



GEMFIELDS

Interim Results Presentation

For the six months ending 30 June 2023

PUBLISHED 22 SEPTEMBER 2023

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Strong financial performance

- Strong auction revenue during the period (USD 145 million)
- Inflation showing signs of slowing but costs remain high
- Adjusted EPS metric included, excluding Sedibelo revaluations

Not all gemstones are born equal

- November higher-quality emerald auction no longer scheduled
- Kagem production: lower quality and quantity in recent months
- Management decision to optimise value of production

Investing for growth

- Second processing plant at MRM: construction has started
- New plant is largest single investment made by Gemfields
- Catch-up and expansionary capex at Kagem and MRM

2023 Interim Results - Finance Review

DAVID LOVETT, CFO

GEMFIELDS



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

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Financial Highlights

GEMFIELDS

STRONG FINANCIAL PERFORMANCE CONTINUES

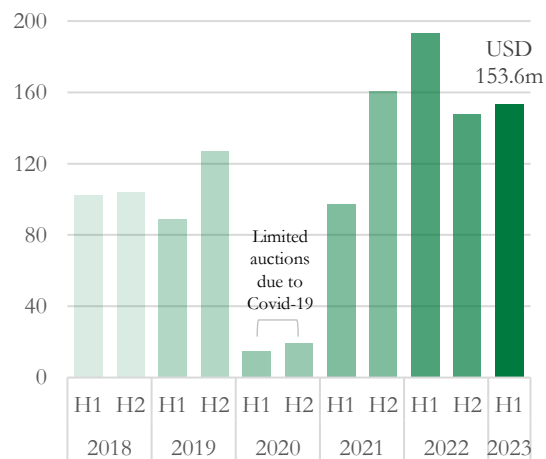
Revenues - USD

153.6 million

20%

2022 H1: 193.2 million

USD million



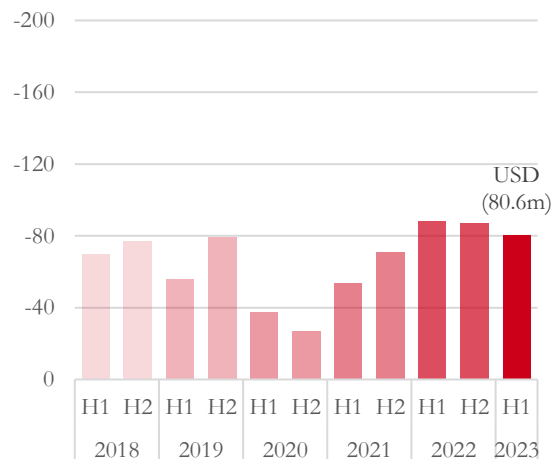
Operating expenses - USD

80.6 million

9%

2022 H1: 88.3 million

USD million



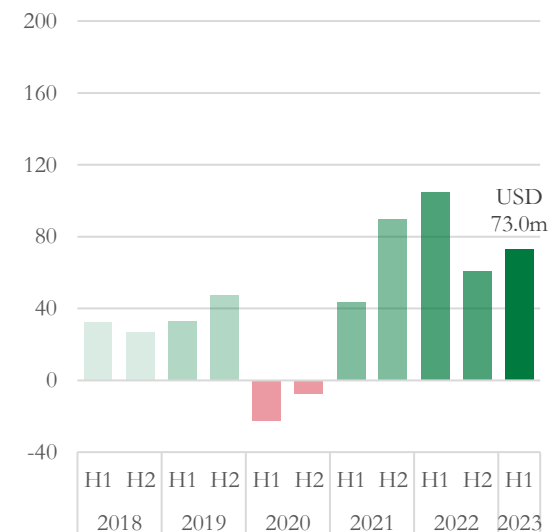
EBITDA¹ - USD

73.0 million

30%

2022 H1 : 104.8 million

USD million



Financial Highlights

GEMFIELDS

INVESTING IN THE BUSINESS AND RETURNING CAPITAL

Adjusted Earnings Per Share

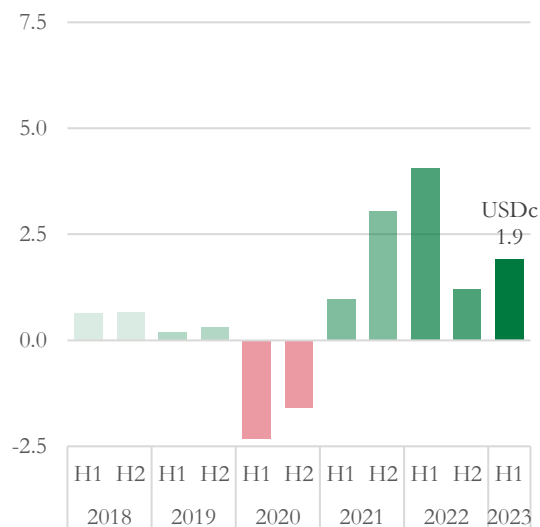
USDc

1.9

53%

2022 H1: 4.1

USD cents per share



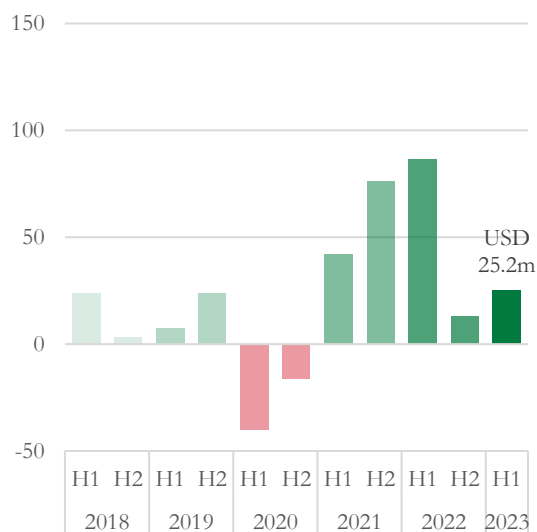
Free Cash Flow¹ - USD

25.2 million

