

# Gemfields Group

INTERIM RESULTS PRESENTATION – SEPTEMBER 2020

GEMFIELDS



Responsibly sourced Zambian emeralds and Mozambican rubies.

Championing transparency and trust in the coloured gemstone industry.

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### EMERALDS (ZAMBIA)



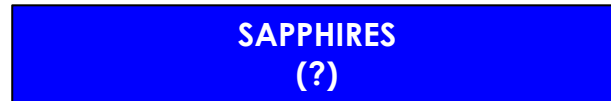
### RUBIES (MOZAMBIQUE)



### FABERGÉ



### SAPPHIRES (?)



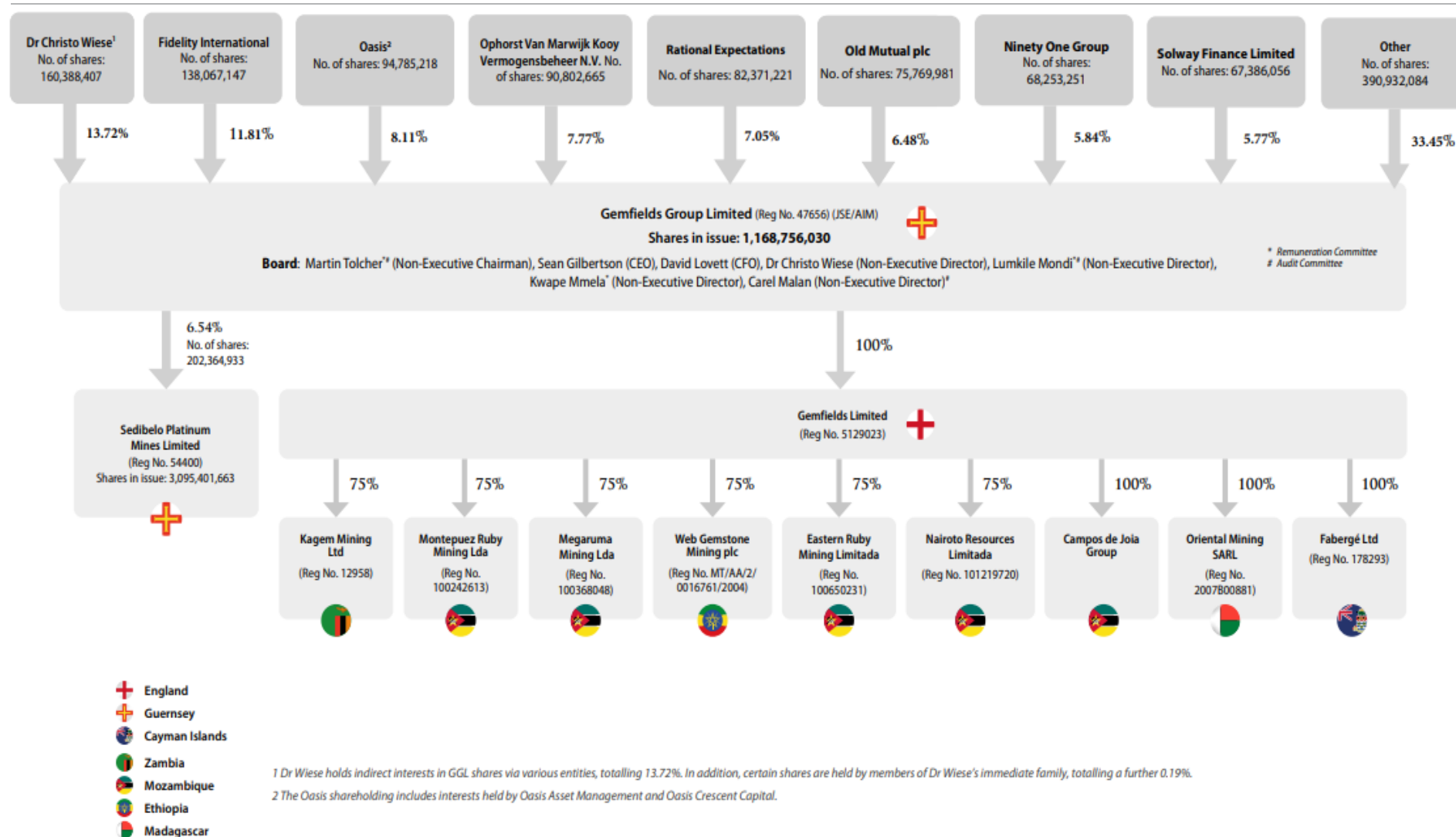
1. Gemfields is a world-leading miner and supplier of responsibly sourced precious coloured gemstones
2. Key assets are:
  - a. Montepuez Ruby Mine in Mozambique (75%)
  - b. Kagem Emerald Mine in Zambia (75%) and
  - c. Fabergé (100%)
3. Gemfields is the market leader in its three principal activities:
  - a. Mining & Exploration
  - b. Grading and Sorting (proprietary)
  - c. Selling and Marketing (unique auction platform)
4. Listed on the JSE & AIM.
5. Unique business offering exposure to precious coloured gemstones and a luxury goods brand yet to realise its full potential



# Gemfields Group Limited

GEMFIELDS

## GROUP STRUCTURE DIAGRAM (SIMPLIFIED)



Revenues – USD	EBITDA <sup>1</sup> – USD	Earnings/(Loss) Per Share – USDc
<b>15.0 million</b> 2019: 89.0 million	<b>(22.5) million</b> 2019: 33.1 million	<b>(4.0)</b> 2019: USDc 1.0
Cash Flows from Operating Activities – USD	Free Cash Flows <sup>2</sup> – USD	Headline Earnings/(Loss) Per Share – USD
<b>4.5 million</b> 2019: 28.0 million	<b>(40.0) million</b> 2019: 7.5 million	<b>(3.0)</b> 2019: USDc 1.0
Normalised Earnings <sup>3</sup> – USD	Net Cash/(Debt) – USD	Auction Receivables <sup>4</sup> – USD
<b>(27.2) million</b> 2019: 4.5 million	<b>9.3 million</b> 31 December 2019: 25.4 million 30 June 2019: 35.5 million	<b>8.4 million</b> 2019: 28.5 million

1. Earnings before interest, taxation, depreciation and amortisation.

2. Free Cash Flow is calculated as cashflow from operating activities less capital expenditure and tax paid. Free Cash Flow is calculated pre working capital movements.

Free Cash Flow post working capital movements for the period was USD(9.8) million (2019: 9.7 million).

3. Normalised Earnings of USD(27.2) million for the period excludes impairment charges and reversals and fair value movements in Sedibelo.

4. Auction receivables at 30 June 2020 relates to the Kagem auction held in February 2020.



## SEGMENTAL STATEMENT OF CASH FLOWS – (EBITDA / FREE CASH FLOW) FOR THE SIX MONTHS ENDING 30 JUNE 2020

1 January 2020 to 30 June 2020	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	Total USD'000
Revenue	11,446	–	–	65	2,471	1,018	15,000
Operating costs and cost of sales <sup>1</sup>	(17,185)	(5,763)	–	(7,667)	(5,140)	(1,711)	(37,466)
Marketing, management and auction costs	(1,431)	–	–	1,431	–	–	–
<b>EBITDA</b>	<b>(7,170)</b>	<b>(5,763)</b>	<b>–</b>	<b>(6,171)</b>	<b>(2,669)</b>	<b>(693)</b>	<b>(22,466)</b>
<i>Add back:</i> Change in inventory	2,926	(8,273)	–	65	1,152	954	(3,176)
Tax (paid)/received	(1,331)	(7,762)	–	11	(3)	–	(9,085)
Capital expenditure	(387)	(4,692)	–	(15)	(111)	–	(5,205)
<b>Free cash flow before working capital movements</b>	<b>(5,962)</b>	<b>(26,490)</b>	<b>–</b>	<b>(6,110)</b>	<b>(1,631)</b>	<b>261</b>	<b>(39,932)</b>
Working capital movements <sup>2</sup>	(73)	21,593	–	4,854	(2,858)	6,656	30,172
<b>Free cash flow</b>	<b>(6,035)</b>	<b>(4,897)</b>	<b>–</b>	<b>(1,256)</b>	<b>(4,489)</b>	<b>6,917</b>	<b>(9,760)</b>
Cash generated from operations	(4,317)	7,557	–	(1,252)	(4,375)	6,971	4,530
Tax (paid)/received (excluding WHT)	(1,331)	(7,762)	–	11	(3)	–	(9,085)
Capital expenditure	(387)	(4,692)	–	(15)	(111)	–	(5,205)
<b>Free cash flow</b>	<b>(6,035)</b>	<b>(4,897)</b>	<b>–</b>	<b>(1,256)</b>	<b>(4,489)</b>	<b>6,917</b>	<b>(9,760)</b>

<sup>1</sup> Excluding share-based payments and inventory impairments.

<sup>2</sup> Includes movements relating to inventory purchases and excludes VAT refunds.

SEGMENTAL INCOME STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2020

1 January 2020 to 30 June 2020	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	Total USD'000
Rough gemstones <sup>1</sup>	11,446	–	–	–	–	943	12,389
Jewellery	–	–	–	–	2,471	–	2,471
Cut and polished	–	–	–	65	–	75	140
Revenue <sup>2</sup>	11,446	–	–	65	2,471	1,018	15,000
Mineral royalties and production taxes	(687)	–	–	–	–	–	(687)
Marketing, management and auction costs	(1,431)	–	–	1,431	–	–	–
Change in inventory and cost of sales	(2,926)	8,273	–	(65)	(1,152)	(954)	3,176
Mining and production costs <sup>3</sup>	(11,667)	(11,516)	–	–	–	(522)	(23,705)
Selling, general and administrative costs <sup>4</sup>	(1,975)	(2,526)	–	(7,604)	(3,988)	(239)	(16,332)
Other income	70	6	–	2	–	4	82
EBITDA	(7,170)	(5,763)	–	(6,171)	(2,669)	(693)	(22,466)
Unrealised fair value losses <sup>5</sup>	–	–	(12,500)	–	–	–	(12,500)
Depreciation and amortisation	(4,857)	(7,100)	–	(368)	(535)	(31)	(12,891)
Share-based payments	–	–	–	(553)	–	–	(553)
Impairment charges and write-offs	–	(2,581)	–	–	(11,500)	–	(14,081)
Operating (loss)	(12,027)	(15,444)	(12,500)	(7,092)	(14,704)	(724)	(62,491)
Net finance cost	(2,283)	(572)	–	(652)	86	(152)	(3,573)
Taxation	2,913	4,813	–	1,184	1,922	(1,505)	9,327
(Loss) after tax	(11,397)	(11,203)	(12,500)	(6,560)	(12,696)	(2,381)	(56,737)

1 Kagem held one commercial quality auction during 2020. MRM did not hold an auction during the period.

2 Revenues have been recognised at one point in time, as control passes to the customer on the date at which they are awarded at auction.

3 Excluding mineral royalties and production taxes, and inventory impairments.

4 Excluding share-based payments and any impairments.

5 Unrealised fair value loss relating to Sedibelo.



30 June 2020	Zambia USD'000	Mozambique USD'000	PGMs USD'000	Corporate USD'000	Fabergé USD'000	Other USD'000	Total USD'000
Mining asset	139,570	163,178	–	–	–	–	302,748
Property, plant and equipment, and intangibles	20,172	49,860	–	2,427	30,114	5,837	108,410
Listed and unlisted investments	–	–	45,000	1,454	–	–	46,454
Operating assets	53,937	48,753	–	9,679	35,921	1,923	150,213
Cash and cash equivalents	1,801	2,755	–	46,952	646	1,489	53,643
<b>Segment assets</b>	<b>215,480</b>	<b>264,546</b>	<b>45,000</b>	<b>60,512</b>	<b>66,681</b>	<b>9,249</b>	<b>661,468</b>
Deferred tax asset	–	–	–	–	–	–	12,776
Other	–	–	–	–	–	–	8,450
<b>Total assets</b>							<b>682,694</b>
Borrowings	30,000	14,362	–	–	–	–	44,362
Operating liabilities	9,427	16,936	–	5,673	4,468	62	36,566
<b>Segment liabilities</b>	<b>39,427</b>	<b>31,298</b>	<b>–</b>	<b>5,673</b>	<b>4,468</b>	<b>62</b>	<b>80,928</b>
Deferred tax liability	–	–	–	–	–	–	86,170
<b>Total liabilities</b>							<b>167,098</b>
<b>Net (debt)/cash</b>	<b>(28,199)</b>	<b>(11,607)</b>	<b>–</b>	<b>46,952</b>	<b>646</b>	<b>1,489</b>	<b>9,281</b>

