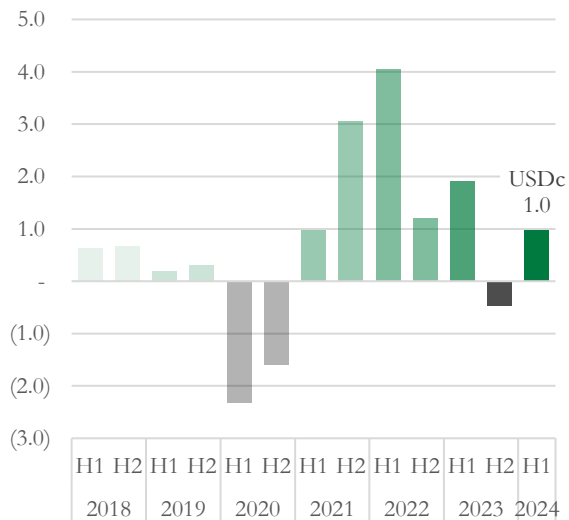
USDc

**1.0 cents**

**49%**

2023 H1: 1.9 cents

USD cents per share



## Free Cash Flow<sup>1</sup>

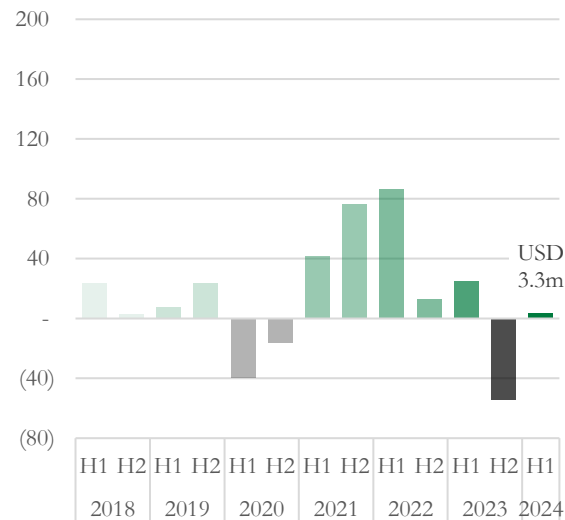
USD

**3.3 million**

**87%**

2023 H1: 25.2 million

USD million



## Net Cash + Auction Receivables<sup>2</sup>

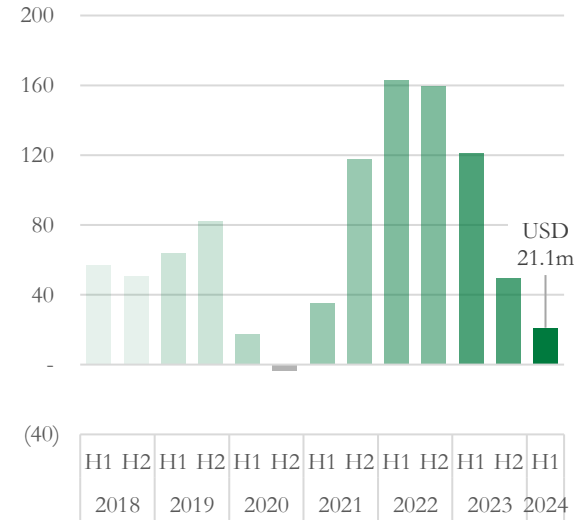
USD

**21.1 million**

**83%**

2023 H1: 121.1 million

USD million



<sup>1</sup> Free cash flow before working capital movements

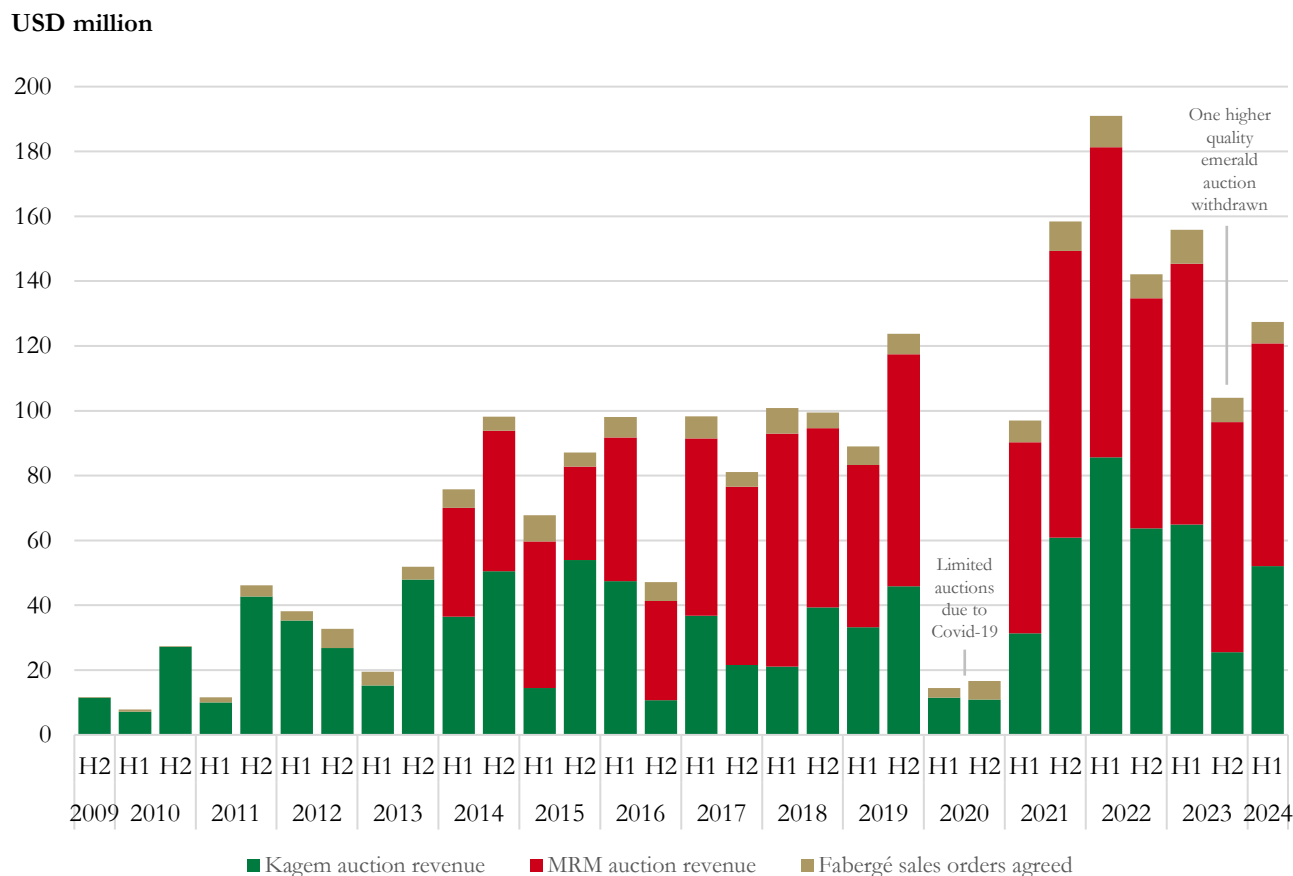
<sup>2</sup> As at 30 June 2024: Net debt of USD 44.4 million and auction receivables of USD 65.5 million