71%

2022 H1: 86.5 million

USD million



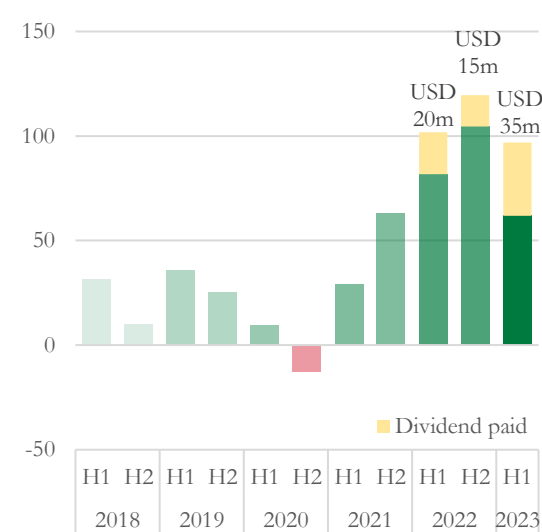
Net Cash² - USD

61.8 million

24%

2022 H1: 81.8 million

USD million



¹ Free cash flow before working capital movements

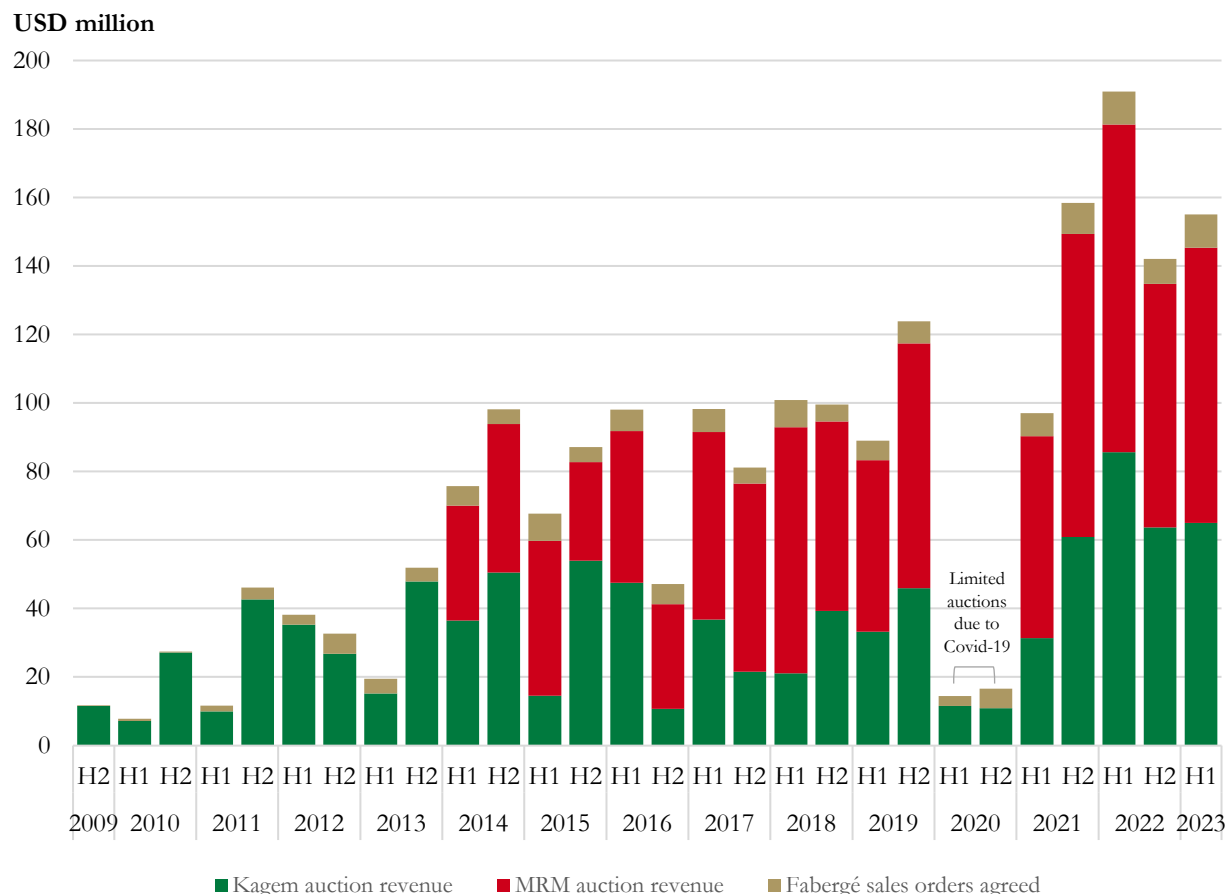
² Does not include USD 63.9 million of auction receivables, 97% now received

Strong Revenue Generation

2023 INTERIM RESULTS - FINANCE REVIEW

GEMFIELDS

KAGEM & MRM AUCTION REVENUE + FABERGÉ SALES ORDERS AGREED USD MILLION, PER HALF YEAR



Fabergé revenue

USD 8 million

Down 12% vs H1 2022 Up 4% vs H2 2022

MRM revenue

USD 80 million

Down 16% vs H1 2022 Up 13% vs H2 2022

Kagem revenue

USD 65 million

Down 24% vs H1 2022 Up 2% vs H2 2022

Gemfields - Total

USD 154 million

Down 20% vs H1 2022 Up 4% vs H2 2022

Costs Controlled After Step Change in 2022

KEY COST DRIVERS AT KAGEM AND MRM

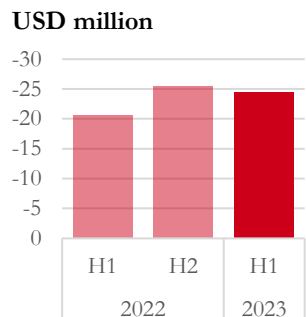
Kagem operating costs

USD 27.1 million

Up 12%
vs H1 2022

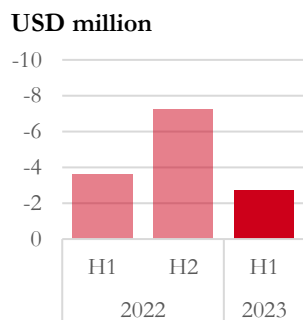
Down 17%
vs H2 2022

Mining and production costs



Labour and camp costs higher. Fuel and explosives lower than H2 2022.

Selling, general and administrative expenses



Generally better controlled costs and one-off item in H2 2022.

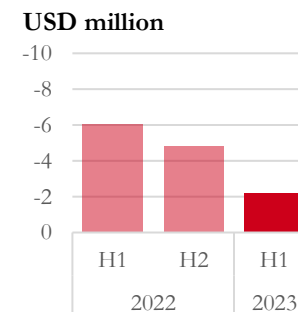
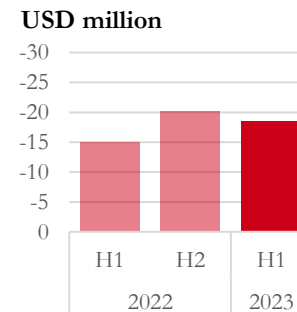
MRM operating costs

USD 20.7 million

Down 1%
vs H1 2022

Down 17%
vs H2 2022

Labour, camp and fuel costs lower than H2 2022, security costs increased.



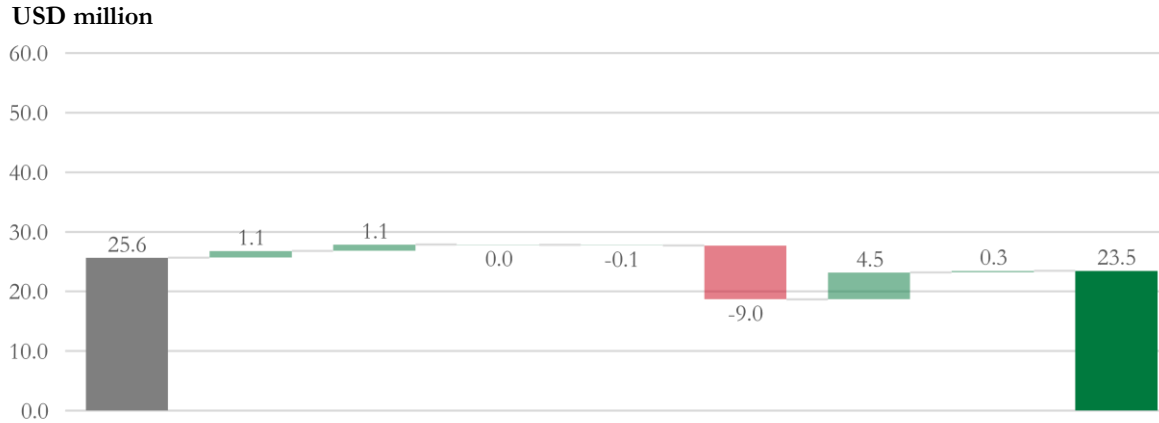
One-off non-cash item in H1 2023

EBITDA Bridges – H2 2022 to H1 2023

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2023 INTERIM RESULTS - FINANCE REVIEW