NET CASH/(DEBT) PROFILE, USD'000

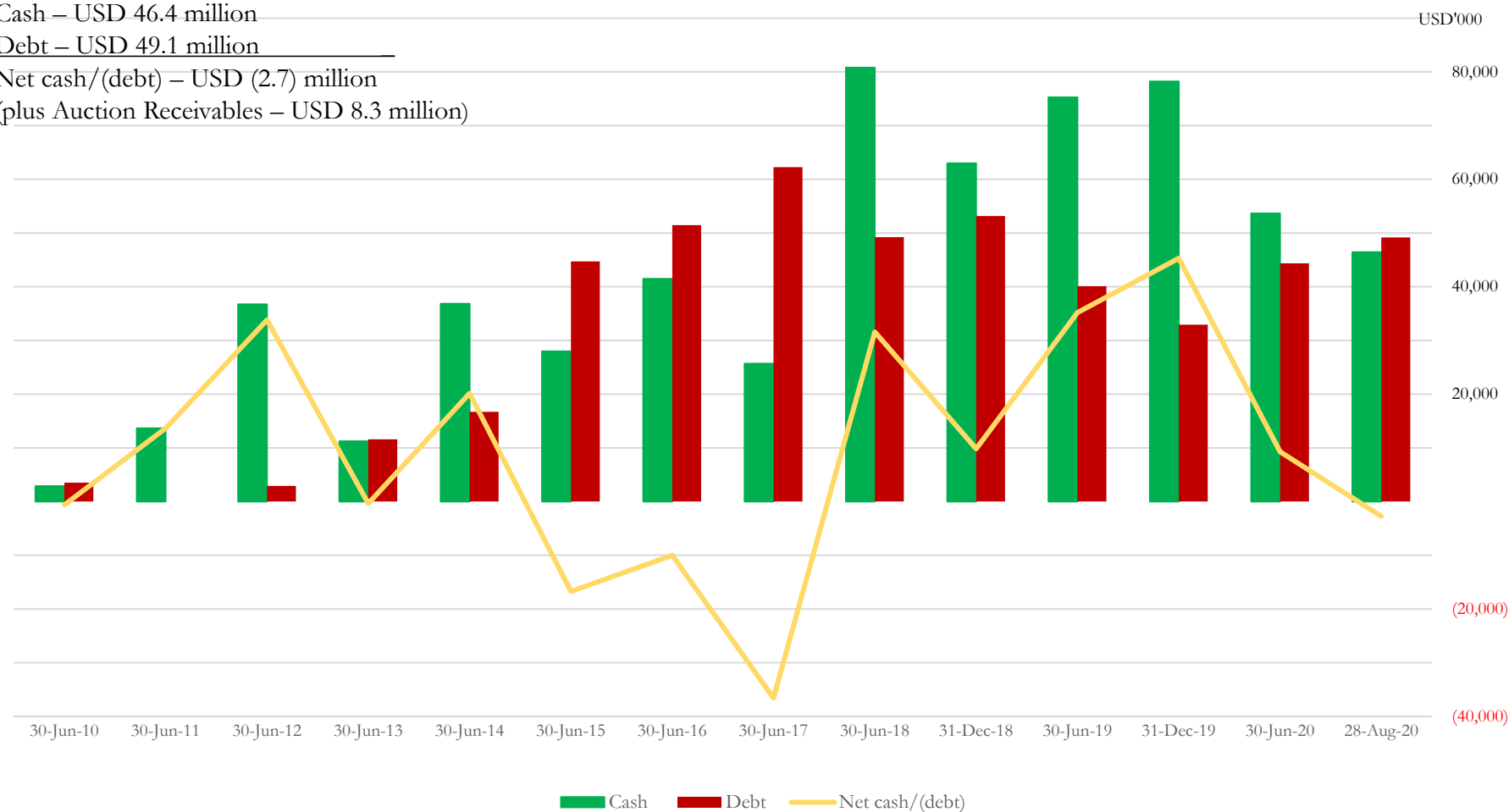
## At 28 August 2020

Cash – USD 46.4 million

Debt – USD 49.1 million

Net cash/(debt) – USD (2.7) million

(plus Auction Receivables – USD 8.3 million)

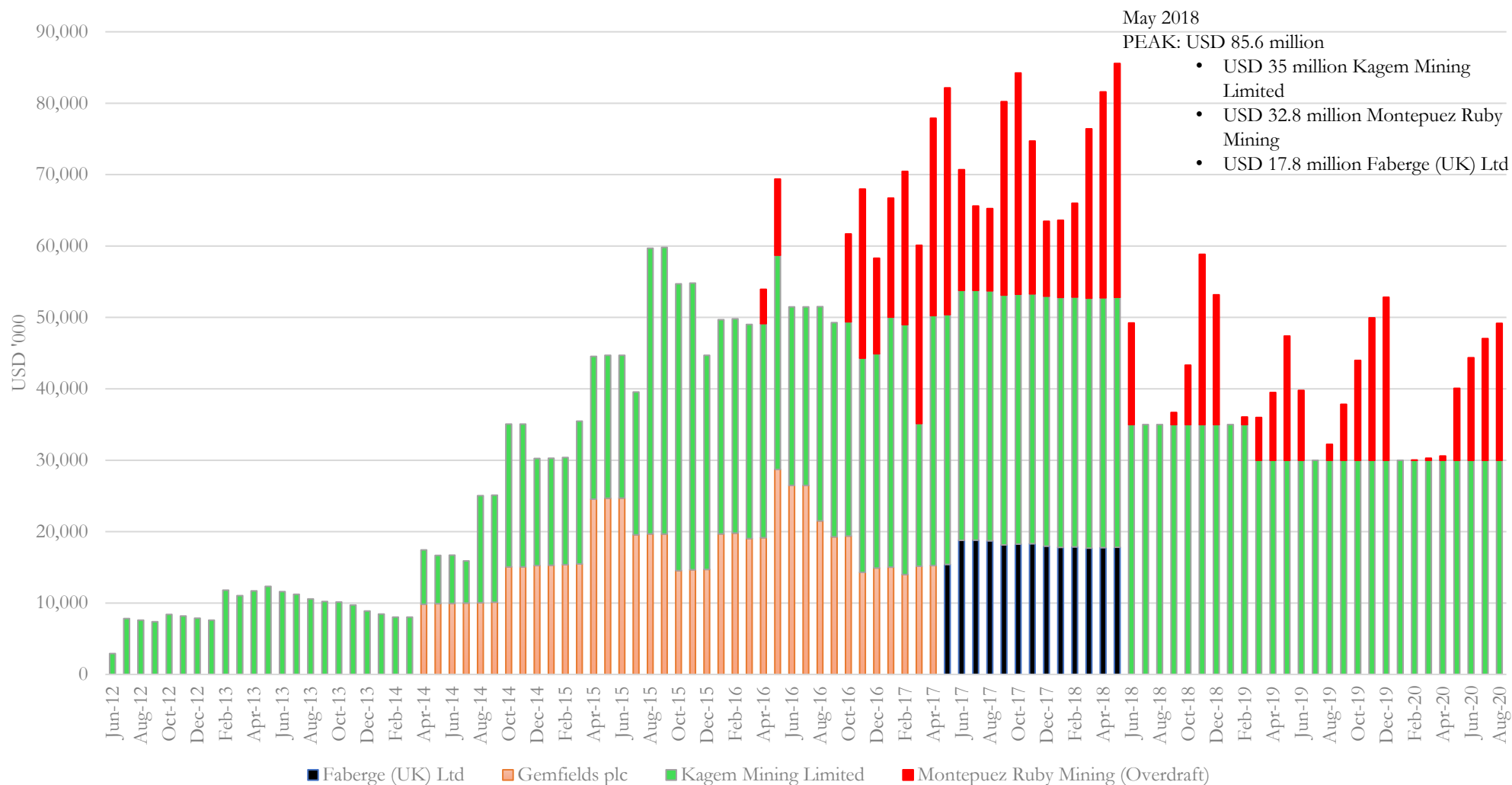


1 Figures pre August 2017 relate to Gemfields Ltd (formerly Gemfields Plc).

# Gemfields Group Limited

GROSS DEBT PROFILE, USD '000

# GEMFIELDS



1 Figures pre August 2017 relate to Gemfields Ltd (formerly Gemfields plc).



Responsibly sourced Zambian emeralds and Mozambican rubies.

Working with conservation partners to protect Africa's wildlife and biodiversity.

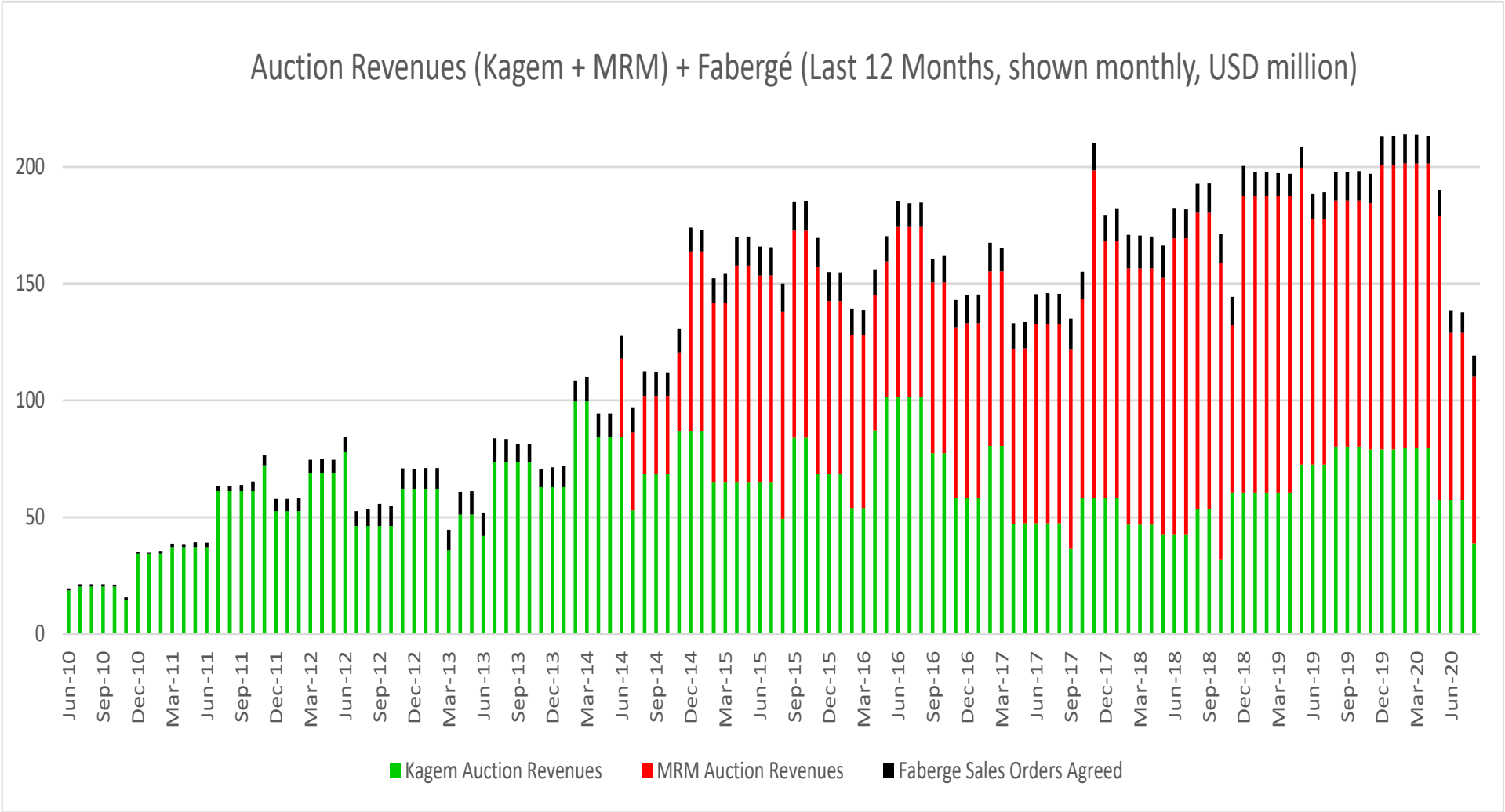
YTD2020 PRODUCTION AND MINING KPIs	UNITS	KAGEM MINING LTD	MONTEPUEZ RUBY MINING LDA
Premium Emerald/ Premium Ruby Production	carats'000	134	29
Total Gemstone Production	carats'000	9,383	1,254
Ore Processed	tonnes'000	41	346
Ore Production	tonnes'000	46	230
Grade – Overall	carat/tonne	202	3.6
Grade – Premium	carat/tonne	2.9	0.1
Waste Mined	tonnes'000	2,300	1,547
Total Rock Handling	tonnes'000	2,347	1,777
Stripping Ratio <sup>1</sup>		49	6.2

1 Stripping Ratio calculation excludes miscellaneous waste mined in its calculation.

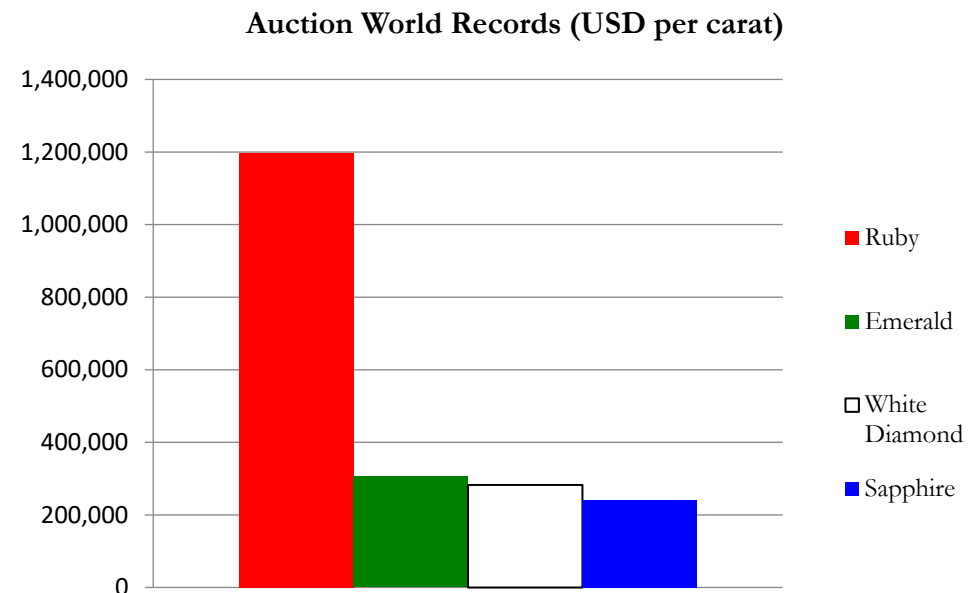
2 YTD is 1 January 2020 – 31 August 2020.