# Revenue at Kagem and MRM down from record levels

# GEMFIELDS

LOWER VOLUMES OF PREMIUM PRODUCT DRIVING SOFTER AUCTION RESULTS

**KAGEM & MRM AUCTION REVENUE + FABERGÉ SALES ORDERS AGREED**  
USD MILLION, HALF YEARLY



**Fabergé**  
USD 6.6 million  
Down 22% vs H1 2023      Down 10% vs H2 2023

**MRM**  
USD 68.7 million  
Down 15% vs H1 2023      Down 3% vs H2 2023

**Kagem**  
USD 51.9 million  
Down 20% vs H1 2023      Up 105% vs H2 2023

**Gemfields - Total**  
USD 128.0 million  
Down 17% vs H1 2023      Up 18% vs H2 2023

# Operating Expenses

GEMFIELDS

## KEY COST DRIVERS

### Total Operating Expenses *per cash flow statement*

#### Kagem

USD 23.7 million

Down 28% vs H1 2023  
Down 28% vs H2 2023

#### MRM

USD 32.3 million

Up 36% vs H1 2023  
Down 6% vs H2 2023

#### Development

USD 6.9 million

Up 87% vs H1 2023  
Up 13% vs H2 2023

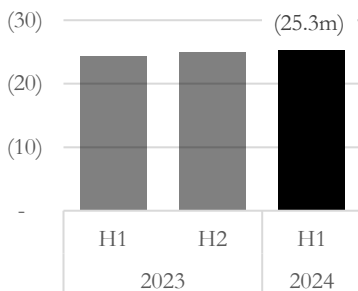
#### Corporate

USD 12.4 million

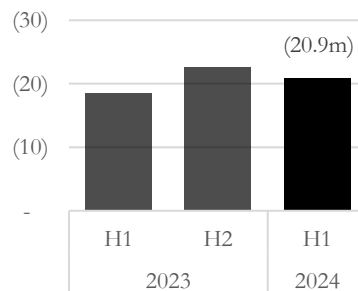
Up 5% vs H1 2023  
Down 20% vs H2 2023

### Mining and production costs

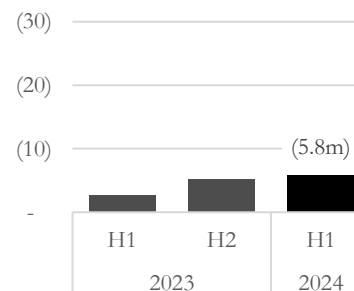
USD million



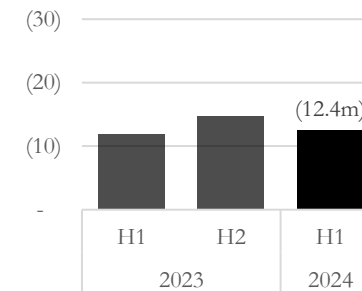
USD million



USD million



USD million



### Key Cost Drivers

*Higher rock handling drives fuel usage - +10%*

*Mozambique cost of fuel - Price per litre up - +10%*

*Headquarters and marketing costs steady*

*Headcount – more yellow-good operators + hires into vacant roles across operations* →

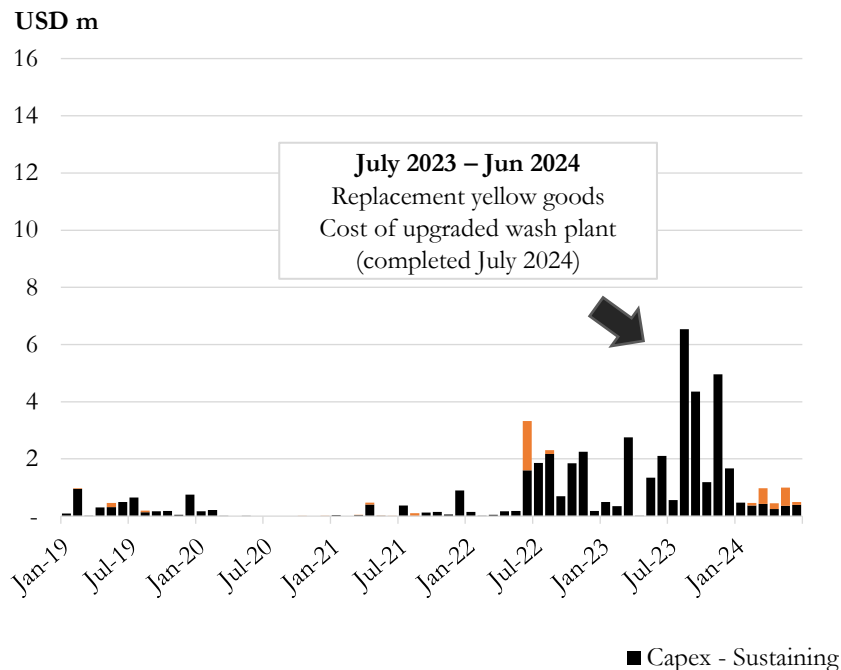


# Capital Expenditure

CONSIDERABLE INVESTMENT SINCE JULY 2023, AND TO CONTINUE ACROSS 2024 AND INTO 2025 AT MRM

## KAGEM - CAPITAL EXPENDITURE

USD MILLION, ACTUAL CASH COST BASIS, MONTHLY

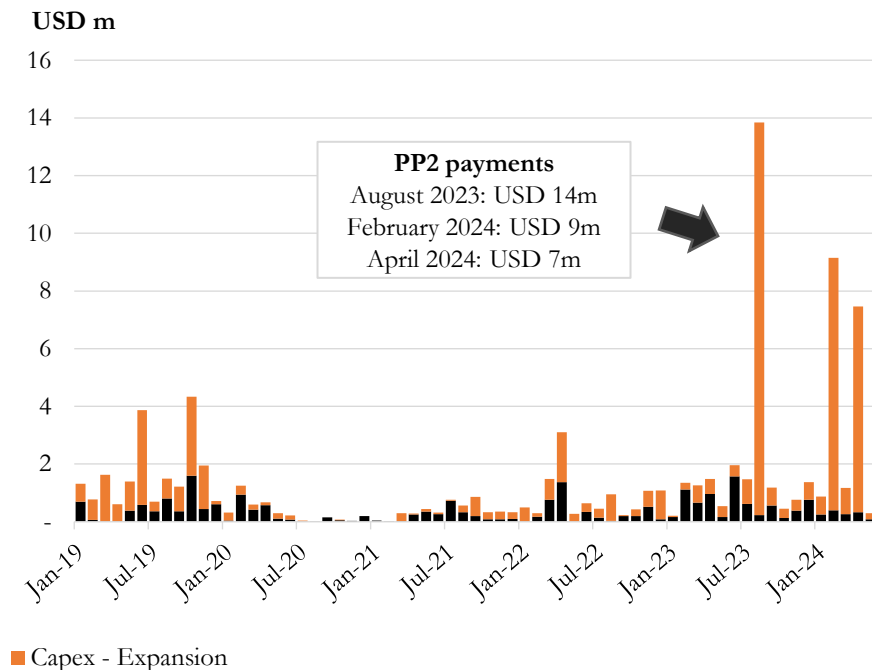


2024 H1:  
**3.8 million**  
down 45%  
2023 H1: 7.0 million

**2024 H2 Capex**  
Expected to stay at  
current lower levels

## MRM - CAPITAL EXPENDITURE

USD MILLION, ACTUAL CASH COST BASIS, MONTHLY



2024 H1:  
**22.1 million**  
up 225%  
2023 H1: 6.8 million

**2024 H2 Capex**  
30% of second processing  
plant cost (~USD21m)  
in H2 – 20% already paid

# MRM Second Processing Plant (“PP2”)

MATERIALLY ON BUDGET AND ON SCHEDULE FOR H1 2025 COMPLETION

## Latest Update

- a) Remains on schedule for completion by end of H1 2025
- b) Natural delays encountered (within contingency plan)
- c) Payments pushed more towards H2 2024 and H1 2025
- d) 60% (USD 40.7 million) paid to Consulmet, our construction partner, as at end of September 2024
- e) 10% remains to be paid in 2024 and 30% in 2025