Kagem



EBITDA margin

36.3%

2022 H2: 40.4%

MRM



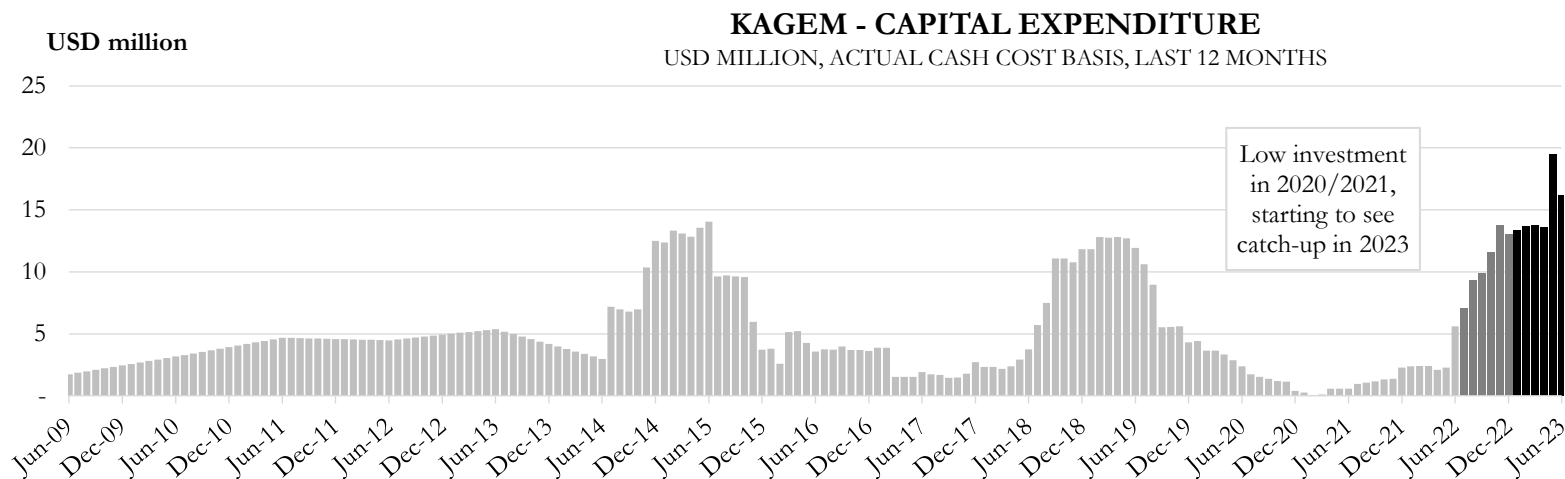
EBITDA margin

58.0%

2022 H2: 52.8%

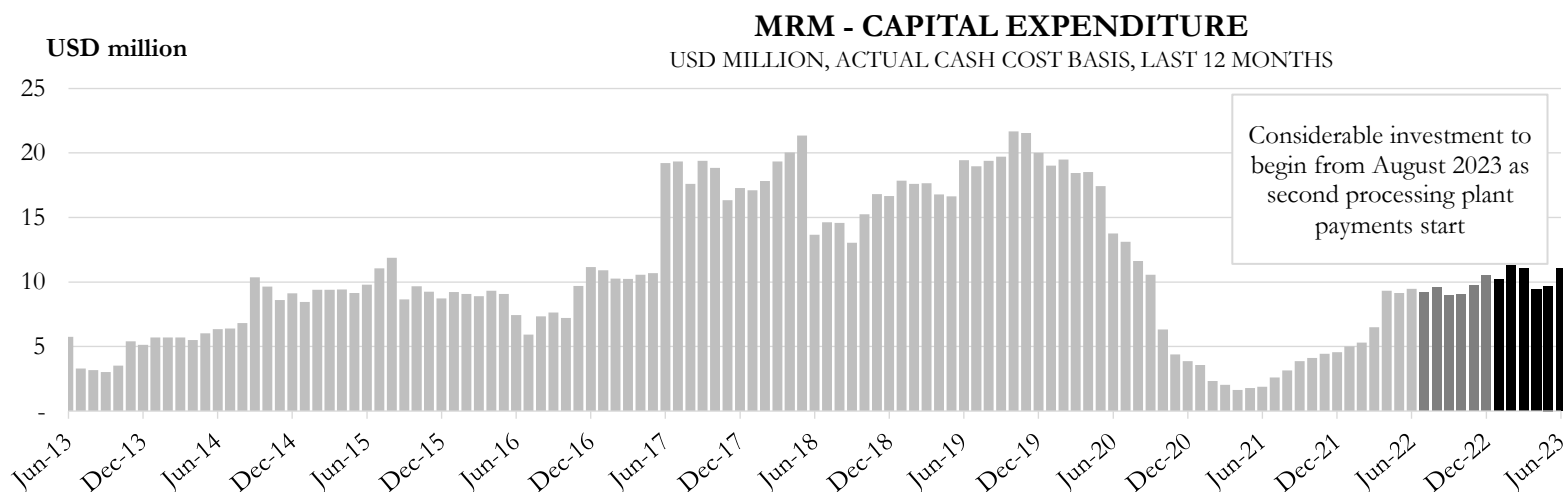
Capital Expenditure: Heightened for Remainder of 2023

2023 INTERIM RESULTS - FINANCE REVIEW



2023 H1 Capex
USD 7 million

2023 H2 Capex
Expected to stay at heightened level into 2024



2023 H1 Capex
USD 7 million

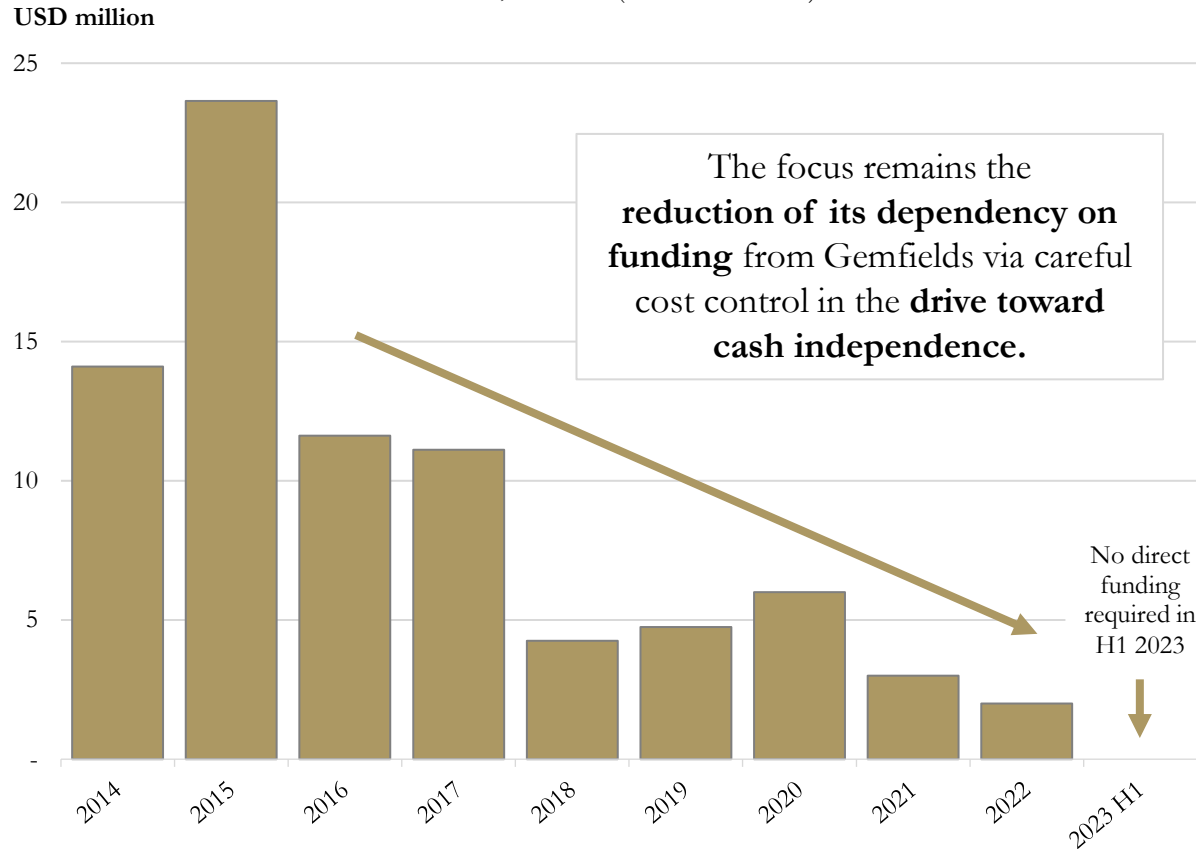
2023 H2 Capex
30% of second processing plant cost (~USD70m) expected in H2

Fabergé – No Direct Funding Required in H1 2023

2023 INTERIM RESULTS - FINANCE REVIEW

FUNDING REQUIRED BY FABERGÉ

USD MILLION, ANNUAL (UNLESS STATED)



H1 revenue
USD 8.4 million
 Down 12% vs H1 2022 Up 4% vs H2 2022

H1 costs
USD 4.6 million
 Up 15% vs H1 2022 Down 11% vs H2 2022

Cash required from Gemfields in 2023 YTD:
Zero

Note: At acquisition by Gemfields in Jan 2013, Fabergé had USD 11.6 million in cash. Gemfields first provided funding to Fabergé in November 2013

Note: Costs is 'Selling, general and administrative expenses'