	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)	USD 600 million	USD 567 million
Mining Licence valid to	April 2045	November 2036
Life-Of-Mine Plans ("LoMPs") – (excludes inferred resources)		
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 DMS	72 reduced to 45	200 83





- Since 2009, Gemfields has held 48 auctions (35 of Zambian emeralds & 13 of Mozambican rubies), surpassing USD 1.2 billion in combined auction revenue.
- Sales of coloured gemstones continue to outperform the wider jewellery market. USD 2-3 billion of rubies, emeralds and sapphires produced each year (De Beers, Diamond Insight Report 2018).
- The prices of rubies and emeralds are determined by many factors but can be narrowed down to the six Cs (colour, clarity, cut, carat, certification and character). The origin of a gemstone also has a significant effect on price.
- The past decade has seen the world record auction prices for cut emeralds and rubies surpass that of colourless diamonds on a per carat basis. Per carat prices achieved at Gemfields' high-quality auctions of Zambian rough emeralds have increased by more than 1,500% since July 2009.
- This popularity and increase in prices has been due to various factors, including improved manufacturer and consumer confidence in coloured gemstones. Gemfields' proprietary grading system and pioneering auction platform have been key in delivering reliable, consistent and transparent supplies.

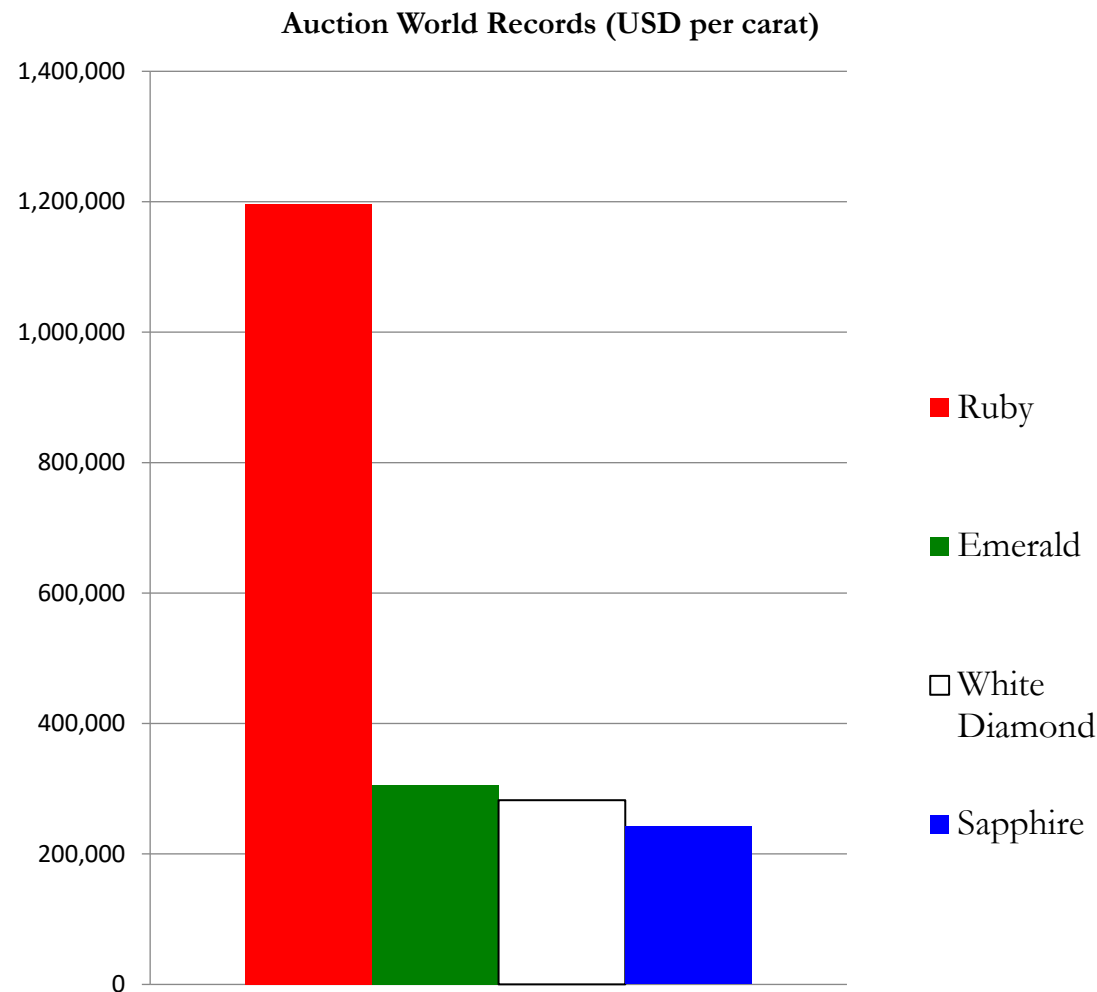


# World Record Auction Prices

## INTRODUCTION TO COLOURED GEMSTONES

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1. The prices of rubies and emeralds are determined by many factors, including **seven** Cs:
  - a. Colour (most important)
  - b. Clarity
  - c. Cut
  - d. Carat
  - e. Certification
  - f. Confidence**
  - g. Character
2. The origin of a gemstone also has a significant effect on price.
3. Unlike the diamond business, there is no standard grading system for emeralds or rubies.
4. The past decade has seen the world record auction prices for cut emeralds and rubies surpass those of colourless diamonds on a per carat basis.



# Kagem Mining Limited, Zambia

EMERALDS

## GEMFIELDS



Responsibly sourced Zambian emeralds and Mozambican rubies.

Empowering local communities by establishing schools, education initiatives and scholarships.

# Kagem Emerald Mine, Zambia

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## OVERVIEW

- Kagem is an emerald mine in the “Copperbelt” region of northern Zambia, estimated to produce around a quarter of the world’s emeralds. It has been operating for over 20 years.
- It is the world’s single-largest producing emerald mine
- Gemfields controls and owns 75% of the mine, with the remaining balance held by the Government of the Republic of Zambia, via its Industrial Development Corporation.
- Kagem produced a total of 9.38 million carats of emerald and beryl and 133,900 carats of premium emeralds for the six months ending 30 June 2020.
- Kagem generated total auction sales revenue of USD 79.0 million during 2019 and USD 11.4 million from its commercial quality auction in February 2020, taking total cumulative mine revenue from 35 auctions to USD 647 million.
- Positive momentum at the end of 2019 with the renewal of its 25-year licence to April 2045 in December 2019 and the suspension by the Zambian Government of the 15% export duty on precious gemstones with effect from 1 January 2020. The suspension will directly improve the cash generation at Kagem.
- Suspended operations on 30 March 2020 due to the Covid-19 outbreak.