~USD 70 million at foreign exchange rates at the time of signing in August 2023

H2 2023	H1 2024	H2 2024	H1 2025
20% (~USD 14 million)	20% (~USD 14 million)	30% (~USD 21 million)	30% (~USD 21 million)
20% - On Kick Off	10% - Milestone 1 (Paid in Feb 2024) 10% - Milestone 2 (Paid in April 2024)	10% each - Milestone 3-5 (30% of total) 20% paid as at end of September	25% - Milestone 6, 7 and 8 5% - At Completion

**PAID**

**ON BUDGET**

# Debt facilities

CONSIDERABLE INCREASE IN DEBT TO FUND INVESTMENT

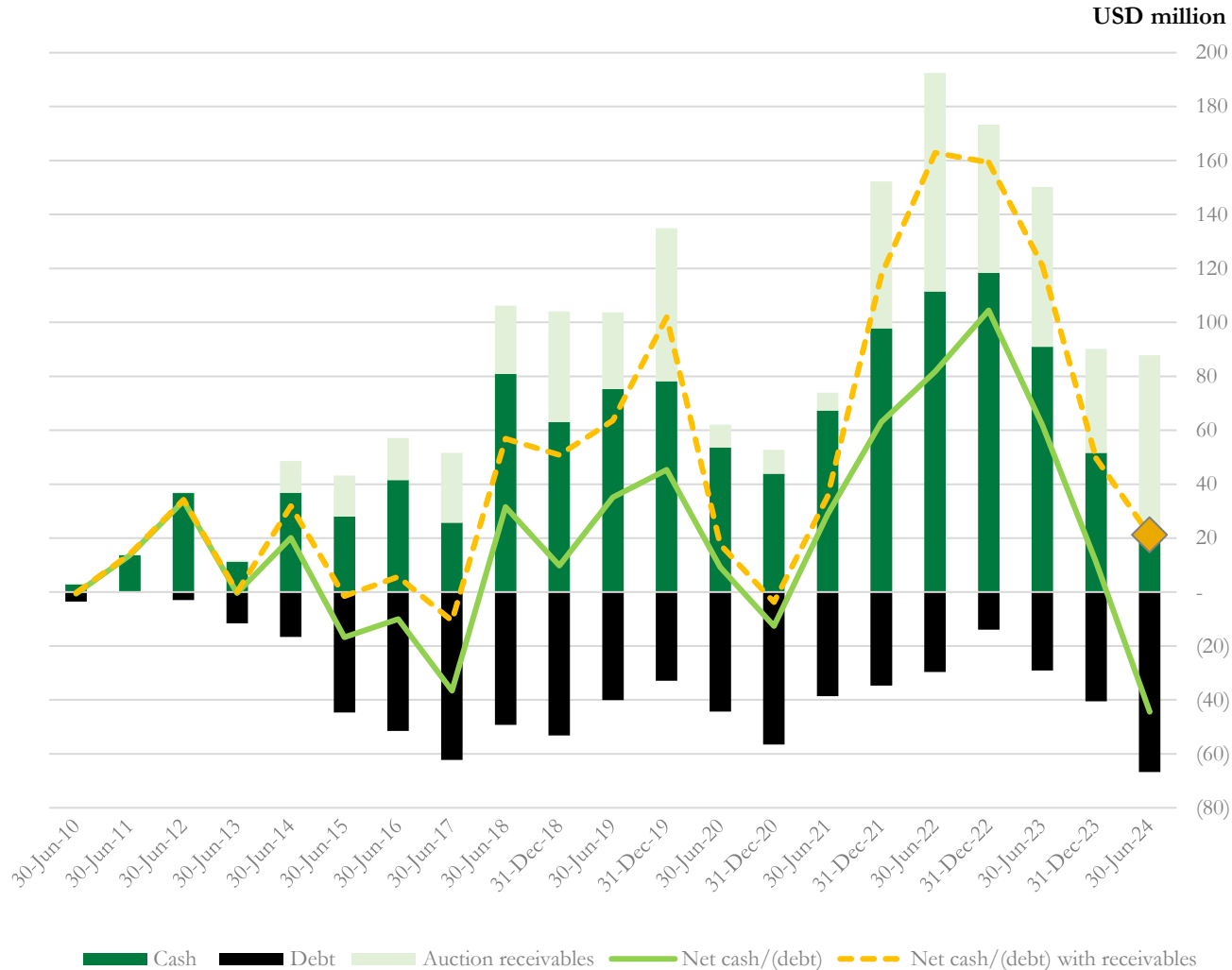
Lender	Mine	Size	Maturity	Status (as at end of September 2024)
<b>Overdraft facilities</b>				
FNB Zambia	Kagem	USD 21 million	2025 rolling	Partially utilised
ABSA Zambia	Kagem	USD 15 million	2025 rolling	Partially utilised
ABSA Mozambique	MRM	USD 15 million	2025 rolling	Partially utilised
BCI Mozambique	MRM	USD 20 million	2025 rolling	Partially utilised
<i>Considering additional small overdraft facilities at both mines</i>				
<b>PP2 funding</b>				
ABSA Mozambique	MRM	USD 25 million	5 years	Agreed, due to be signed - None utilised.
BCI Mozambique	MRM	USD 30 million	May 2030	Signed - USD 20 million utilised as at end of September 2024
<b>Total</b>		<b>USD 126 million</b>		

**Outlook:** Net debt expected to increase as investment continues and more debt is utilised  
**Expect net debt +/- USD 100 million during 2025**

**Outlook:**  
 Net finance cost to increase from 2025 due to term loans for PP2

# Net Debt – Will Deepen As Investment Continues

2024 INTERIM RESULTS - FINANCE REVIEW



**At 30 June 2024**

Gross cash: USD 22.3 million  
 Gross debt: 66.7 million  
**Net debt: USD 44.4 million**