Positive Free Cash Flow

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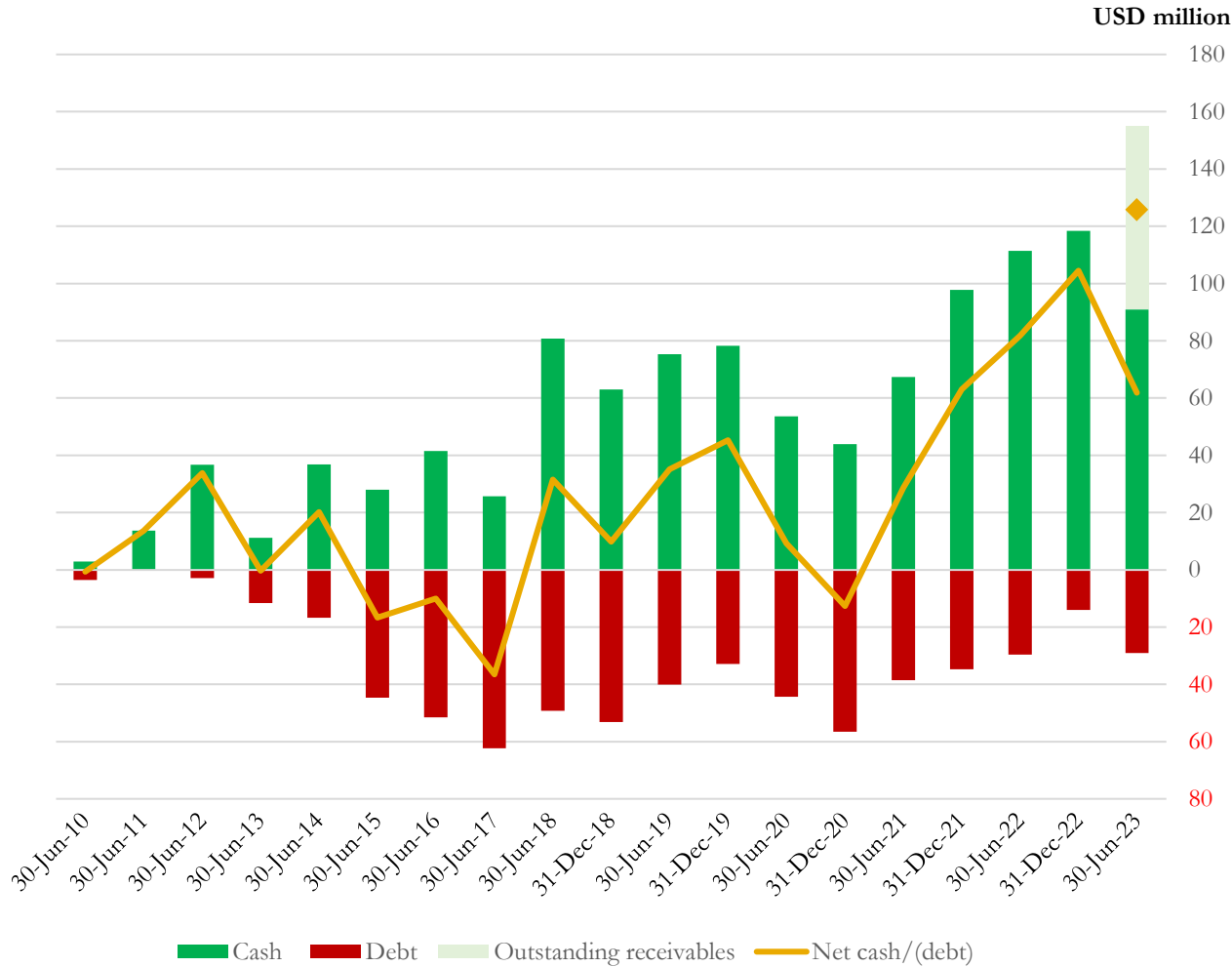
2023 INTERIM RESULTS - FINANCE REVIEW

SIX MONTHS ENDED 30 JUNE 2023	DEVELOPMENT						TOTAL USD'000
	KAGEM USD'000	MRM USD'000	ASSETS USD'000	FABERGÉ USD'000	CORPORATE USD'000	OTHER USD'000	
Revenue	64,594	80,414	–	8,383	2	226	153,619
Operating costs and cost of sales ¹	(33,050)	(23,734)	(639)	(10,196)	(11,813)	(1,206)	(80,638)
Marketing, management and auction costs	(8,074)	(10,052)	–	–	18,126	–	–
EBITDA	23,470	46,628	(639)	(1,813)	6,315	(980)	72,981
<i>Add back:</i>							
Change in inventory and purchases	2,208	(5,170)	–	5,588	4	100	2,730
<i>Add back:</i>							
Costs capitalised to intangible assets	–	–	(3,046)	–	–	–	(3,046)
Tax paid	(16,002)	(13,345)	–	–	(1,484)	(16)	(30,847)
Capital expenditure	(7,046)	(6,809)	(2,361)	(115)	(18)	(256)	(16,605)
Free cash flow before working capital movements	2,630	21,304	(6,046)	3,660	4,817	(1,152)	25,213
Working capital movements ²	(9,688)	(10,053)	(363)	(2,263)	1,135	(193)	(21,425)
Free cash flow³	(7,058)	11,251	(6,409)	1,397	5,952	(1,345)	3,788
Cash generated from operations	15,019	31,821	(985)	1,868	7,660	(998)	54,385
Tax paid	(16,002)	(13,345)	–	–	(1,484)	(16)	(30,847)
Capital expenditure	(7,046)	(6,809)	(5,407)	(115)	(18)	(256)	(19,651)
Foreign exchange	971	(416)	(17)	(356)	(206)	(75)	(99)
Free cash flow³	(7,058)	11,251	(6,409)	1,397	5,952	(1,345)	3,788

Note: For details on ¹, ² and ³, please see on page 50 of the Interim Report

Net Cash with Auction Receivables Remains Strong

2023 INTERIM RESULTS - FINANCE REVIEW



At 30 June 2023:
 Gross cash: USD 90.9 million
 Gross debt: USD 29.1 million
Net cash: USD 61.8 million

Outstanding receivables:
 USD 63.9 million
**Net cash with receivables:
 USD 127.5 million**

**97% of 2023 H1 auction
 receivables received
 as of 21 September 2023**

Note: Net cash / (debt) yellow line excludes auction receivables. Yellow marker for 30 June 2023 is Net cash/(debt) with auction receivables

Capital Allocation Priorities

Capital Returns

Managing Debt

Organic / Inorganic Investments

Investment for organic growth the focus for rest of 2023



Organic Investments

- Second processing plant at MRM (~USD70 million capex to 2025)
- Catch-up and expansionary capex at Kagem and MRM
- Investment in development ruby licence projects

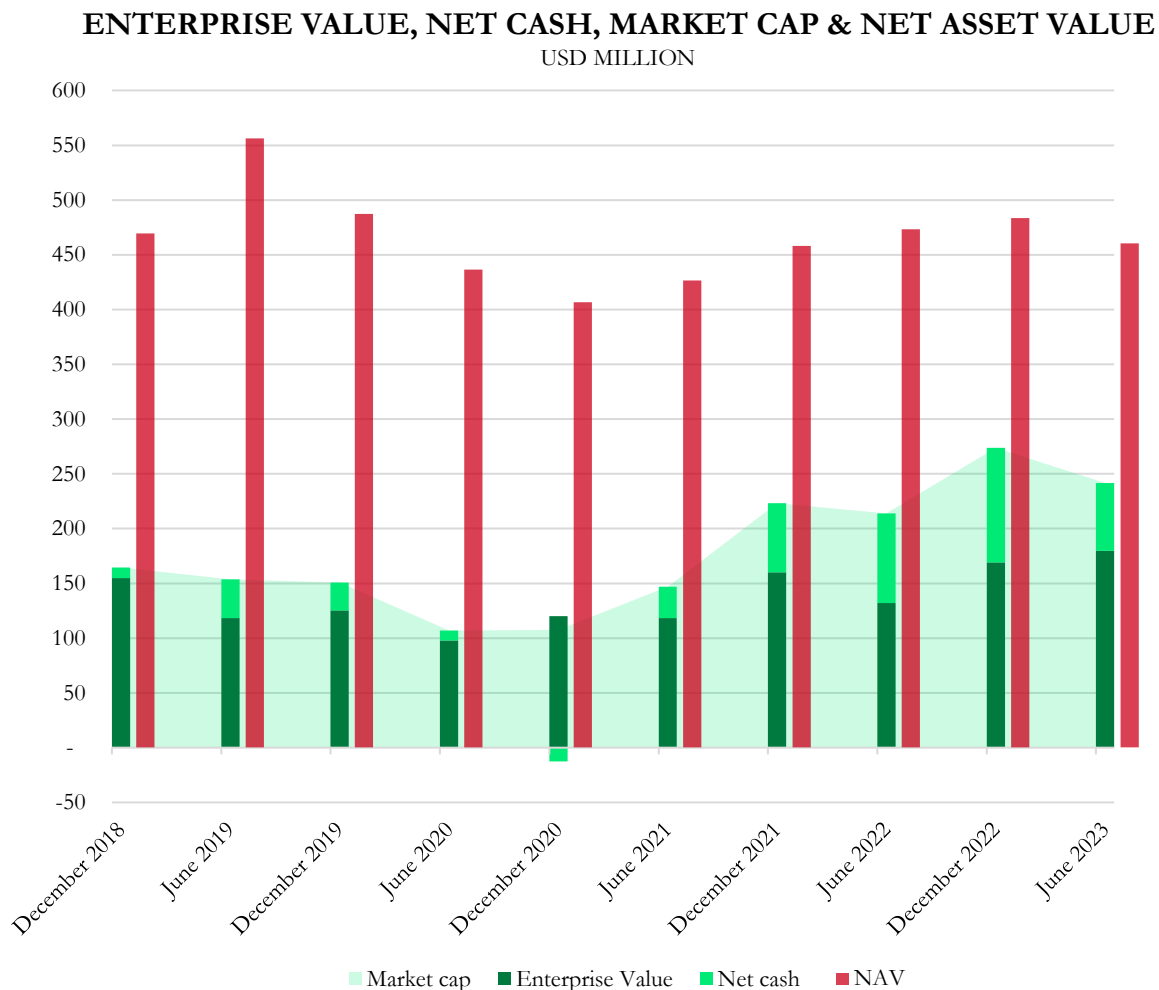
2023 Final Dividend

Intention to pay full year dividend
Subject to financial, production and market conditions