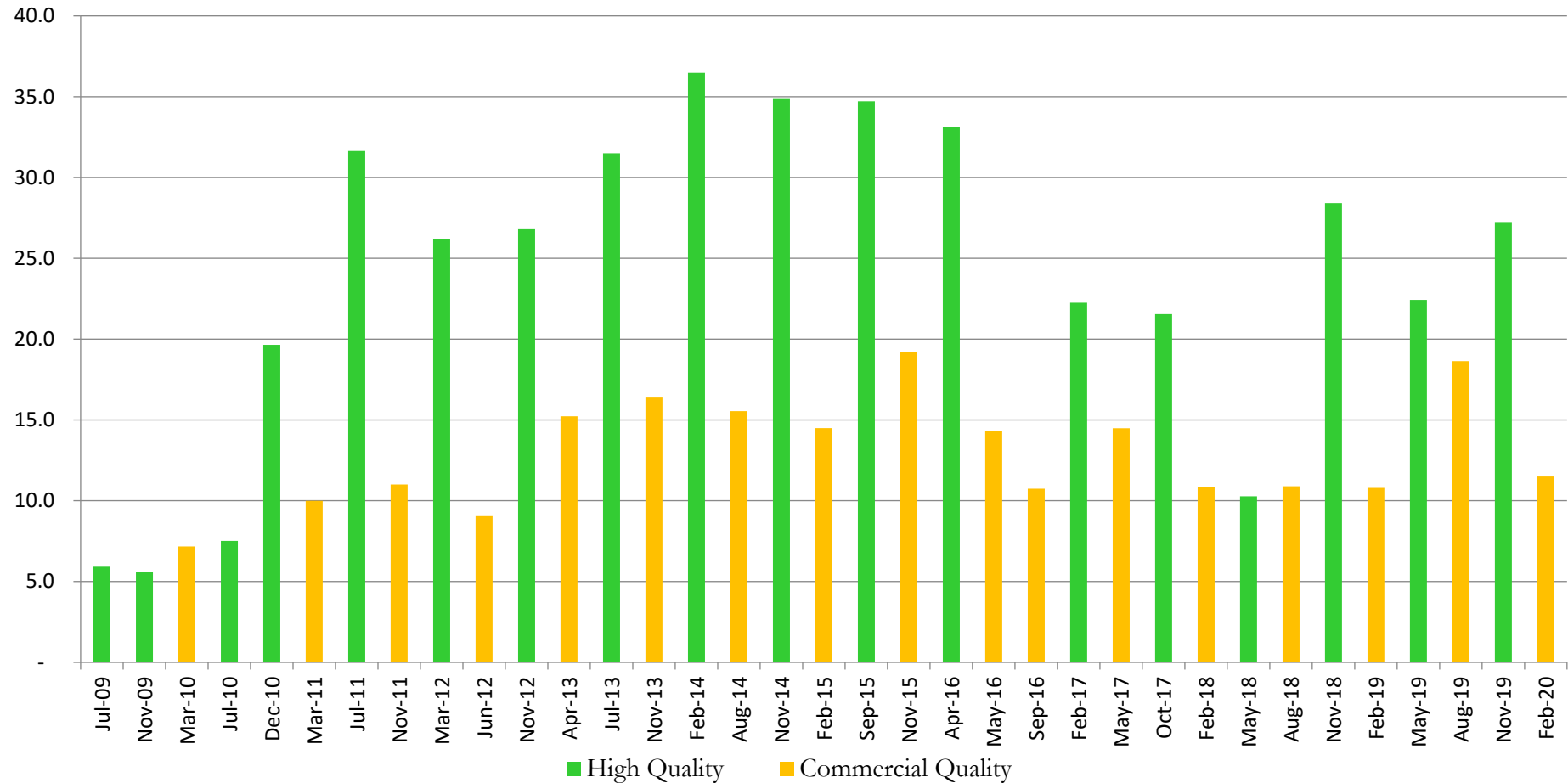


# Kagem Emerald Auctions Revenue

ZAMBIA

GEMFIELDS

**KAGEM EMERALD TOTAL AUCTION SALES (USD MILLION)**  
**CUMULATIVE REVENUE IS USD 647 MILLION FROM 35 AUCTIONS**



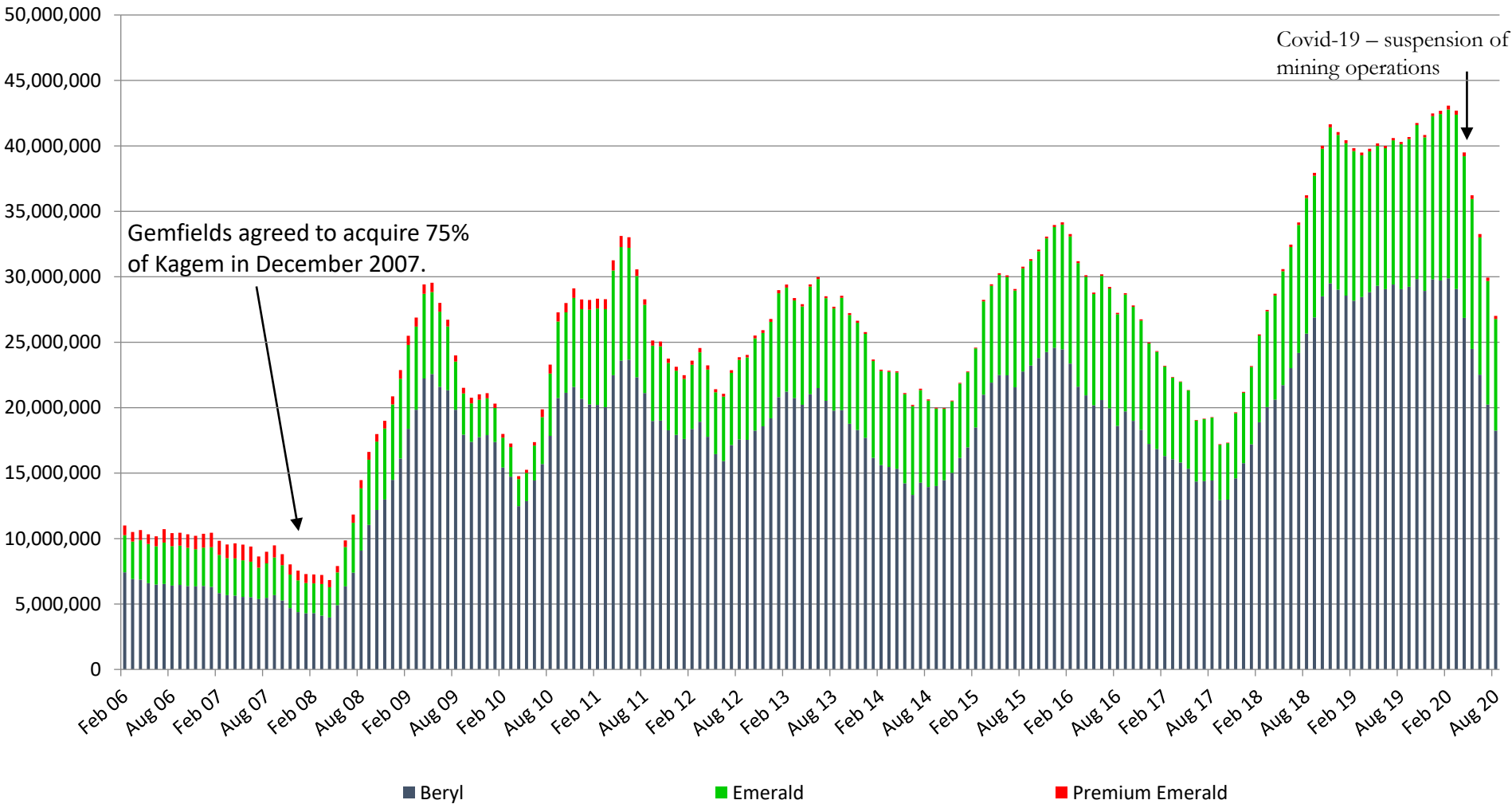


# Kagem Emerald Mine Performance

ZAMBIA

GEMFIELDS

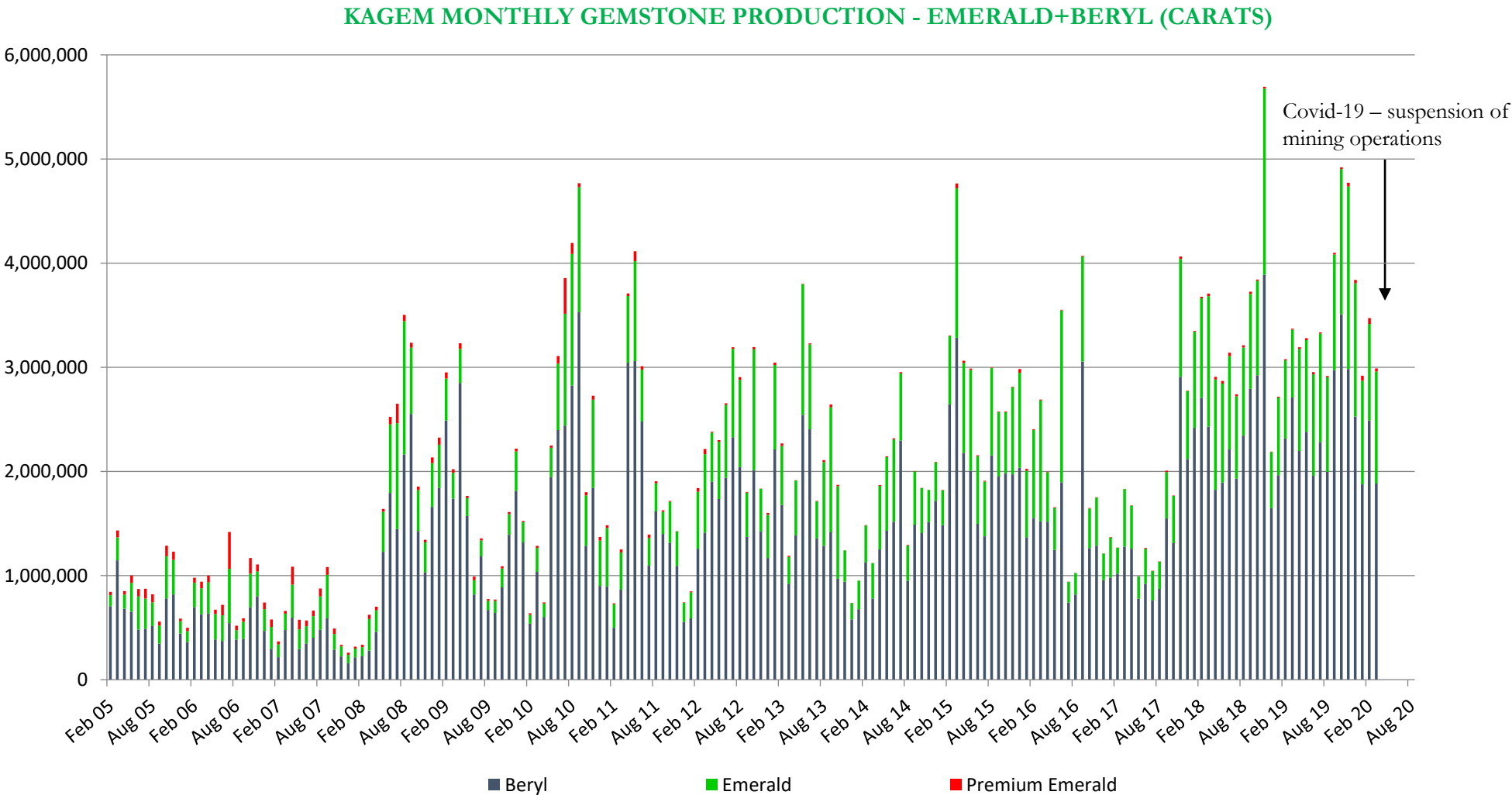
KAGEM (LAST 12 MONTHS) GEMSTONE PRODUCTION – EMERALD + BERYL (CARATS)



# Kagem Emerald Mine Performance

ZAMBIA

GEMFIELDS



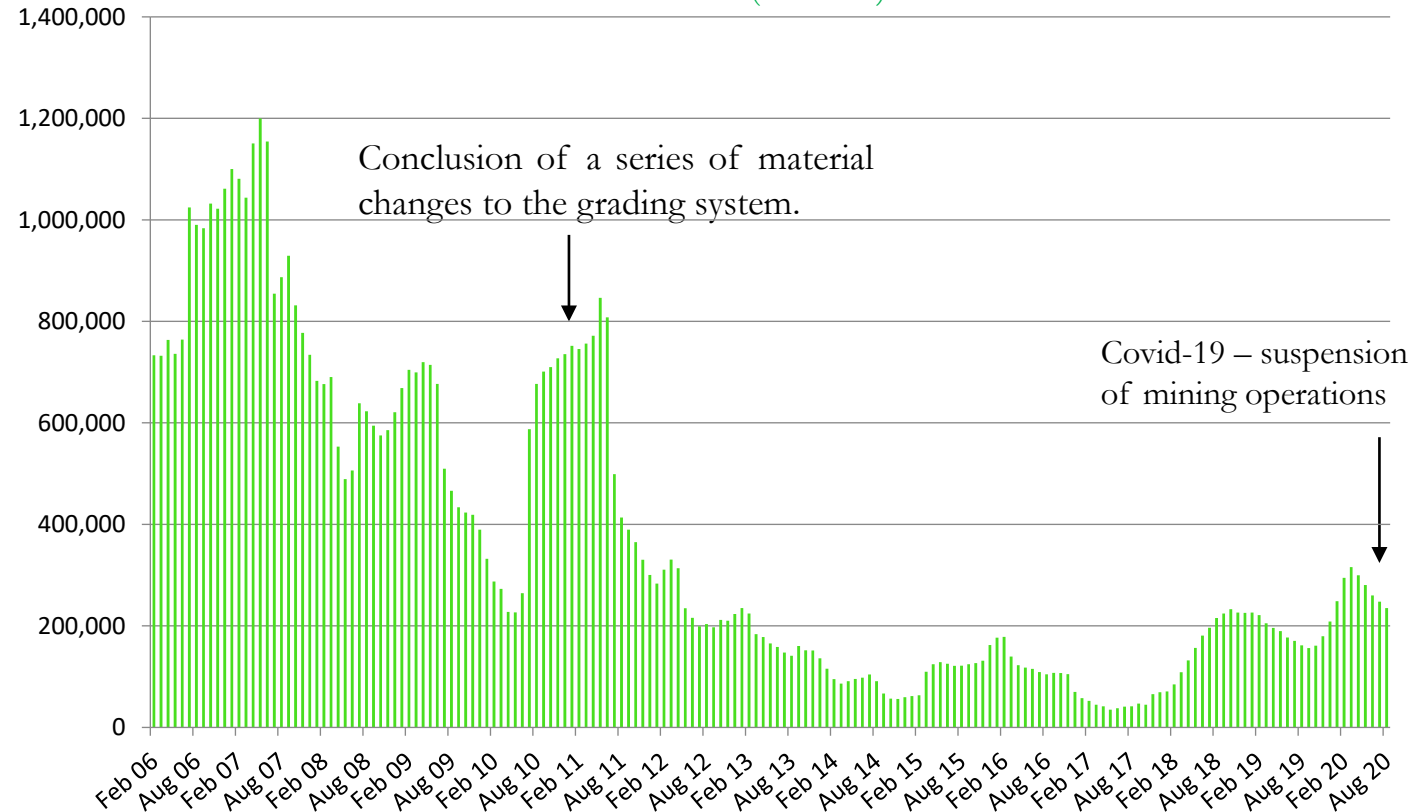
# Kagem Emerald Mine Performance

ZAMBIA

**GEMFIELDS**

- The key value driver for Kagem is the production and sale of premium emeralds.
- Increased emphasis has been placed on diversifying the number of production points in order to pursue the spreading of risk and stabilising output.
- Gemfields' target is 10,000 carats of premium emerald per month.

## KAGEM (LAST 12 MONTHS) PREMIUM EMERALD PRODUCTION (CARATS)



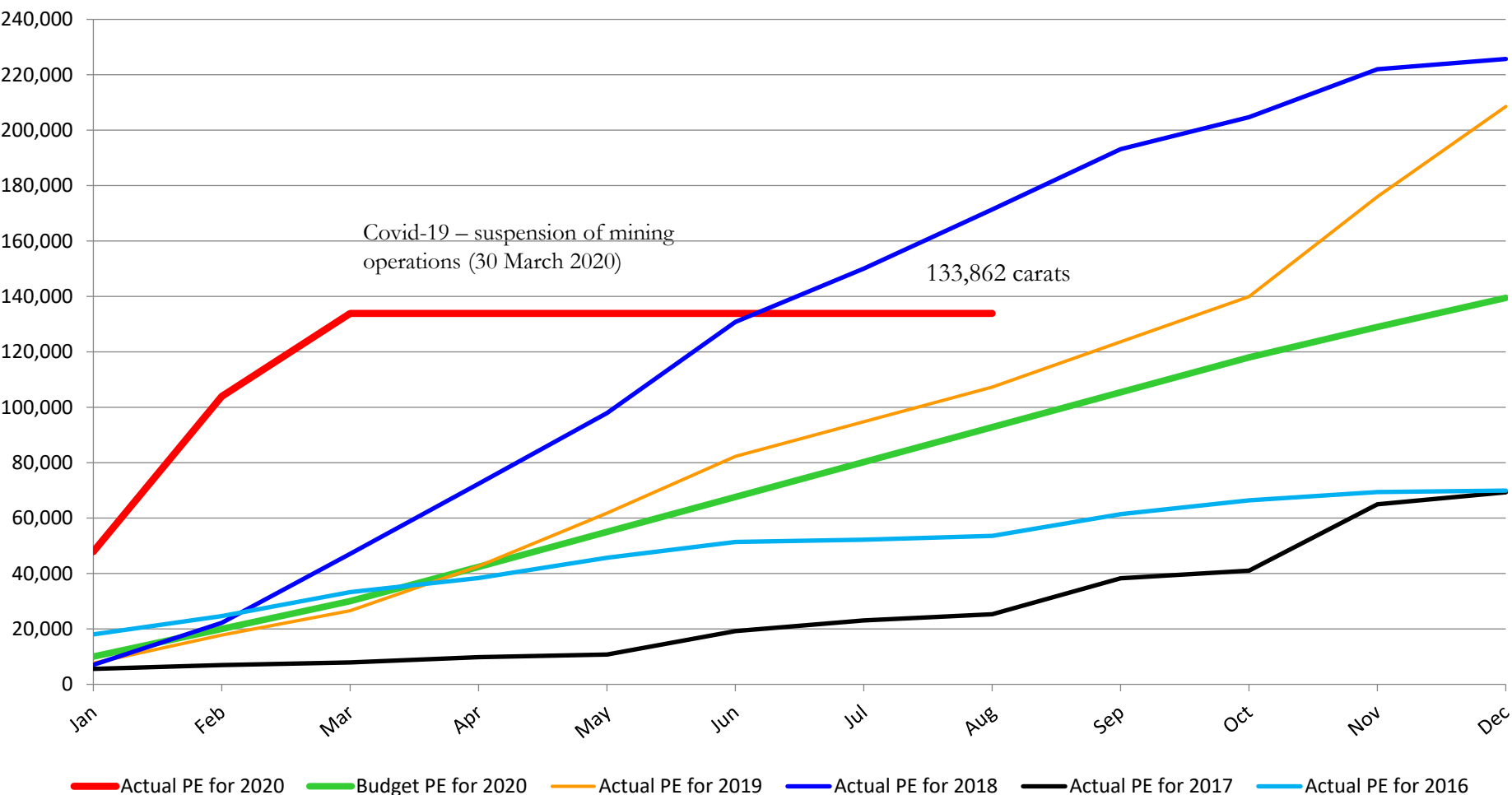
“Premium” classification is determined during the initial ‘sorting’ phase of rough gems arriving from the mine and the washing plant into broad categories. The understanding of value and their final grades in the Gemfields grading system (made up of hundreds of grades) improves as the gems move through the processes of cleaning, ‘grading’ and ‘referencing’.