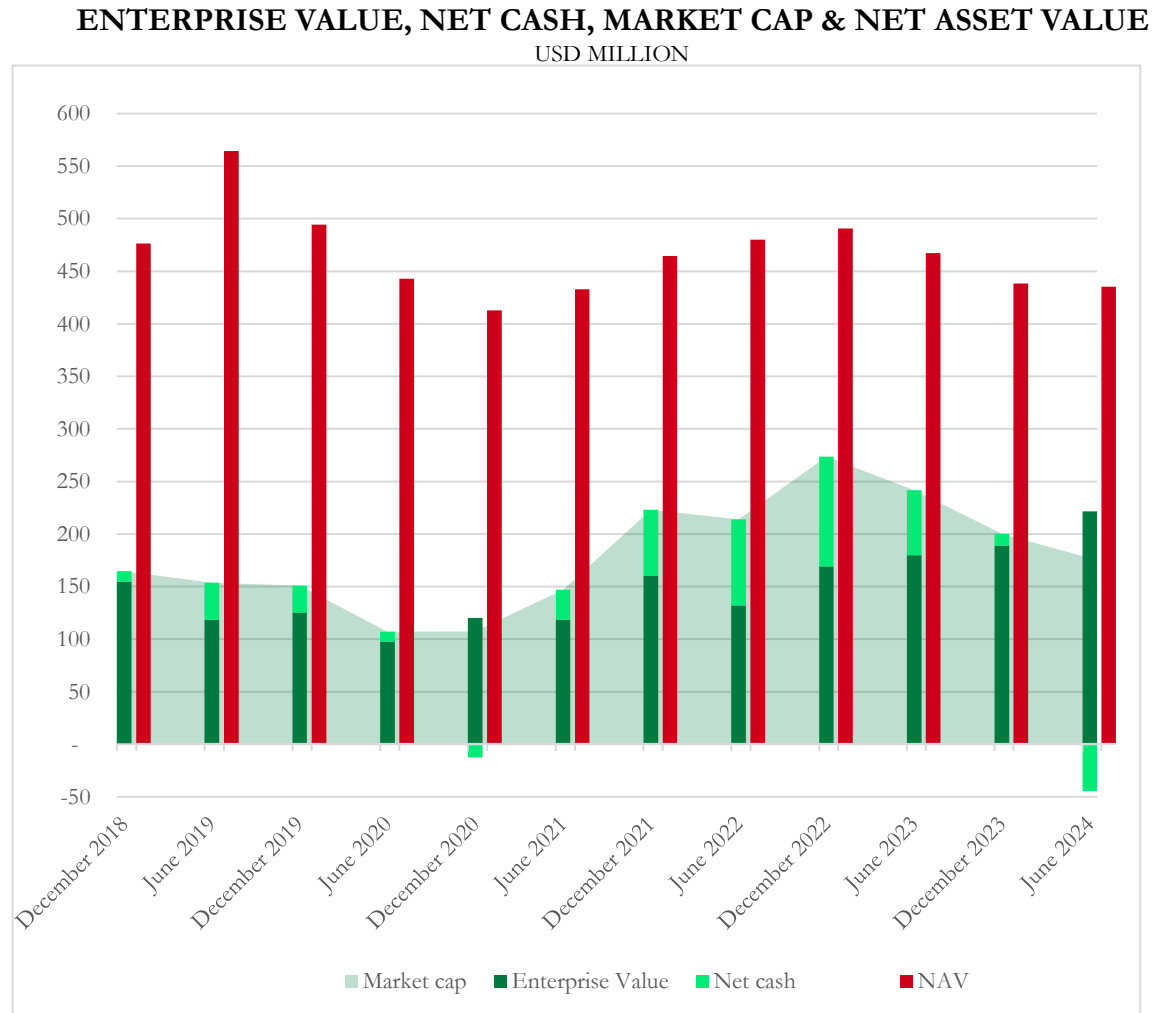
Outstanding auction receivables:  
 USD 65.5 million  
**Net cash with receivables:  
 USD 21.2 million**

**100% of 2024 H1 auction  
 receivables received**

# Gemfields sits at a considerable discount to Net Asset Value

CONSIDERABLE NEAR-TERM GROWTH OPPORTUNITIES

- a) Gemfields' market cap is **less than 50% of its Net Asset Value**
- b) Enterprise value is at a **5-year high, continues to rise**
- c) **USD 90 million** returned to shareholders since the start of 2022, includes:
  - USD 10 million dividend paid in H1 2024
  - 2023's USD 10 million buyback



# 2024 Interim Results - Operational Review

SEAN GILBERTSON, CEO

**GEMFIELDS**



A Story in Every Gemstone | *Discover more about Gemfields and Fabergé at [gemfieldsgroup.com](https://gemfieldsgroup.com)*