Gemfields sits at a considerable discount to Net Asset Value

STRONG INVESTMENT OPPORTUNITY

- a) Gemfields market cap is approximately 50% of its Net Asset Value
- b) Approximately 25% of Gemfields market cap is in cash
- c) USD 70 million returned to shareholders since the start of 2022, through three dividends



Guidance for 2023

- a) Remaining 2023 auction schedule:
 - i. One mixed-quality ruby auction – Closing in December
- b) Premium emerald production, earmarked for November's higher-quality auction that will no longer take place, will be rolled into 2024's auction schedule
- c) Inflationary environment showing signs of stabilising, focused on managing controllable costs

Outlook and summary

- a) Considerable investment across the Group in second half of 2023
 - i. MRM second processing plant, 30% of USD70 million
 - ii. Sustaining and expansionary capex at both Kagem and MRM
- b) Costs stabilising, continued careful management of cash
- c) Unlikely to match 2022 financial performance with one less auction than last year
- d) Gemfields remains in strong financial position – with significant investment opportunity at both mines**

2023 Interim Results - Operational Review

SEAN GILBERTSON, CEO

GEMFIELDS



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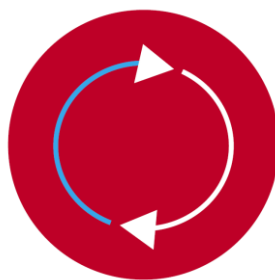
1

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 our
emeralds and rubies*

1

Responsible Mining

ASSESSING NEW ESG KPIS FOR DISCLOSURE

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Strategic Objective

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

Strategic Pillars

Nature Positive

Empowered People

Prospering Communities

Business Integrity

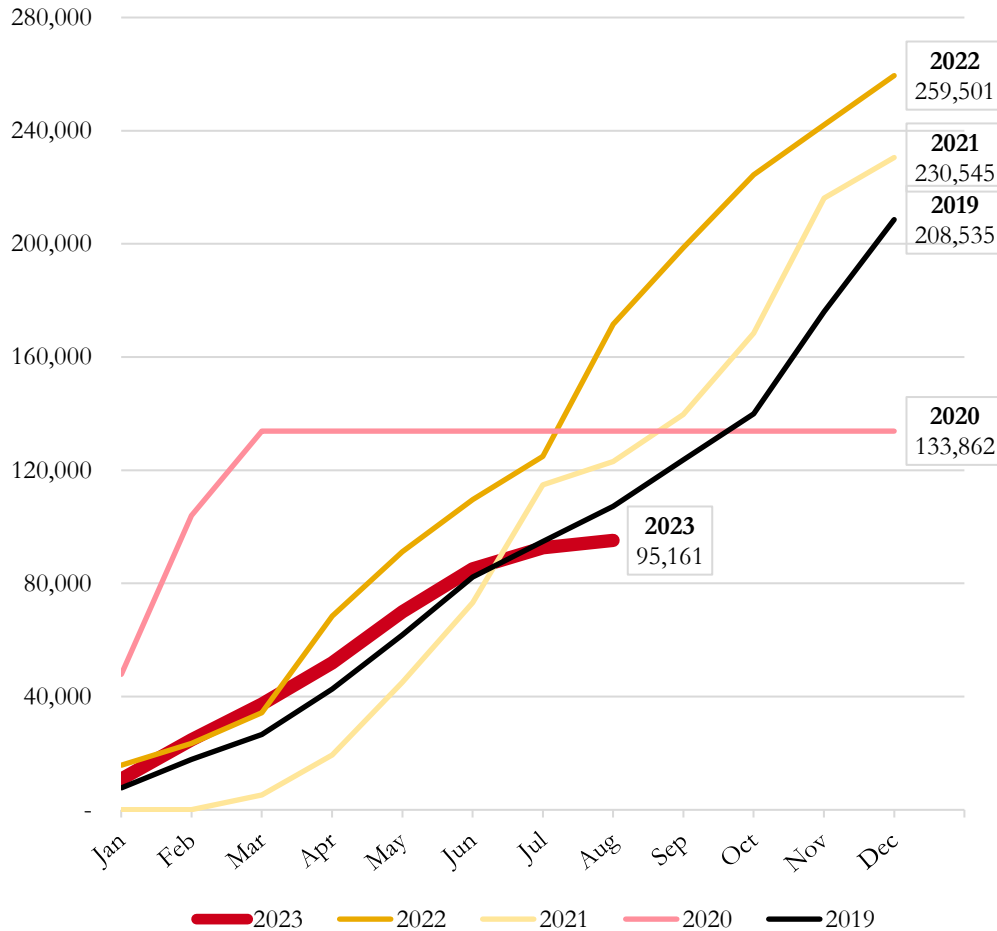
2023 H1
Update

Assessing the establishment and trackability of ESG KPIs for each strategic pillar, to build into full year disclosures

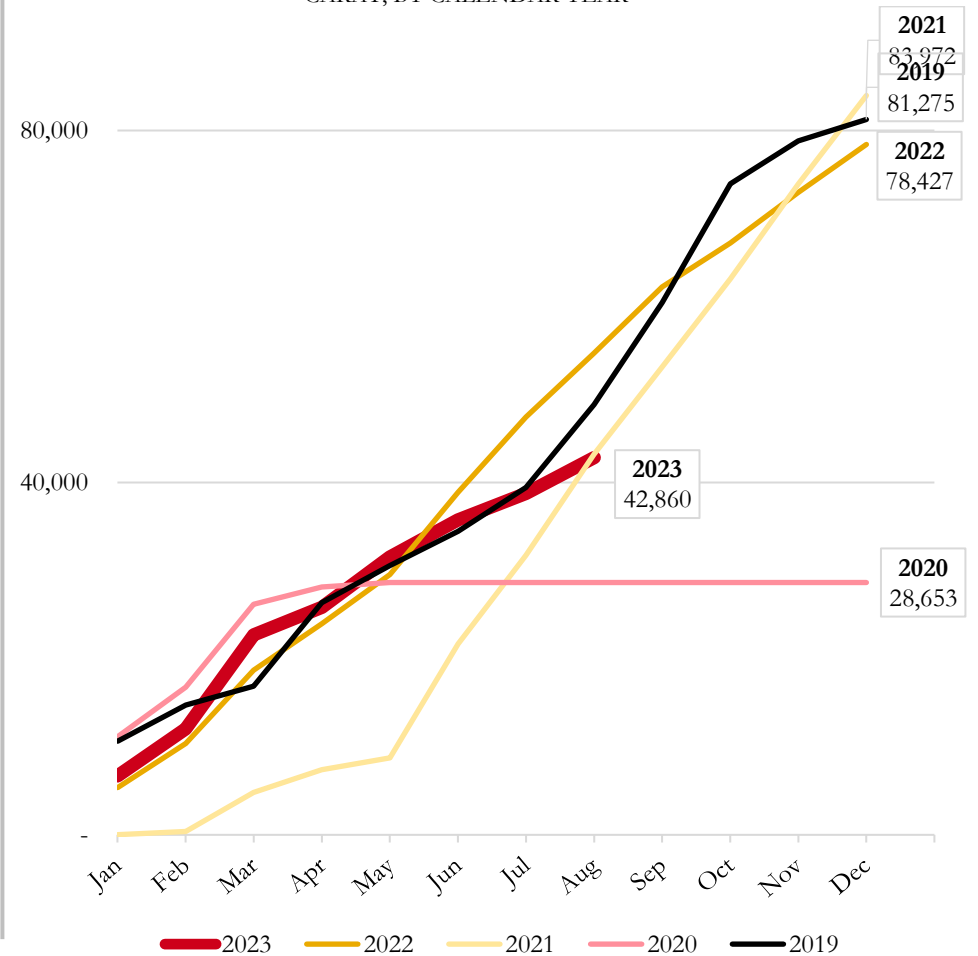
Carefully following the issuance of ISSB's first IFRS Sustainability Disclosure Standards