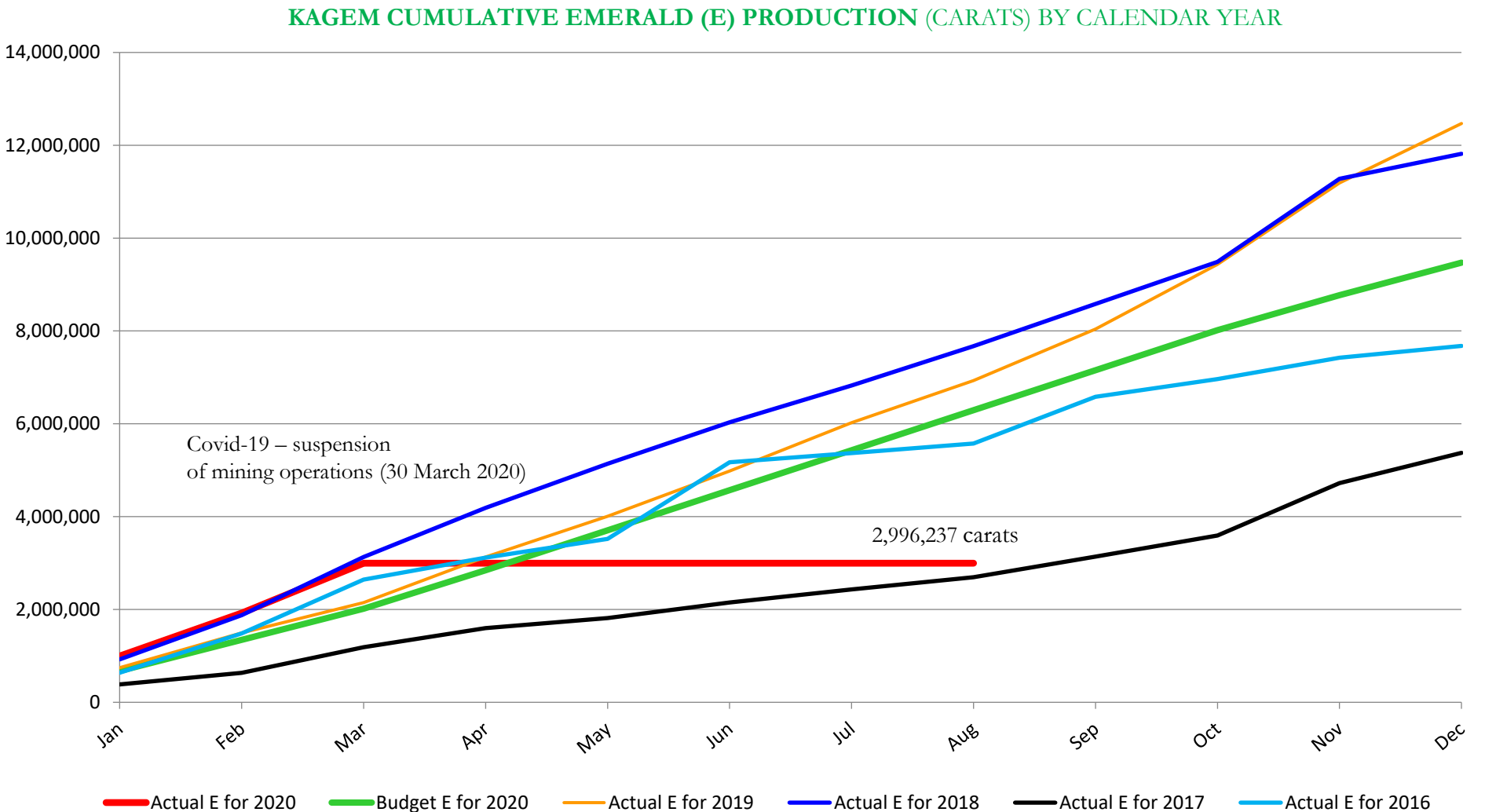
# Kagem Emerald Mine Performance

ZAMBIA

GEMFIELDS

KAGEM CUMULATIVE PREMIUM EMERALD (PE) PRODUCTION (CARATS) BY CALENDAR YEAR

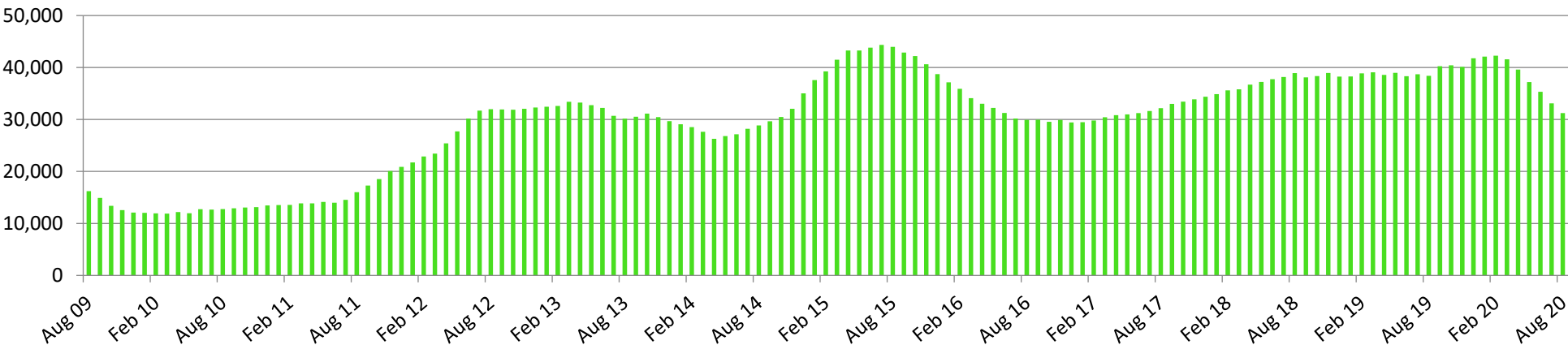




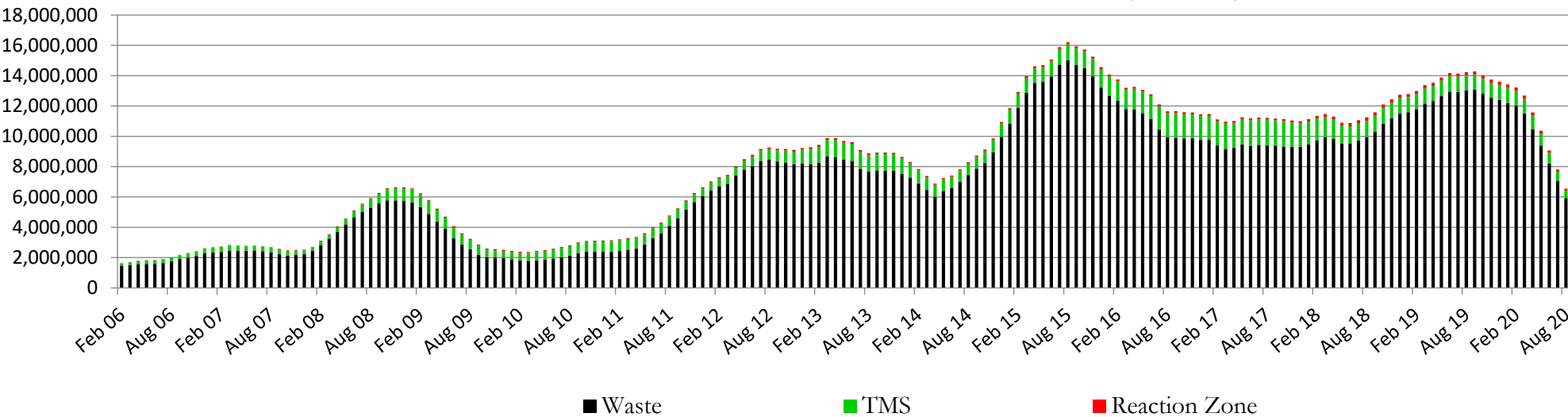
# Kagem Emerald Mine Performance

ZAMBIA ('REACTION ZONE' = ORE)

KAGEM TOTAL OPERATING COSTS, LAST 12 MONTHS (ACTUAL CASH COST BASIS) USD'000 (UNAUDITED)

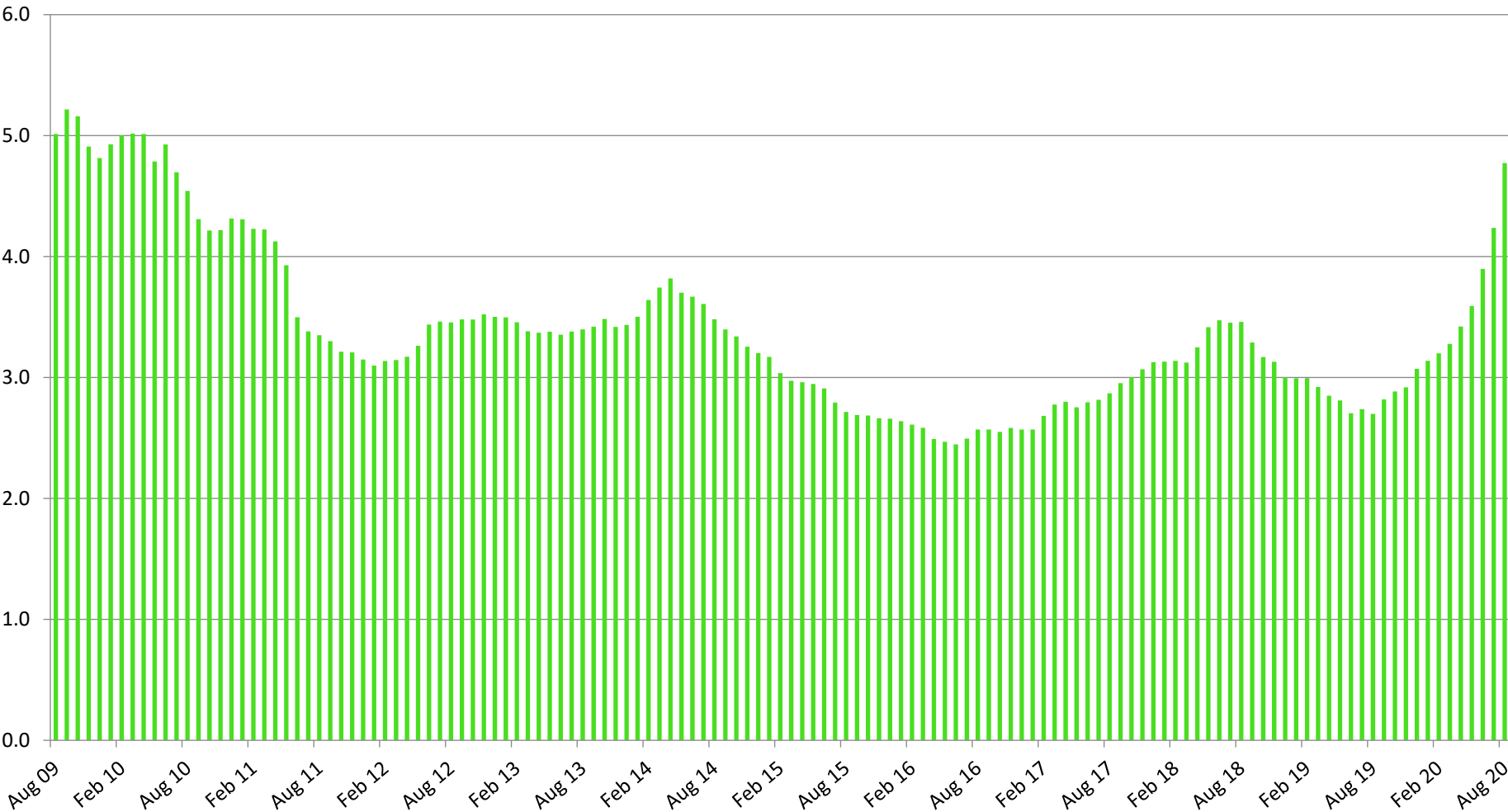


KAGEM LAST 12 MONTHS ROCK HANDLING (TONNES)