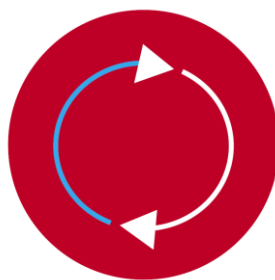
1

## *Responsible Mining*

Approach to ESG

Listed company  
accountability

Transparent auctions



2

## *Consistent Supply*

Scale of mines

Proprietary grading  
system



3

## *African Partner of Choice*

G-Factor for Natural  
Resources

Prefer partnership with  
governments



4

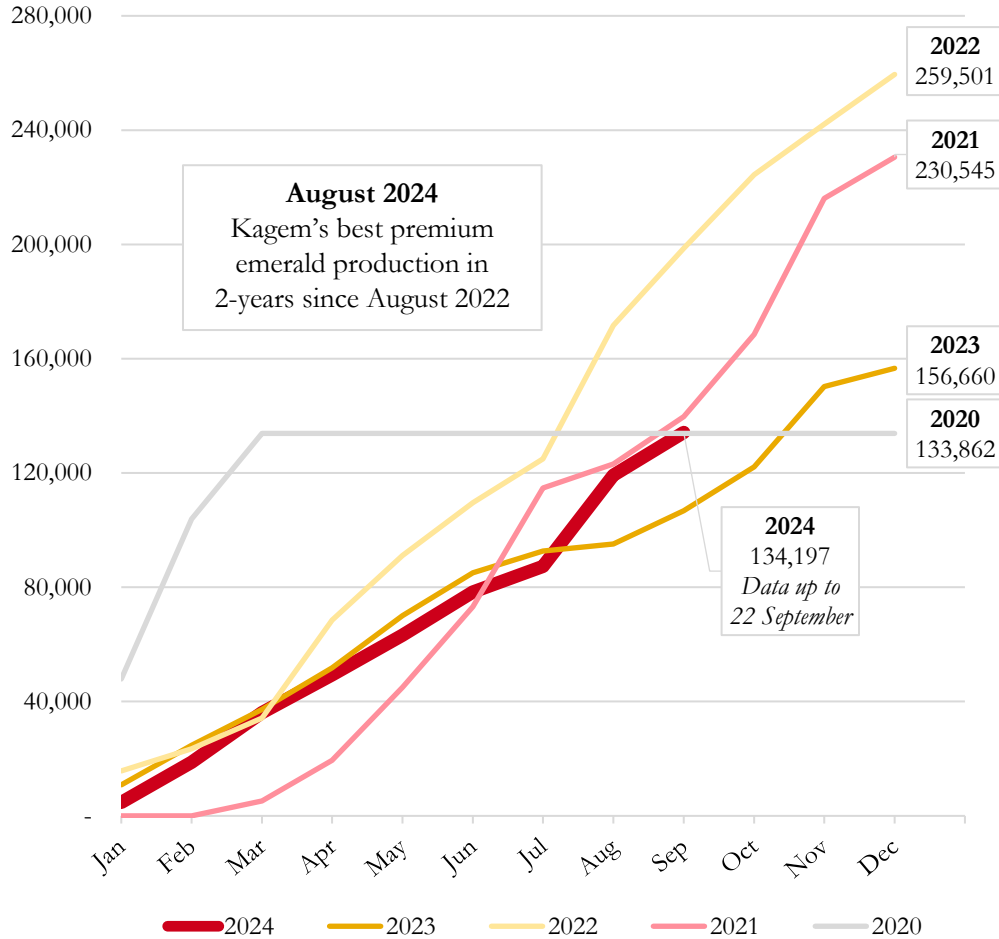
## *Mine and Market*

Marketing of coloured  
gemstones

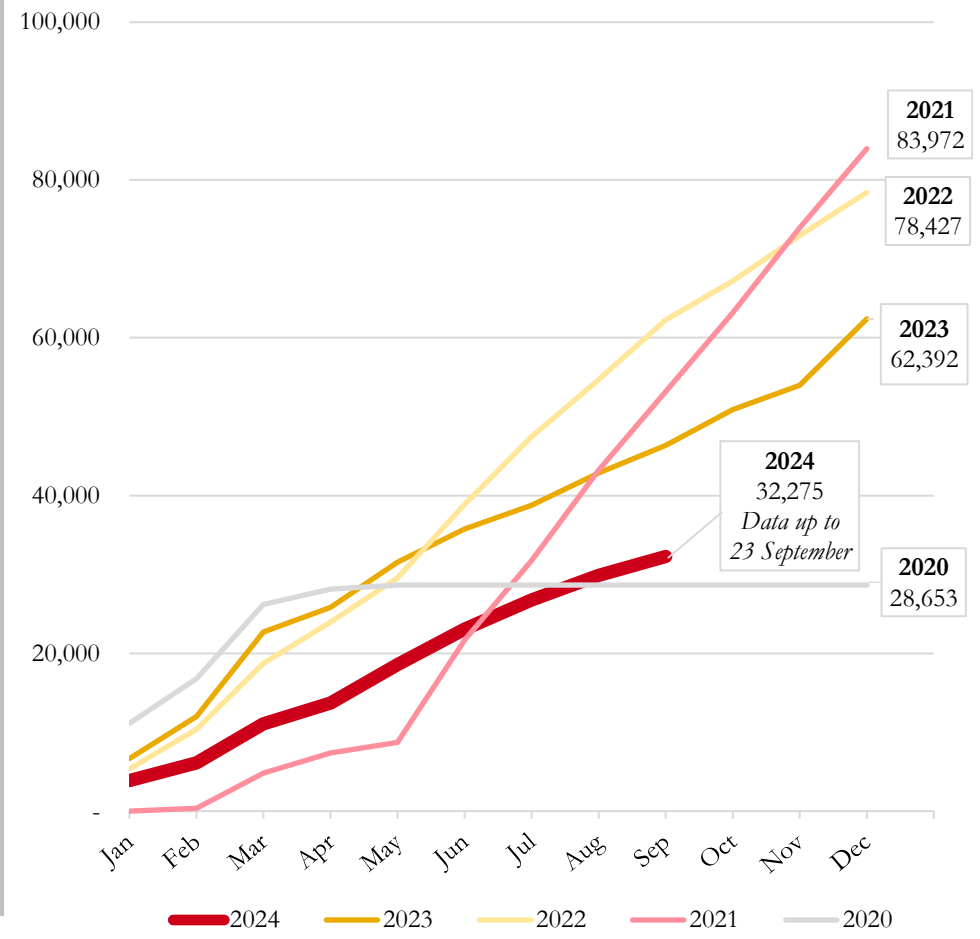
Owner of iconic luxury  
brand Fabergé – a key  
tool for marketing  
coloured gemstones