PREMIUM PRODUCTION AT KAGEM & MRM

CUMULATIVE PREMIUM EMERALD PRODUCTION
CARAT, BY CALENDAR YEAR



CUMULATIVE PREMIUM RUBY PRODUCTION
CARAT, BY CALENDAR YEAR



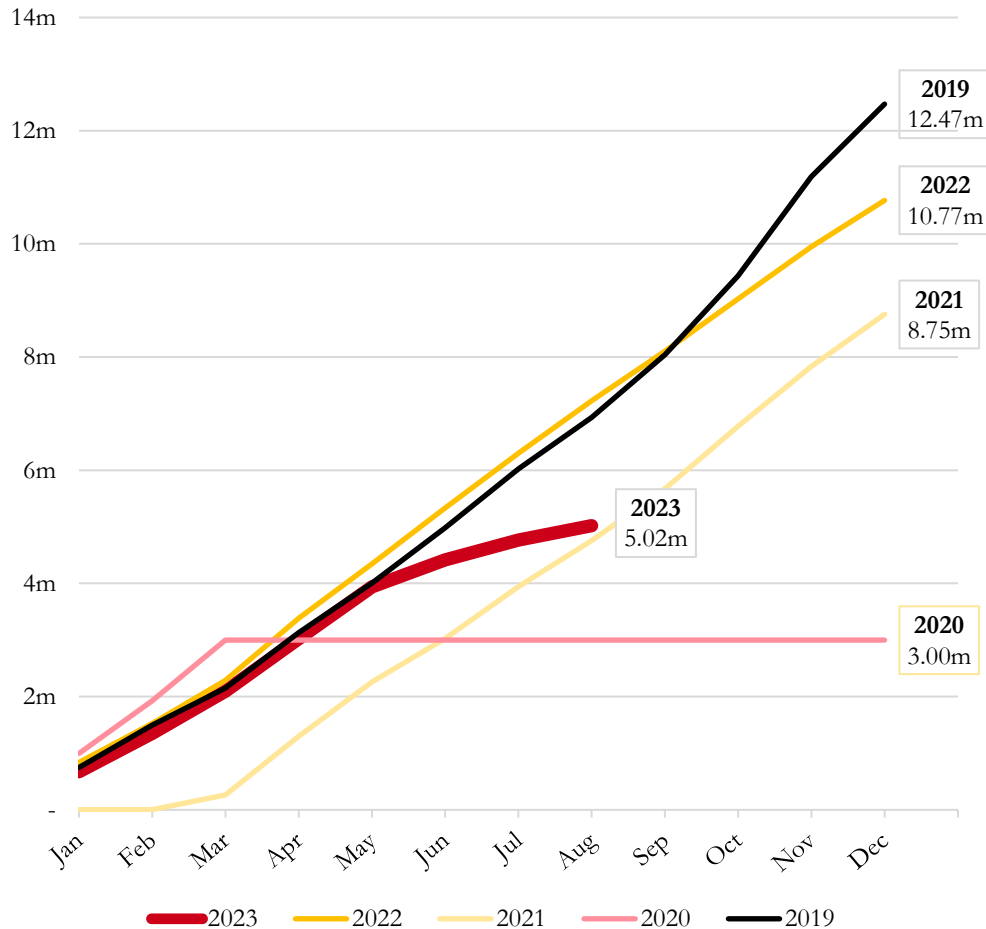


Consistent Supply

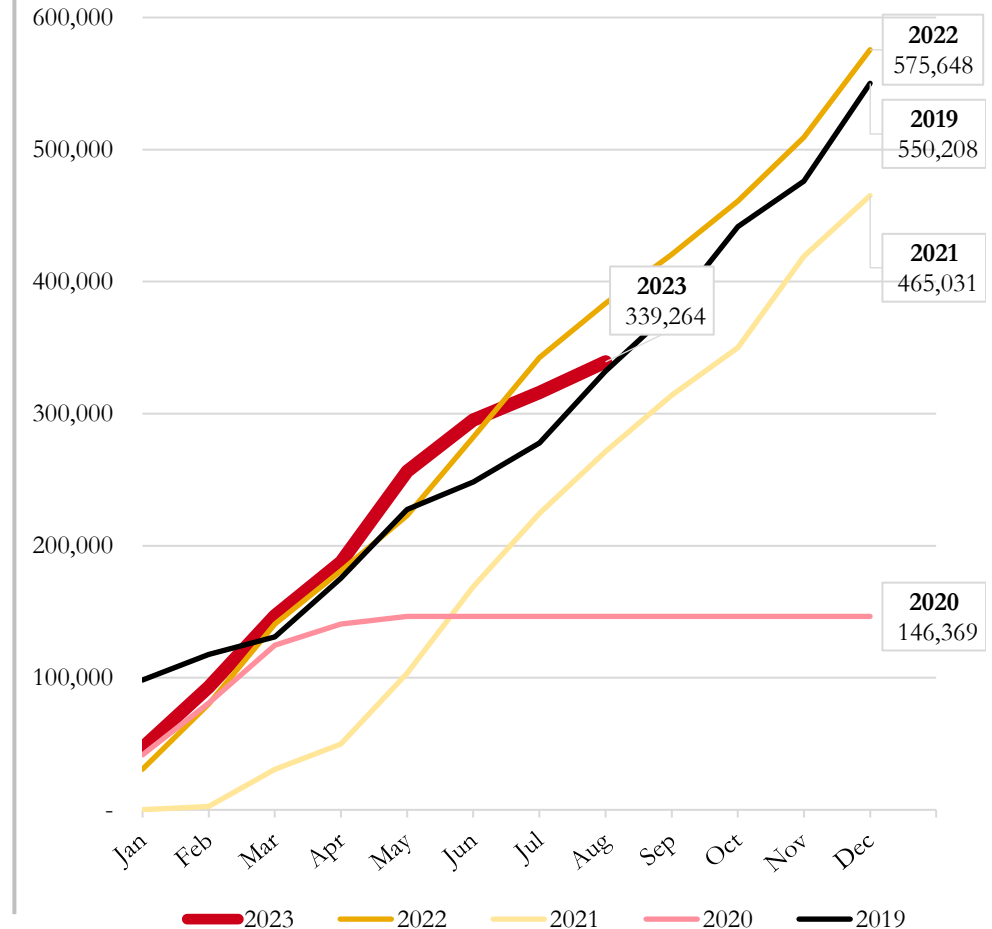
EMERALD AND RUBY PRODUCTION AT KAGEM & MRM

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CUMULATIVE EMERALD PRODUCTION CARAT, BY CALENDAR YEAR



CUMULATIVE RUBY AND TUMBLE RUBY PRODUCTION CARAT, BY CALENDAR YEAR



2

Consistent Supply

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KAGEM NOVEMBER HIGHER-QUALITY AUCTION NO LONGER SCHEDULED

- a) After assessing the latest emerald production and sort house data from Kagem, Gemfields made the commercial decision to withdraw the November 2023' auction of higher-quality emeralds.
- b) The quality and quantity of emerald production in recent months has been lower than we would hope in order to present an optimal auction to our clients.
- c) Hence the available production will be moved to our 2024 auction schedule.
- d) Emeralds are natural products and see variability in quality and quantity.
- e) **Emerald market remains in good shape.**
- f) **Based on prior experience, we expect Kagem's production to recover.**



**MRM's second plant will triple processing capacity from
*200 tonnes per hour to 600 tonnes per hour***

- a) **'Lump-sum turnkey'** contract
- b) Due to be **funded** entirely from **cash resources** and **in-country debt**
- c) Expected to become **operational** in the **first half of 2025**

Existing processing plant
(200 tph)