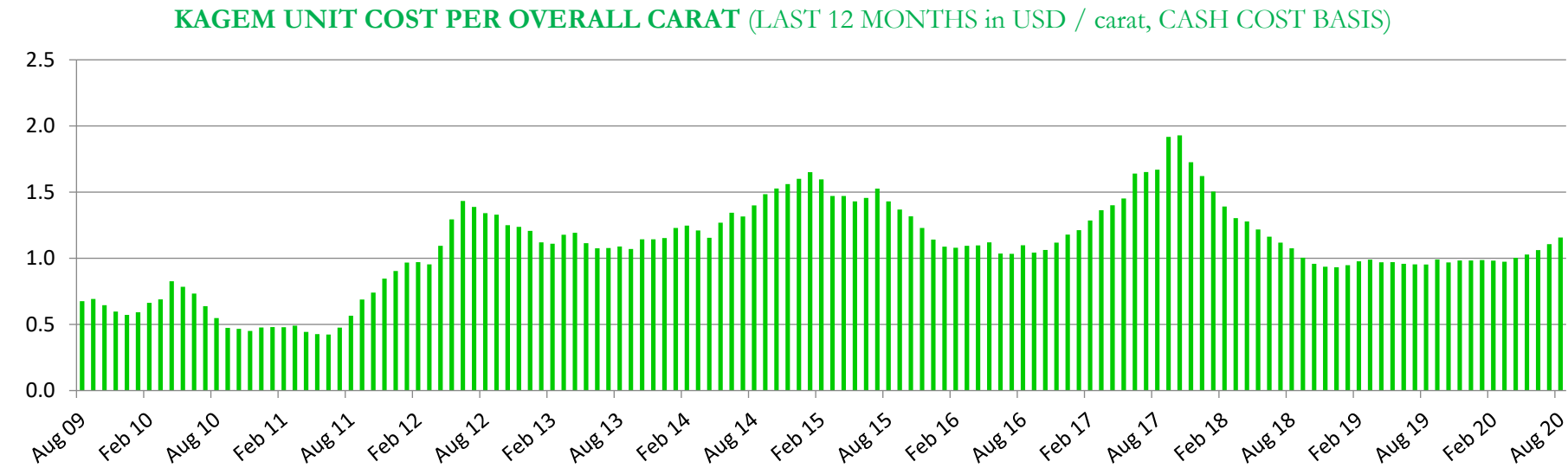
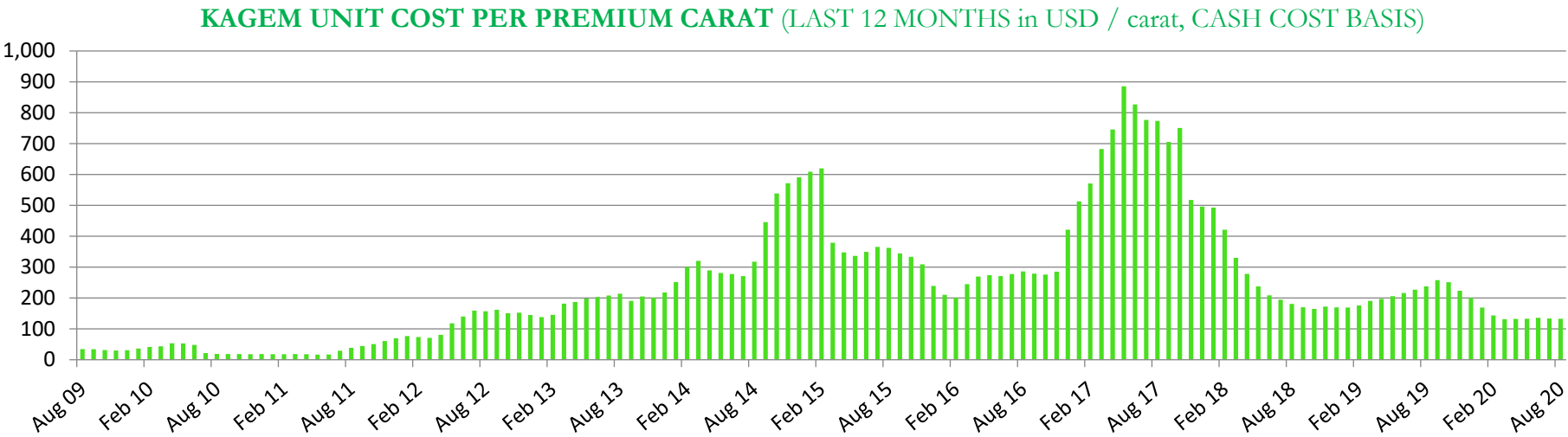
KAGEM LAST 12 MONTH UNIT ROCK HANDLING COSTS (USD / TONNE OF ROCK MINED)



# Kagem Emerald Mine Performance

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ZAMBIA

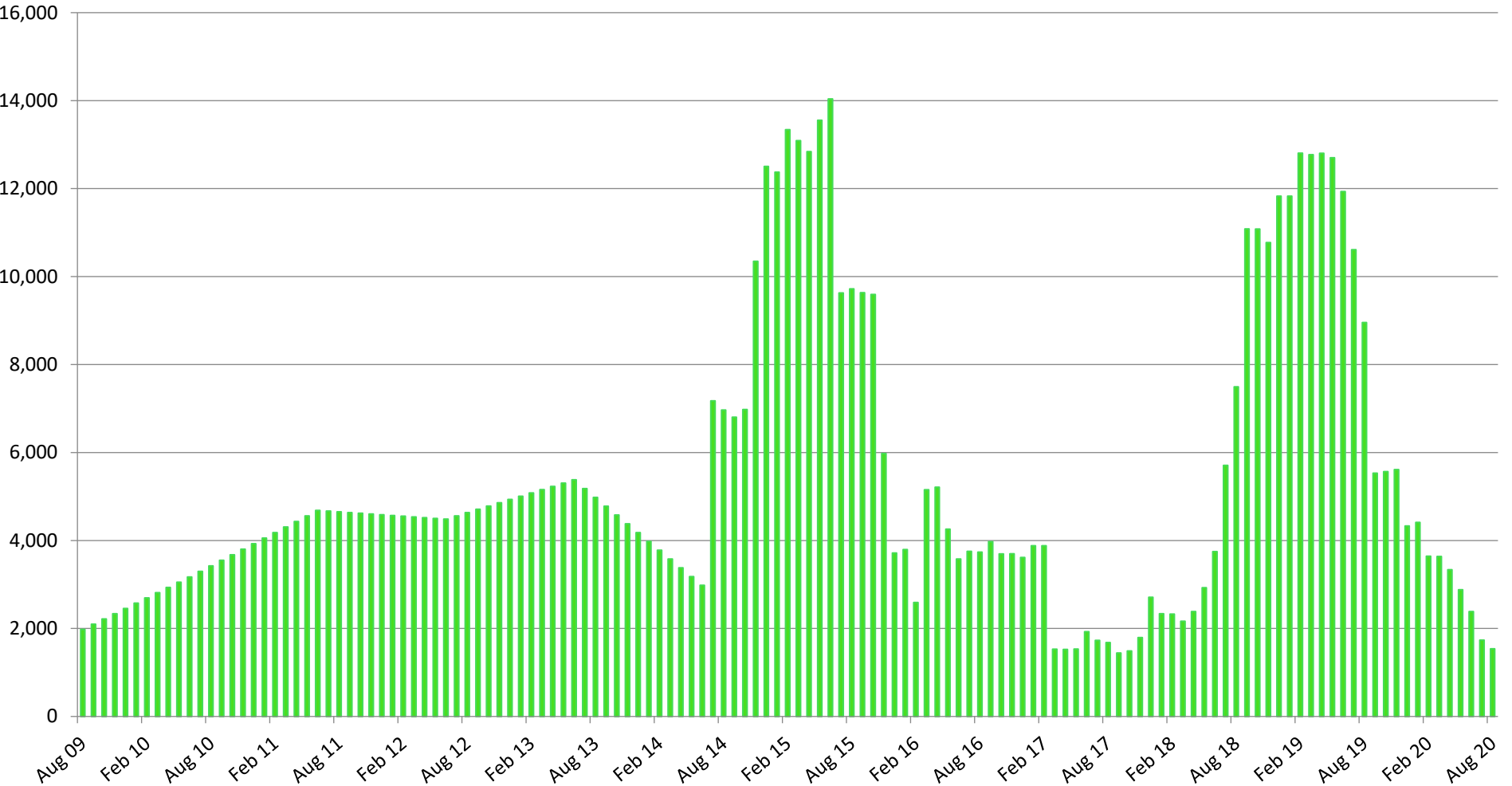


# Kagem Emerald Mine Performance

ZAMBIA

GEMFIELDS

KAGEM CAPITAL EXPENDITURE (LAST 12 MONTHS, ACTUAL CASH COST BASIS in USD'000, UNAUDITED)

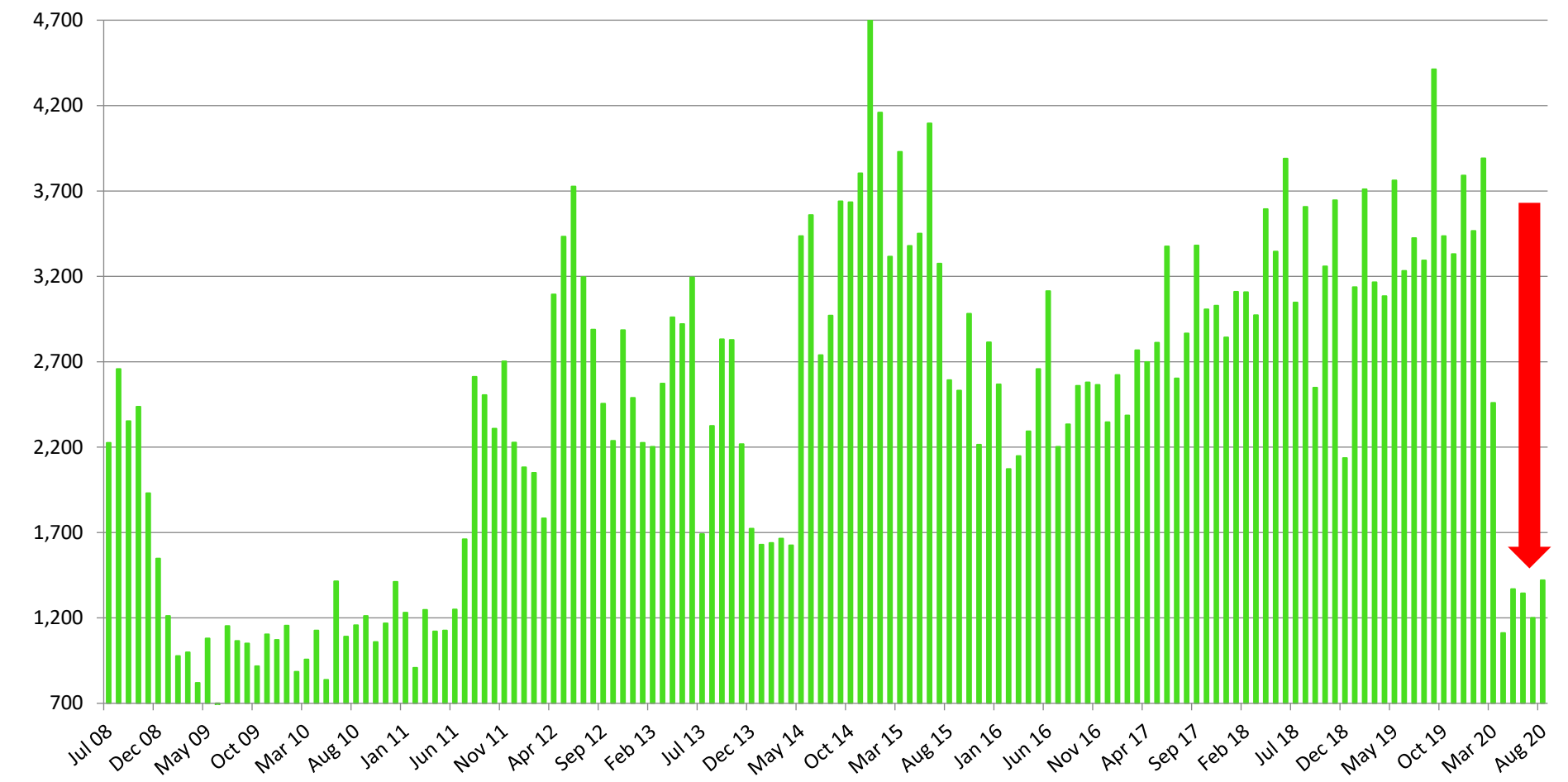


# Kagem Emerald Mine Performance

ZAMBIA

GEMFIELDS

**KAGEM TOTAL MONTHLY OPERATING COSTS** (ACTUAL CASH COST BASIS)  
USD '000 (UNAUDITED)



# Montepuez Ruby Mining Limitada, Mozambique

RUBIES

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Responsibly sourced Zambian  
emeralds and Mozambican rubies.