### CUMULATIVE PREMIUM EMERALD PRODUCTION CARATS, BY CALENDAR YEAR

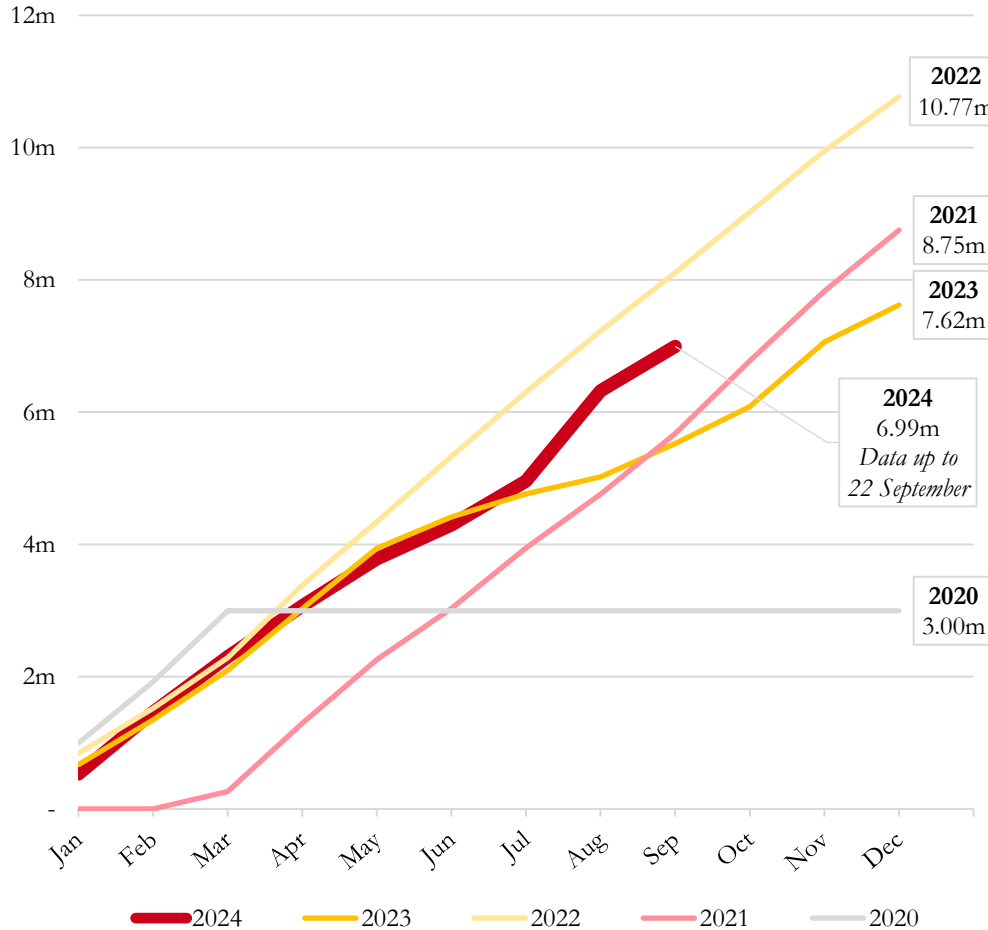


### CUMULATIVE PREMIUM RUBY PRODUCTION CARATS, BY CALENDAR YEAR

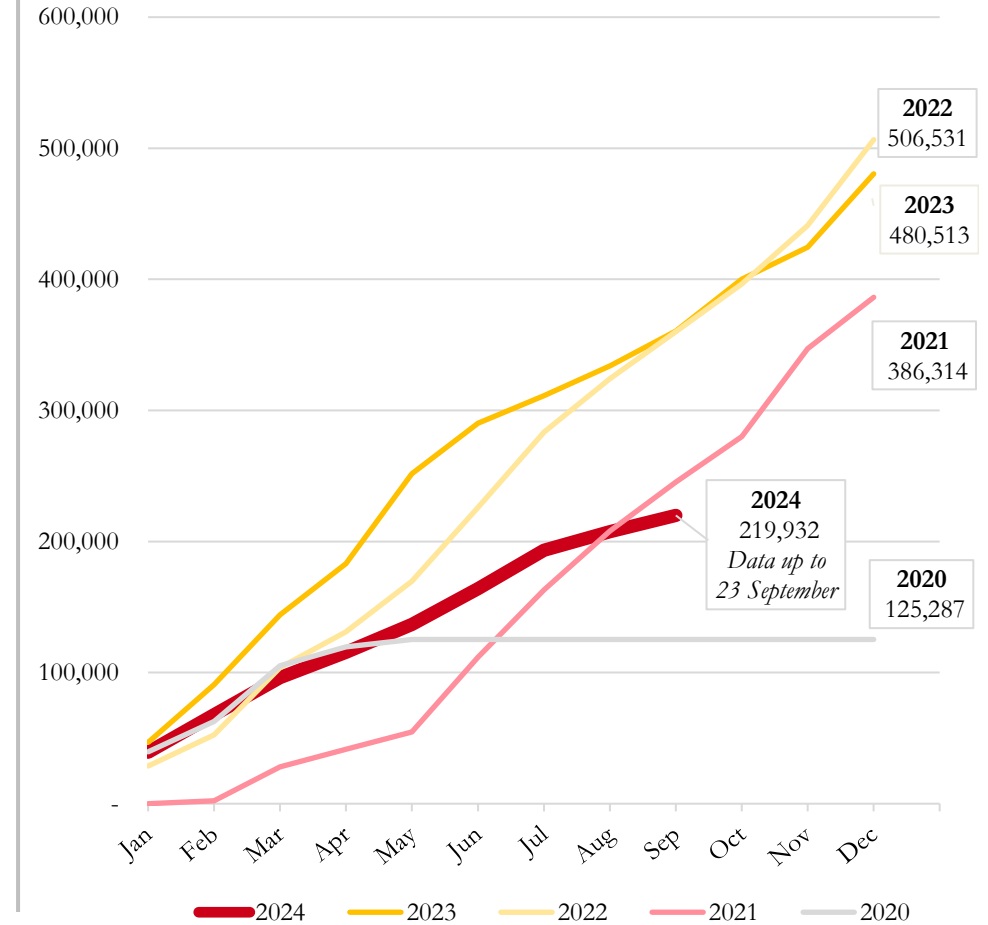




### CUMULATIVE EMERALD PRODUCTION CARATS, BY CALENDAR YEAR



### CUMULATIVE TUMBLE RUBY PRODUCTION CARATS, BY CALENDAR YEAR

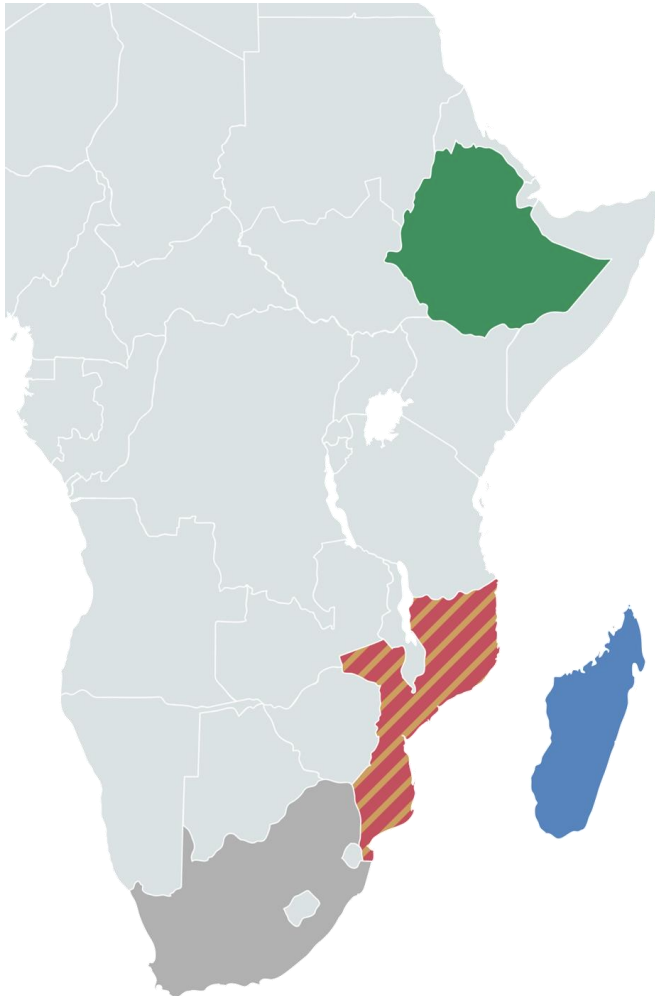




Looking ahead to our November & December 2024 auctions post a weaker-than-expected September commercial-quality emerald auction

	2023				2024			
	March	June	September <sup>1</sup>	December	March	June	September <sup>2</sup>	December
<b>Emerald</b>	Commercial	Higher	Commercial	Higher	Commercial	Higher	Commercial	Higher
Auction revenue	USD 21.2m	USD 43.7m	USD 25.5m	<i>Withdrawn from schedule</i>	USD 17.1m	USD 35.0m	USD 10.8m	<b>Scheduled (November)</b>
Price per carat	USD/carat 7.13	USD/carat 165.55	USD/carat 7.51		USD/carat 4.45	USD/carat 167.51	USD/carat 4.47	
<b>Ruby</b>		Mixed		Mixed		Mixed		Mixed
Auction revenue		USD 80.4m		USD 69.5m		USD 68.7m		<b>Scheduled</b>
Price per carat		USD/carat 265.99		USD/carat 290.02		USD/carat 316.95		

Auctions continue to depend on the quality and quantity of production of a natural and unpredictable product



## Ethiopia (*Emeralds*)

- Licences renewed in the short term, no current ambitions to operate in Ethiopia
- Operating conditions unsuitable

## Madagascar (*Sapphires*)

- Preparations are ongoing to establish a full-time presence in country
- Focus on acquiring an operating licence, with some targets identified

## Mozambique (*Rubies and Gold*)

- Paused production at MML to prioritise ERM
- Plan to move and upgrade MMR's processing plant to ERM, subject to cash constraints
- Nairoto gold project inferred resource released, considering all options as non-core to our strategy

## South Africa (*Platinum Group Metals*) - 6.54% owned

- Sedibelo Resources Limited is privately owned and not operating
- Value in GGL accounts reduced from USD 4m to Nil



Mine and Market

FABERGÉ

GEMFIELDS

## Two new Fabergé boutiques to open, Fabergé.com relaunched using Shopify

### LONDON

Piccadilly Arcade,  
St James's

*Due to open in November 2024*



### ABU DHABI, UAE

Saadiyat Grove Mall,  
Museum District

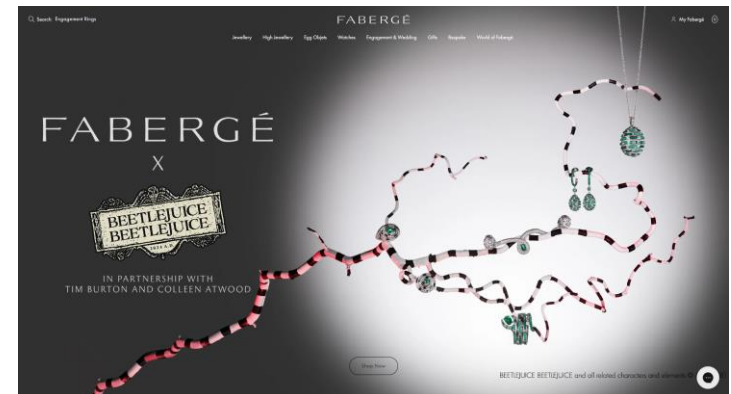
*Due to open in H2 2025*



### Fabergé.com

Relaunched website  
with Shopify

*Live now*



## Outlook and Summary

- a) Given higher quality gems are more resilient, management consider it unlikely that the November higher-quality emerald and December mixed-quality ruby auctions will see below par results of a similar scope as the September auction.
- b) Low grades and recovery of fewer rubies in ‘premium category’ at MRM continues to be a concern.
- c) Green-shoots of recovery at Kagem: August was the best month for ‘premium’ emerald production for 2 years and this has continued into September.
- d) Monitoring cash and capital allocation carefully.
- e) Prepared to take appropriate cost reduction and financing actions should there be any material setbacks.
- f) **Looking ahead as we begin to benefit from our strong investment across 2024, over the next 12 months.**