Land cleared for second
processing plant

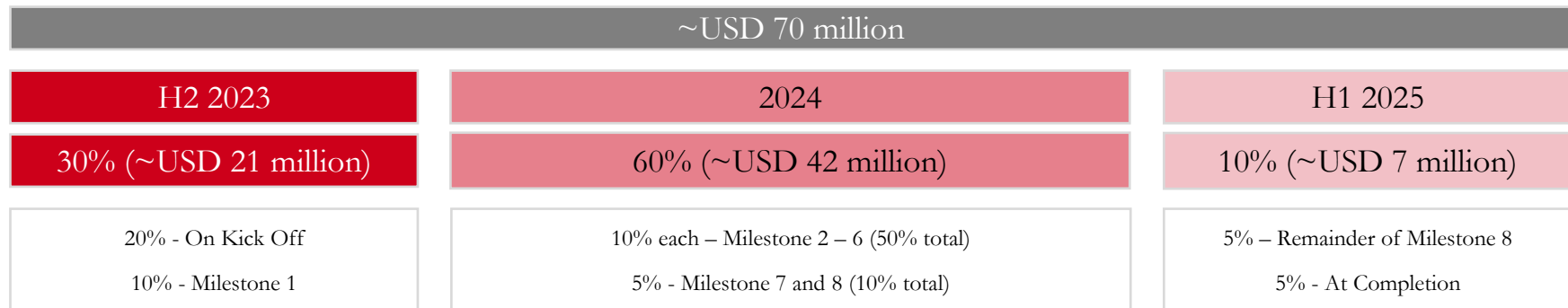


MRM’s second processing plant:

Strategic Rationale

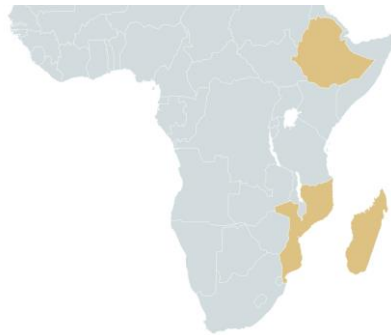
- a) Sizable stockpile of ruby ore to process
- b) Bring to market additional sizes and colour variations of rubies, previously not practical given limited processing capacity
- c) Explore more of MRM’s vast and untapped licence area; with currently only ~10% included within the life-of-mine calculation¹

MRM SECOND PROCESSING PLANT – CONSTRUCTION AND CAPEX TIMETABLE
 COST PRIMARILY IN ZAR, USD USED FOR REPORTING



¹ MRM’s licence covers an area of 349 square kilometres. Of this 256 square kilometres is included within the land use rights area (“DUAT”). Of the DUAT area, 39% of the licence has been assessed, but of that 39%, only ~25% is included within MRM’s life-of-mine calculation.

Development assets



Assets in Madagascar (sapphires),
Mozambique (gold) and Ethiopia (emeralds)

Presence in Madagascar to be established

Nairoto gold project resumed

Sedibelo Resources



*Mining platinum group metals
in South Africa*

Gemfields owns a 6.54% equity holding

FOR SALE

Privately owned.

Material devaluation after poor performance & market

Non-core to Gemfields

Fabergé

One of the world's most
recognisable luxury brands

Champions and promotes
coloured gemstones



Collaborated with Regent
Seven Seas Cruises to create
unique Fabergé egg

Partnering with EON for
Fabergé x James Bond collection
Easter 2024

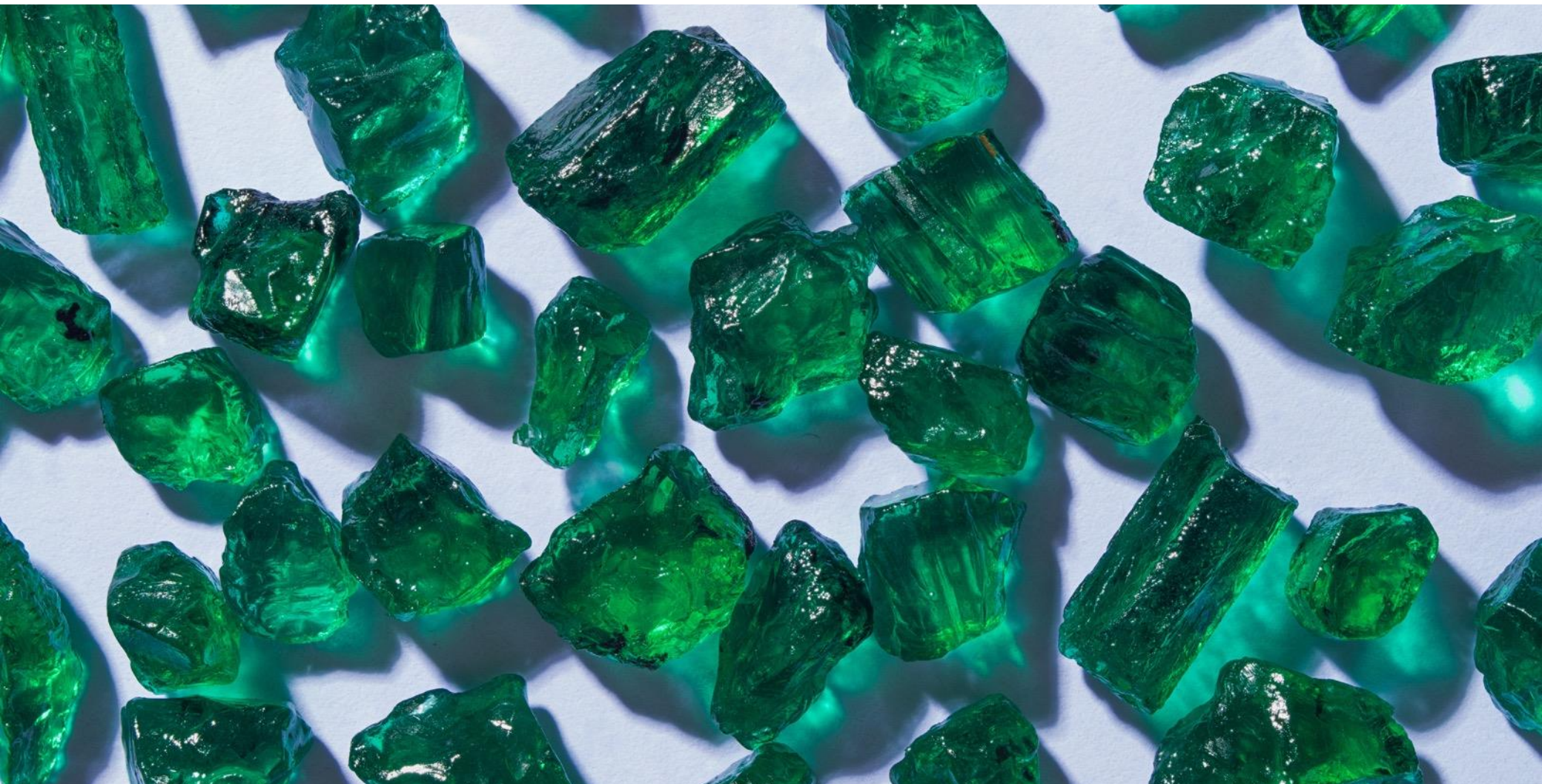
Heritage Crown Surprise egg lockets
to commemorate the Coronation
of King Charles III



Summary

SEAN GILBERTSON, CEO

GEMFIELDS



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Strong financial performance

- Strong auction revenue during the period (USD 145 million)
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Investing for growth