Creating sustainable livelihoods  
through local development programs.

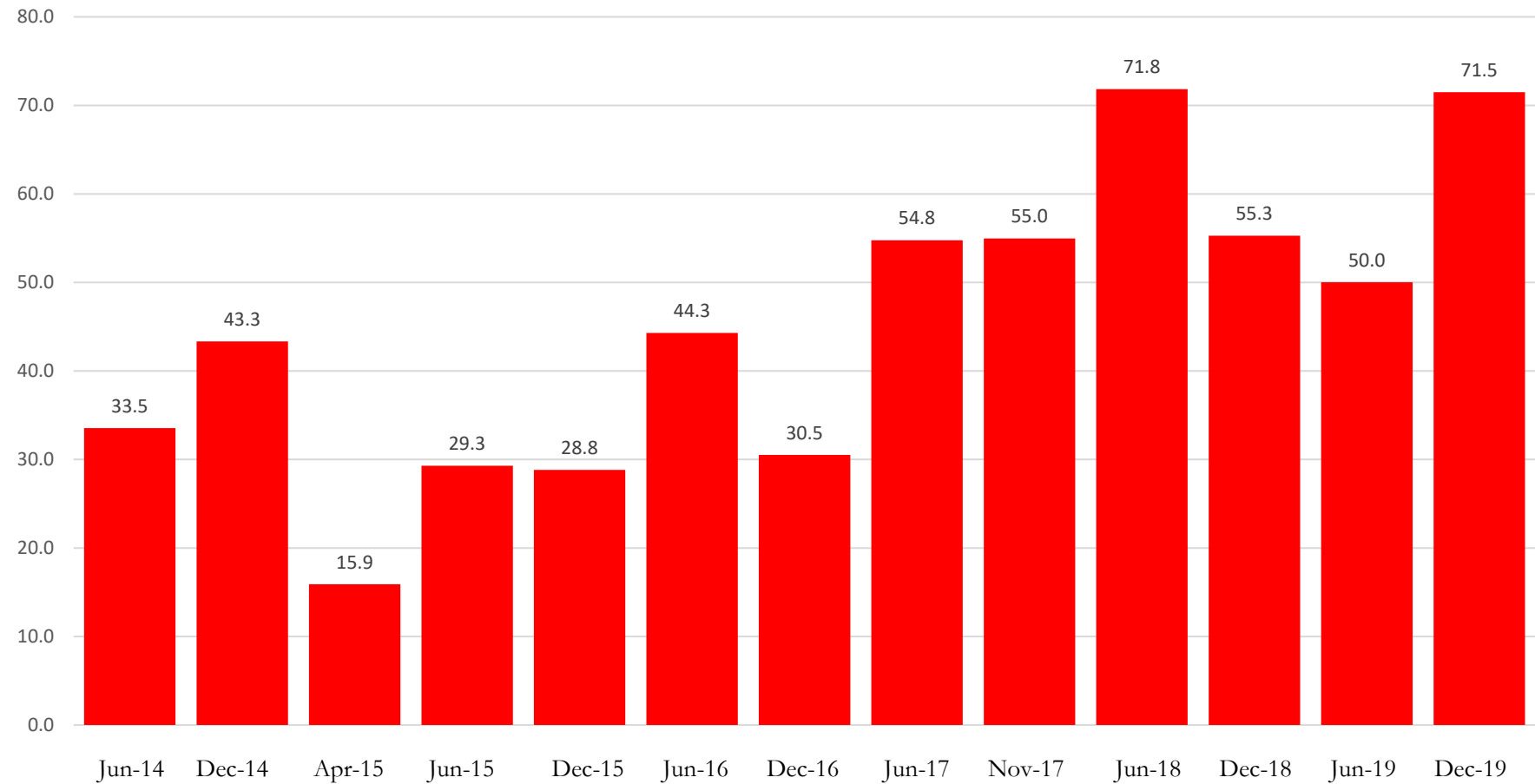
- The Montepuez ruby deposit is located in the northeast of Mozambique within the Cabo Delgado Province, believed to be the most significant recently discovered ruby deposit in the world, covering an area of 34,966 hectares.
- Montepuez Ruby Mining Limitada (“MRM”) is 75% owned by Gemfields with the remaining balance held by our local Mozambican minority partner, Mwriti Limitada.
- The rubies around Montepuez are found in two types of deposits: primary mineralisation hosted within amphibolites or secondary placer type deposits found in gravel beds.
- 25-year licence was issued by the Mozambican government in 2012.
- MRM is widely recognised as the single largest producing ruby mine in the world and is estimated to provide around half of the world’s ruby supply through shallow, open-pit mining.
- During 2019, exploration was mainly focused in the Mugloto Block and continues towards the northern shear zone to better understand the source of the Mugloto premium rubies. The block was identified based on previous inclined/vertical drilling, airborne geophysics and interpretation of secondary deposit.
- MRM generated total auction sales of USD 121.5 million during 2019 taking total cumulative auction revenue to USD 584 million.
- MRM produced 1.3 million carats of ruby and corundum and 28,700 carats of premium ruby for the six months to 30 June 2020. MRM suspended operations in April 2020 due to the Covid-19 outbreak.

# Montepuez Ruby Mining Performance

MOZAMBIQUE

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MONTEPUEZ ROUGH RUBY TOTAL AUCTION SALES (USD MILLION)  
CUMULATIVE REVENUE IS USD 584 MILLION



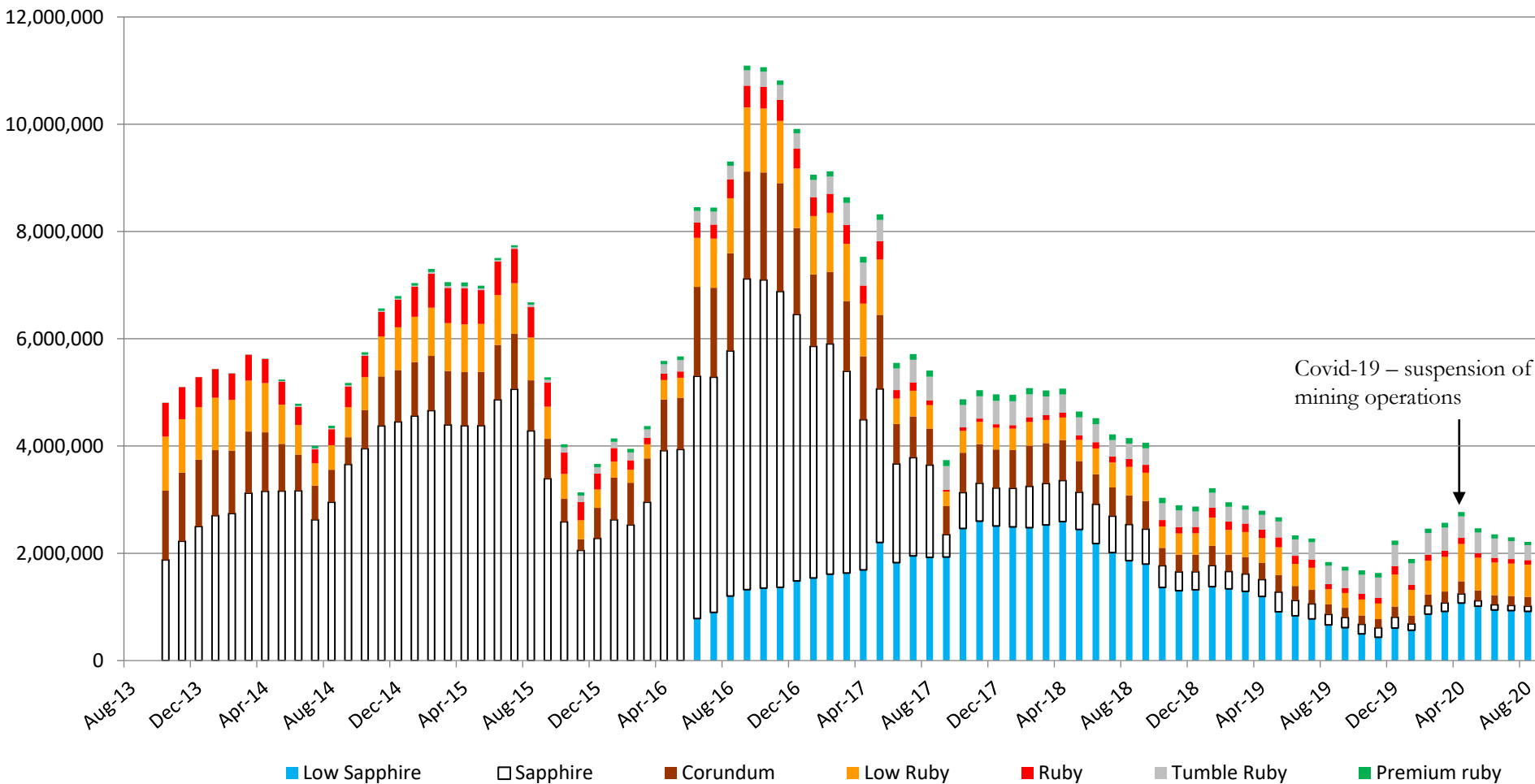


# Montepuez Ruby Mining Performance

MOZAMBIQUE

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MONTEPUEZ GEMSTONE PRODUCTION (LAST 12 MONTHS, in CARATS)  
(PRODUCTION EXCLUDES SAPPHIRE AND LOW SAPPHIRE PRODUCTION)



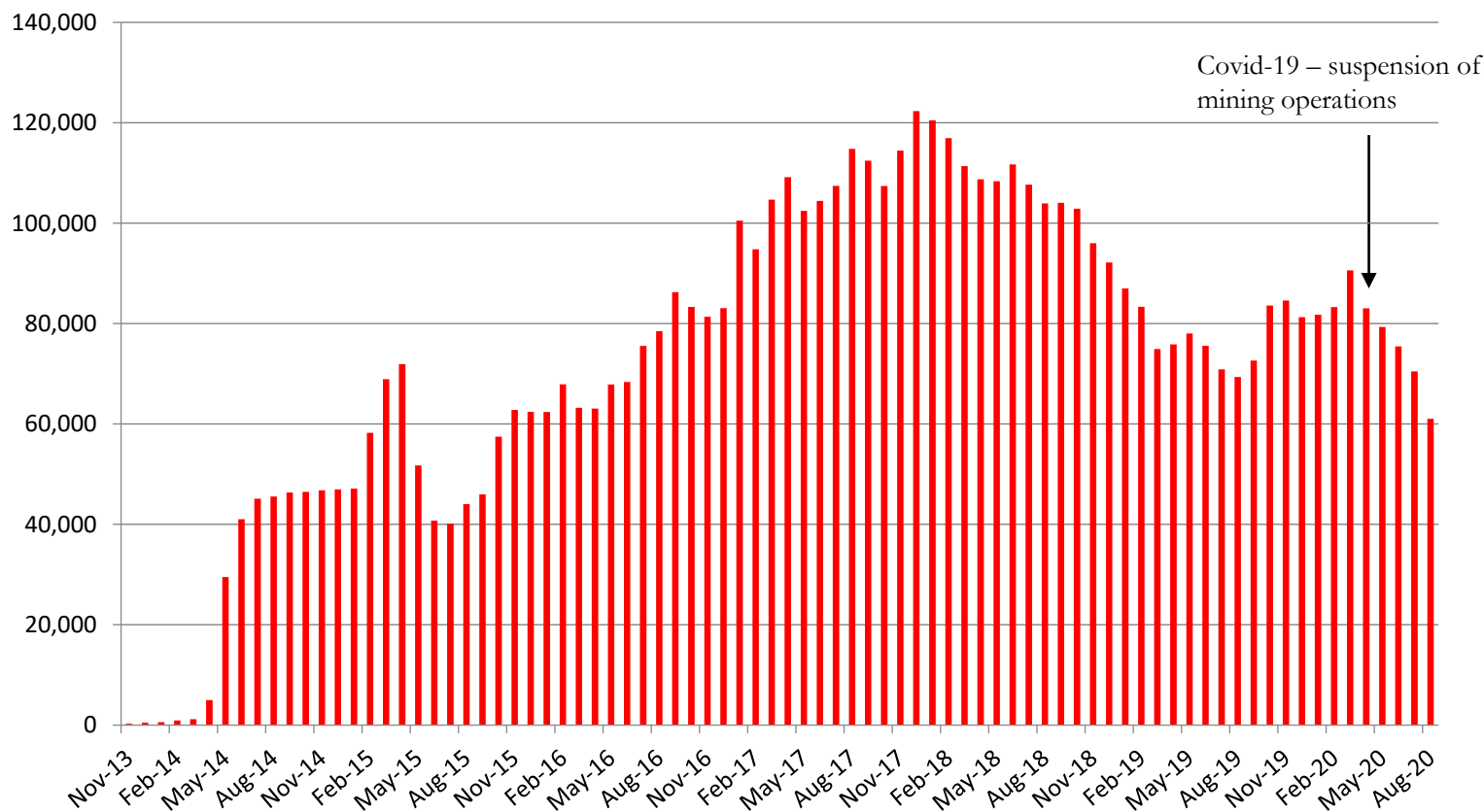
# Montepuez Ruby Mining Performance

MOZAMBIQUE

GEMFIELDS

## MONTEPUEZ PREMIUM RUBY PRODUCTION (LAST 12 MONTHS, in CARATS)

- The key value driver for MRM is the production and sale of premium rubies.
- Increased emphasis has been placed on diversifying areas of the mining licence where ore is sourced, implying lower overall grades.
- Gemfields' 'stretch target' is 10,000 carats of premium ruby per month.