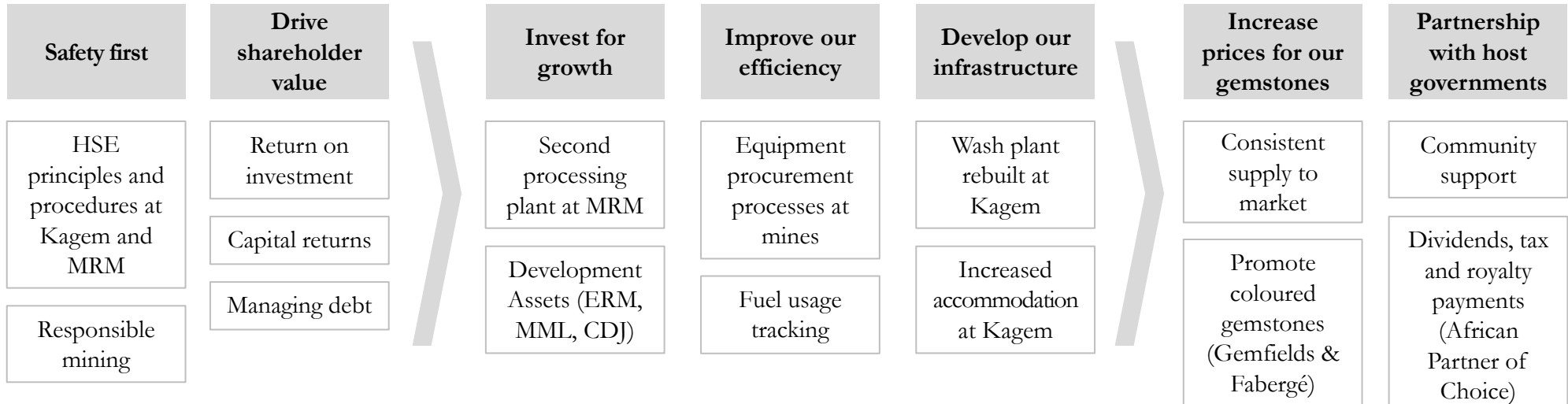
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Gemfields strives to be the global leader in African emeralds, rubies and sapphires, promoting transparency, trust and responsible mining, while creating a positive impact for our host communities and countries.

## Our Strategic Objective

Gemfields strives to be **the** standard for African emeralds, rubies and sapphires

## Our Strategic Priorities

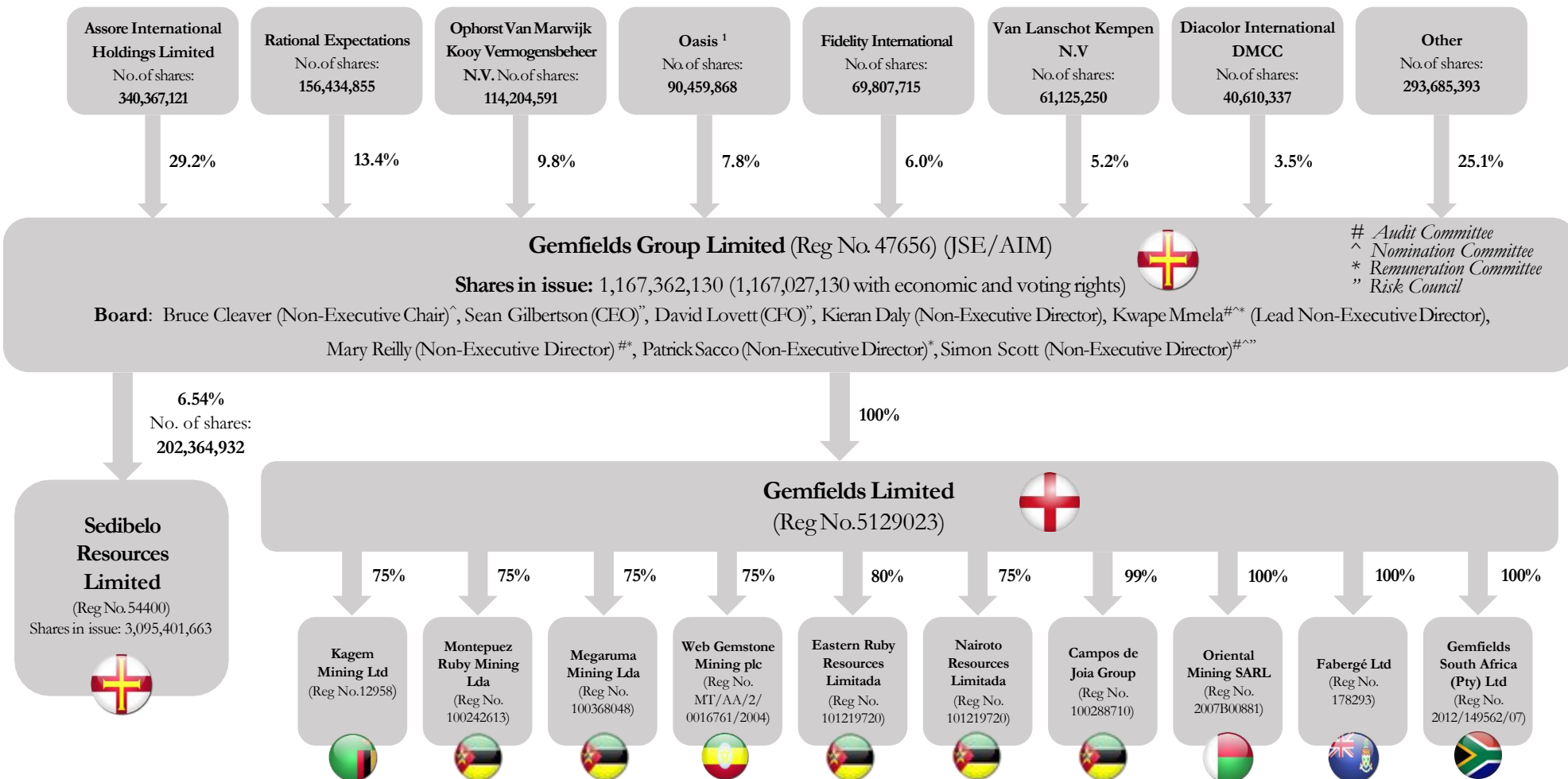


**Exciting outlook - considerable investment for near term growth**

# Gemfields Group Limited

# GEMFIELDS

CORPORATE STRUCTURE – AS AT 27 SEPTEMBER 2024



<sup>1</sup> The Oasis shareholding includes interests held by Oasis Asset Management and Oasis Crescent Capital

<sup>2</sup> Shareholdings based on 30 June 2024 analysis - Source: Nasdaq

## Gemfields is a world-leading **responsible miner** **and marketer** of **coloured gemstones**

### Responsible Mining

We implement industry-leading policies and practices across operations, with a transparent auction process, aiming to create a positive impact for the communities around our mines

### Mine and Market

We operate sector-leading mines at Kagem and MRM and own the iconic Fabergé brand, allowing us to promote coloured gemstones to end customers via brand collaborations and stronger media interest.