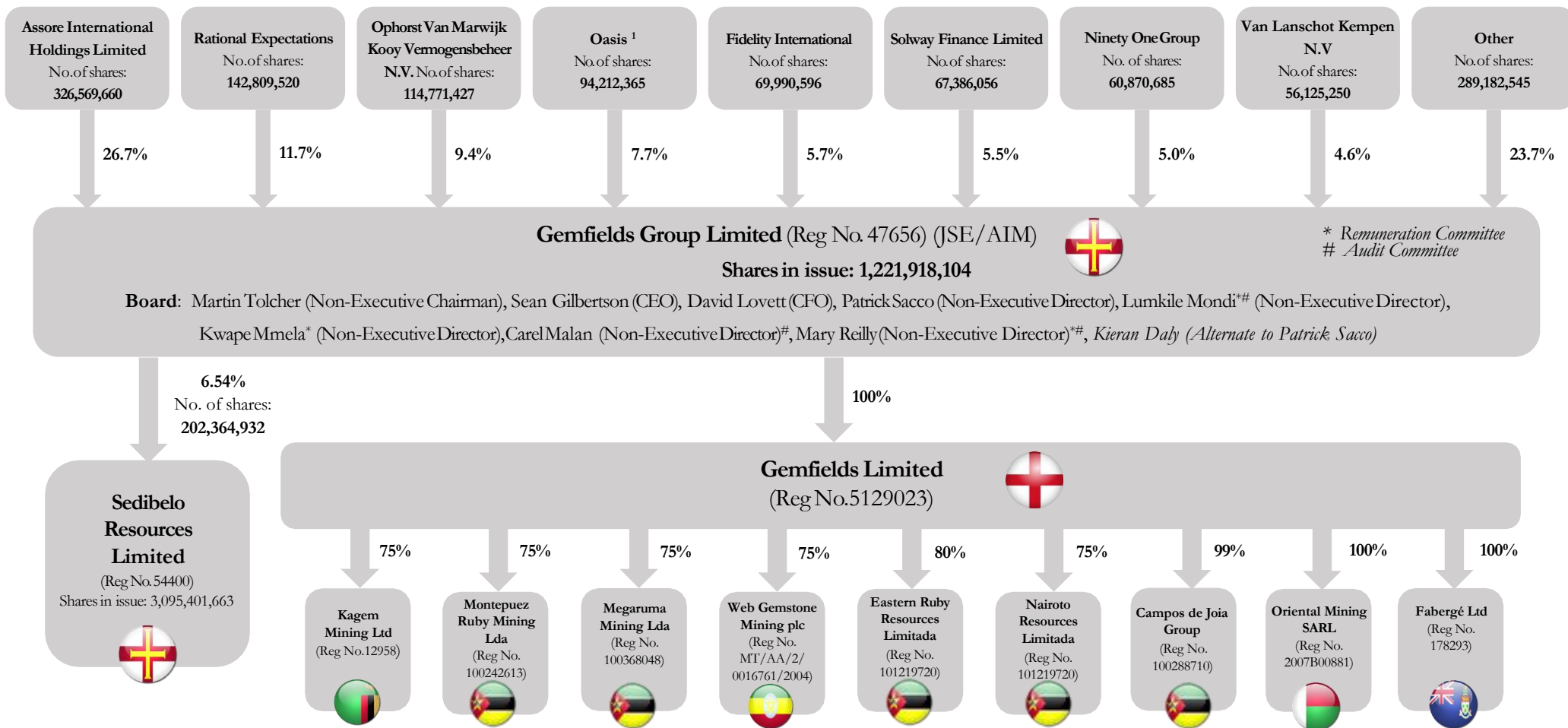
- Second processing plant at MRM contract signed
- New plant is largest single investment made by Gemfields
- Catch-up and expansionary capex at Kagem and MRM



Gemfields Group Limited

GEMFIELDS

CORPORATE STRUCTURE – AS AT 22 SEPTEMBER 2023



1 The Oasis shareholding includes interests held by Oasis Asset Management and Oasis Crescent Capital

2 Shareholdings based on 30 June 2023 analysis and all recent regulatory shareholding disclosures - 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 world-class mines, Kagem and MRM and the iconic brand Fabergé, connecting between mine and end customers

Coloured gemstones

We specialise in mining rough coloured gemstones, with emeralds from Zambia and rubies from Mozambique, and an ambition to find or access a sapphires deposit

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

Key Assets – Kagem and MRM

GEMFIELDS

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 989 million

Cumulative auction sales revenue since 2009

Montepuez ruby mine

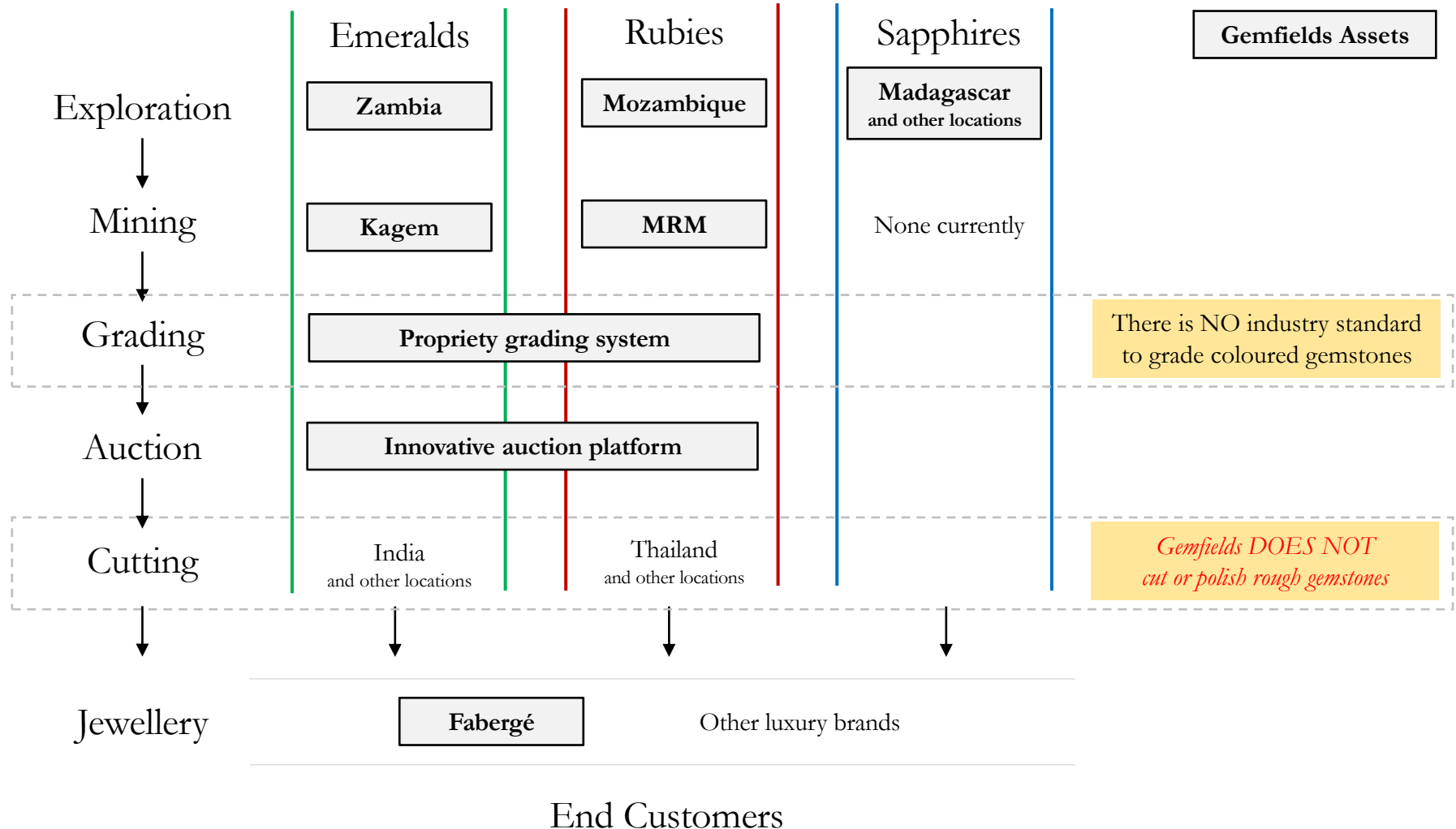
Mozambique
75% owned



USD 980 million

Cumulative auction sales revenue since 2014



HOW GEMFIELDS OPERATES



First half of 2023 Production Summary

GEMFIELDS

KAGEM AND MRM

<i>FIRST SIX MONTHS OF 2023</i> PRODUCTION AND MINING KPIs	UNITS	KAGEM	MRM
			
Premium Emerald / Premium Ruby Production	carat'000	85.1	35.8
Total Gemstone Production	carat'000	17,447	772
Ore Production	tonnes'000	122	561
Waste Mined	tonnes'000	4,161	2,640
Total Rock Handling	tonnes'000	6,261	3,391
Stripping Ratio ¹		37	4.7
Rock handling cash unit cost	USD / tonnes	4.33	6.91

2022 Production Summary

GEMFIELDS

KAGEM AND MRM

2022 PRODUCTION AND MINING KPIs	UNITS	KAGEM	MRM
Premium Emerald / Premium Ruby Production	carat'000	260	78
Total Gemstone Production	carat'000	37,241	2,640
Ore Production	tonnes'000	232	1,207
Waste Mined	tonnes'000	13,002	5,819
Total Rock Handling	tonnes'000	13,233	7,026
Stripping Ratio ¹		52	4.1
Rock handling cash unit cost	USD / tonnes	3.97	6.02

¹ Stripping ratio calculation excludes miscellaneous waste mined in its calculation
All figures per Operational Market Update, 31 January 2023



Competent Persons Reports

GEMFIELDS

SRK CONSULTING - 2019

	KAGEM	MRM
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
<u>Life-Of-Mine Plans (“LoMPs”) – (excludes inferred resources)</u>		
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

1 CATHEDRAL PIAZZA
LONDON SW1E 5BP
UNITED KINGDOM
T +44 20 7518 3419