### Coloured Gemstones

We specialise in mining rough coloured gemstones, with emeralds from Zambia, rubies from Mozambique and the ambition of securing a suitable sapphire deposit

MAJORITY OWNED IN PARTNERSHIP WITH LOCAL GOVERNMENTS OR BUSINESSES

## World's single-largest producing emerald and ruby mines

### Kagem emerald mine

Zambia  
75% owned



USD 1.052 billion

Cumulative auction sales revenue since 2009

### Montepuez ruby mine

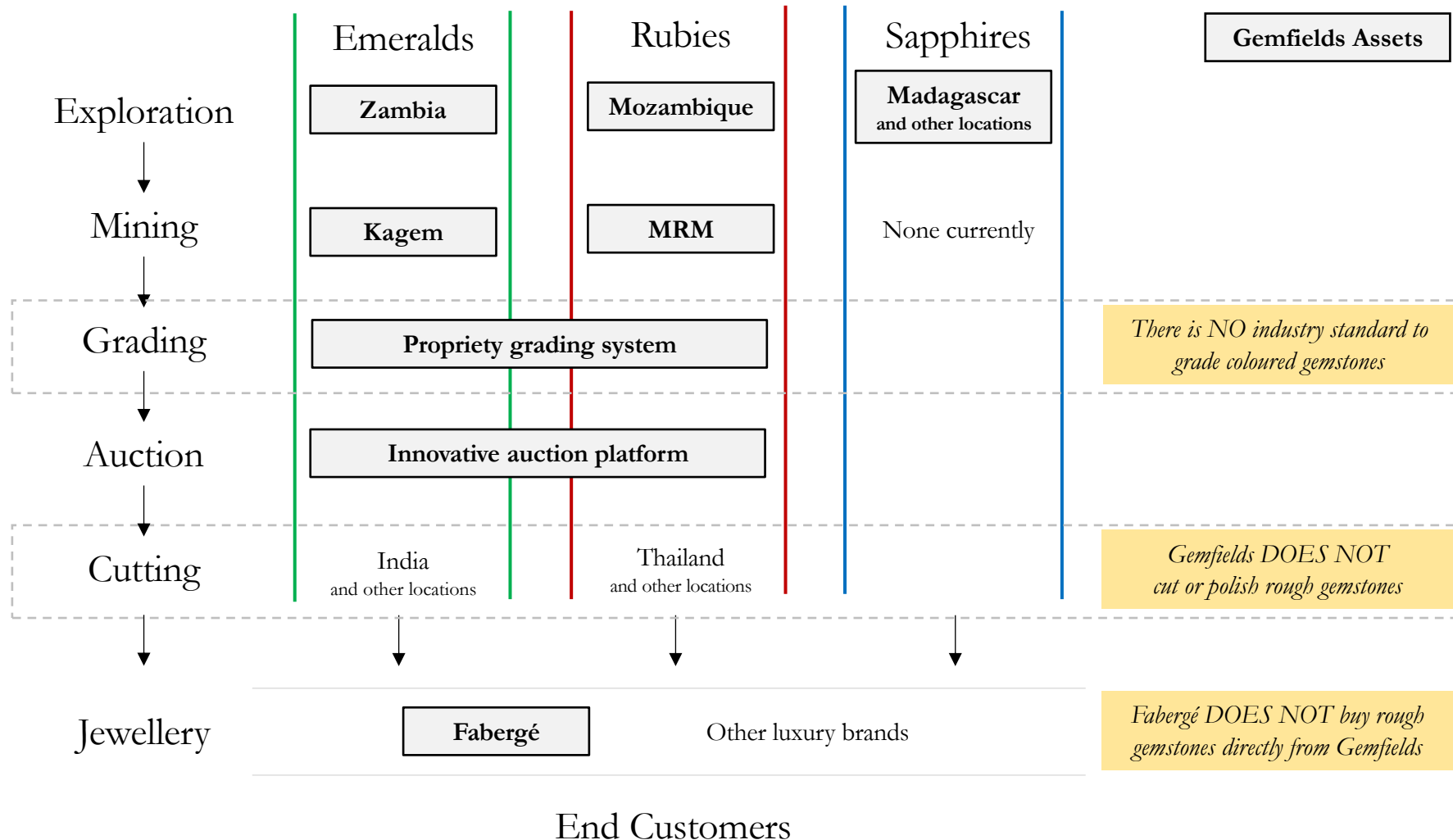
Mozambique  
75% owned



USD 1.120 billion

Cumulative auction sales revenue since 2014



## HOW GEMFIELDS OPERATES



# 2024 H1 Production Summary

**GEMFIELDS**



KAGEM AND MRM

<i>2024 H1</i> PRODUCTION AND MINING KPIs	UNITS	KAGEM	MRM
			
Premium Emerald / Premium Ruby Production	carat'000	78.4	23.1
Total Gemstone Production	carat'000	19,578	409
Ore Production	tonnes'000	183	416
Waste Mined	tonnes'000	8,954	3,077
Total Rock Handling	tonnes'000	9,137	3,493
Stripping Ratio <sup>1</sup>		42	6.7
Rock handling cash unit cost	USD / tonnes	3.09	8.23

# 2023 Production Summary

# GEMFIELDS

KAGEM AND MRM

<i>Full year 2023</i> PRODUCTION AND MINING KPIs	UNITS	KAGEM	MRM
			
Premium Emerald / Premium Ruby Production	carat'000	156.7	62.4
Total Gemstone Production	carat'000	30,153	1,279
Ore Production	tonnes'000	248	1,044
Waste Mined	tonnes'000	13,637	6,922
Total Rock Handling	tonnes'000	13,885	7,966
Stripping Ratio <sup>1</sup>		47	5.9
Rock handling cash unit cost	USD / tonnes	4.10	5.90

# Competent Persons Reports

**GEMFIELDS**

SRK CONSULTING - 2019

	<b>KAGEM</b>	<b>MRM</b>
Effective Date	1 July 2019	1 July 2019
Competent Person	SRK Consulting	SRK Consulting
Reporting code - mineral resources and mineral reserves	JORC Code (2012 edition)	JORC Code (2012 edition)
Net Present Value (post-tax -10% Discount Rate)	USD 600 million	USD 567 million
Mining Licence valid to	April 2045	November 2036
<b><u>Life-Of-Mine Plans (“LoMPs”) – (excludes inferred resources)</u></b>		
Duration (years)	23	14
Steady-state ore (Mtpa)	0.14	1.5
Steady-state waste (Mtpa)	12.7	6.0
Overall stripping ratio (t/t)	76	4.0
Attributable (75%) Mineral Resources – Primary	Measured 581kt at 210ct/t Indicated 2,880kt at 265ct/t Inferred 1,050kt at 145ct/t	- Indicated 857kt at 96ct/t Inferred 180kt at 98ct/t
Attributable (75%) Mineral Resources – Secondary	N/A	Indicated 14,773kt at 3.9ct/t Inferred 29,850kt at 11.3ct/t
Attributable (75%) Mineral Reserves – Primary	Proved 511kt at 179ct/t Probable 2,205kt at 215ct/t	- Probable 845kt at 98ct/t
Attributable (75%) Mineral Reserves – Secondary	N/A	- Probable 14,731kt at 4ct/t
Plant design capacity (tph):		
Scrubber	72 reduced to 45	200
DMS		83



# GEMFIELDS

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