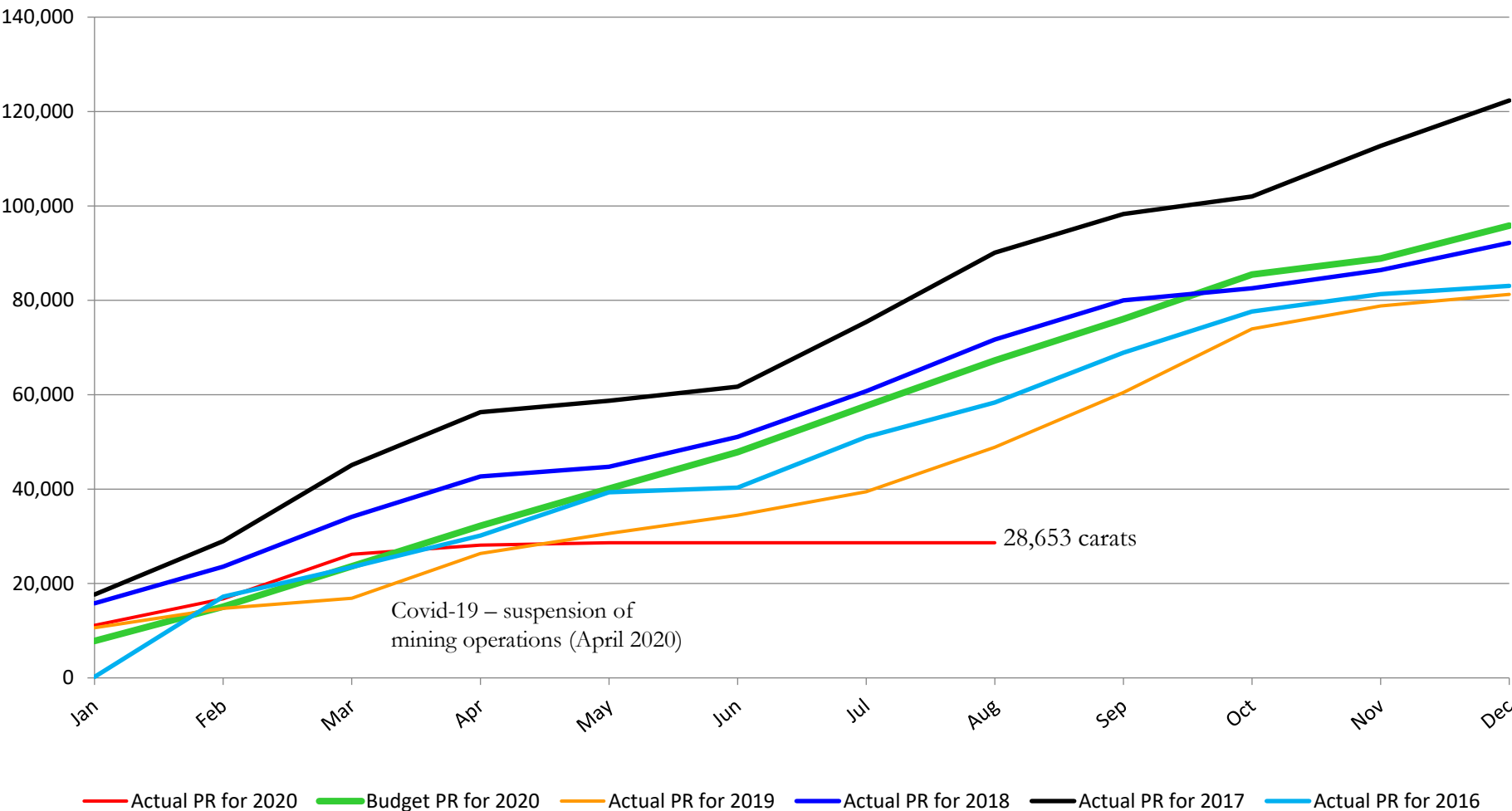
“Premium” classification is determined during the initial ‘sorting’ phase of rough gems arriving from the washing plant into broad categories. The understanding of value and their final grades in the Gemfields grading system (made up of hundreds of grades) improves as the gems move through the processes of cleaning, ‘grading’ and ‘referencing’.

# Montepuez Ruby Mining Performance

MOZAMBIQUE

GEMFIELDS

MRM CUMULATIVE PREMIUM RUBY (PR) PRODUCTION (CARATS) BY CALENDAR YEAR

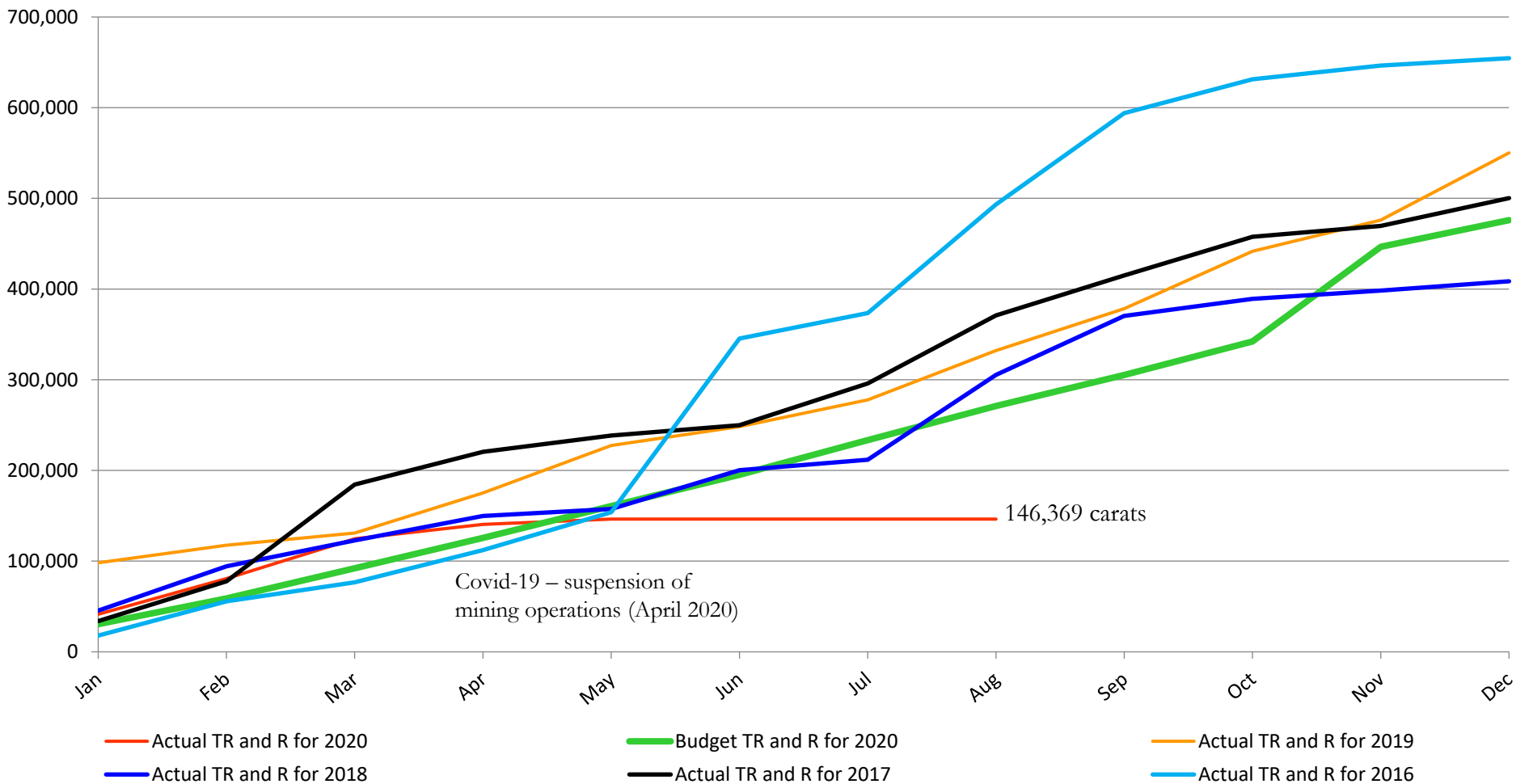


# Montepuez Ruby Mining Performance

MOZAMBIQUE

GEMFIELDS

MRM CUMULATIVE RUBY (R) AND TUMBLE RUBY PRODUCTION (CARATS) BY CALENDAR YEAR

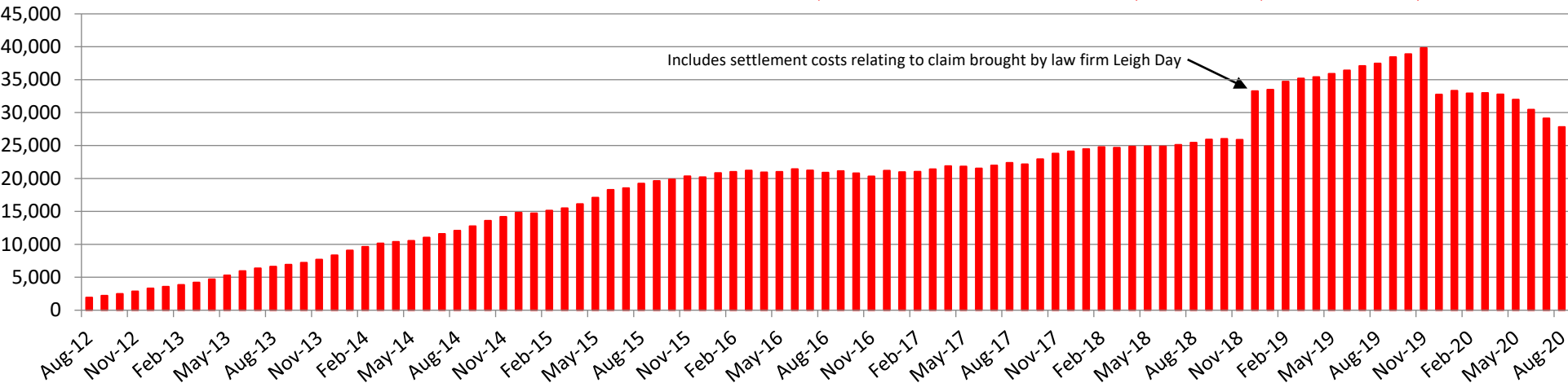


# Montepuez Ruby Mining Performance

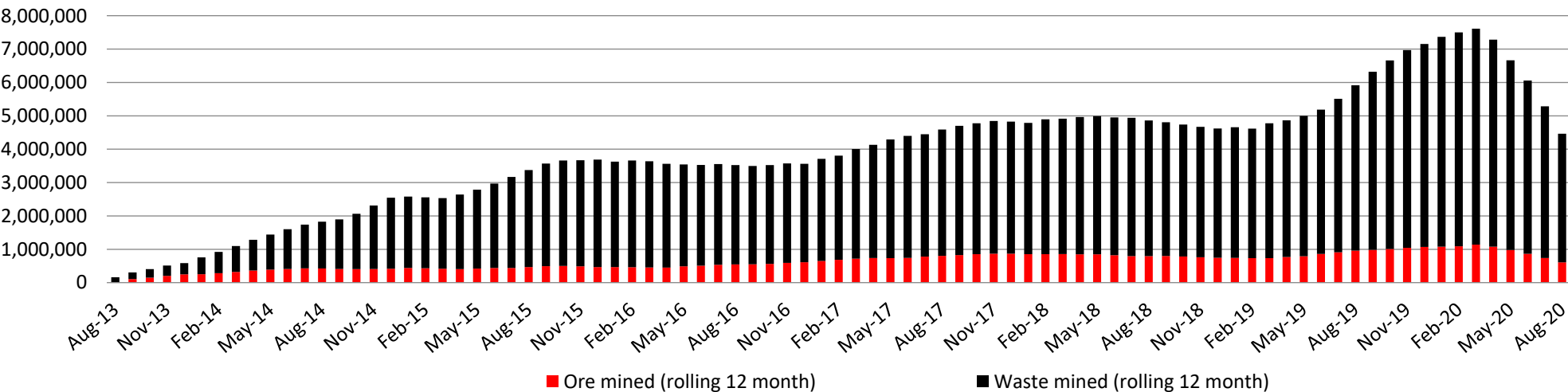
MOZAMBIQUE

GEMFIELDS

## MONTEPUENZ LAST 12 MONTH OPERATING COSTS (ACTUAL CASH COST BASIS) USD'000 (UNAUDITED)



## MONTEPUENZ LAST 12 MONTH ROCK HANDLING (TONNES)

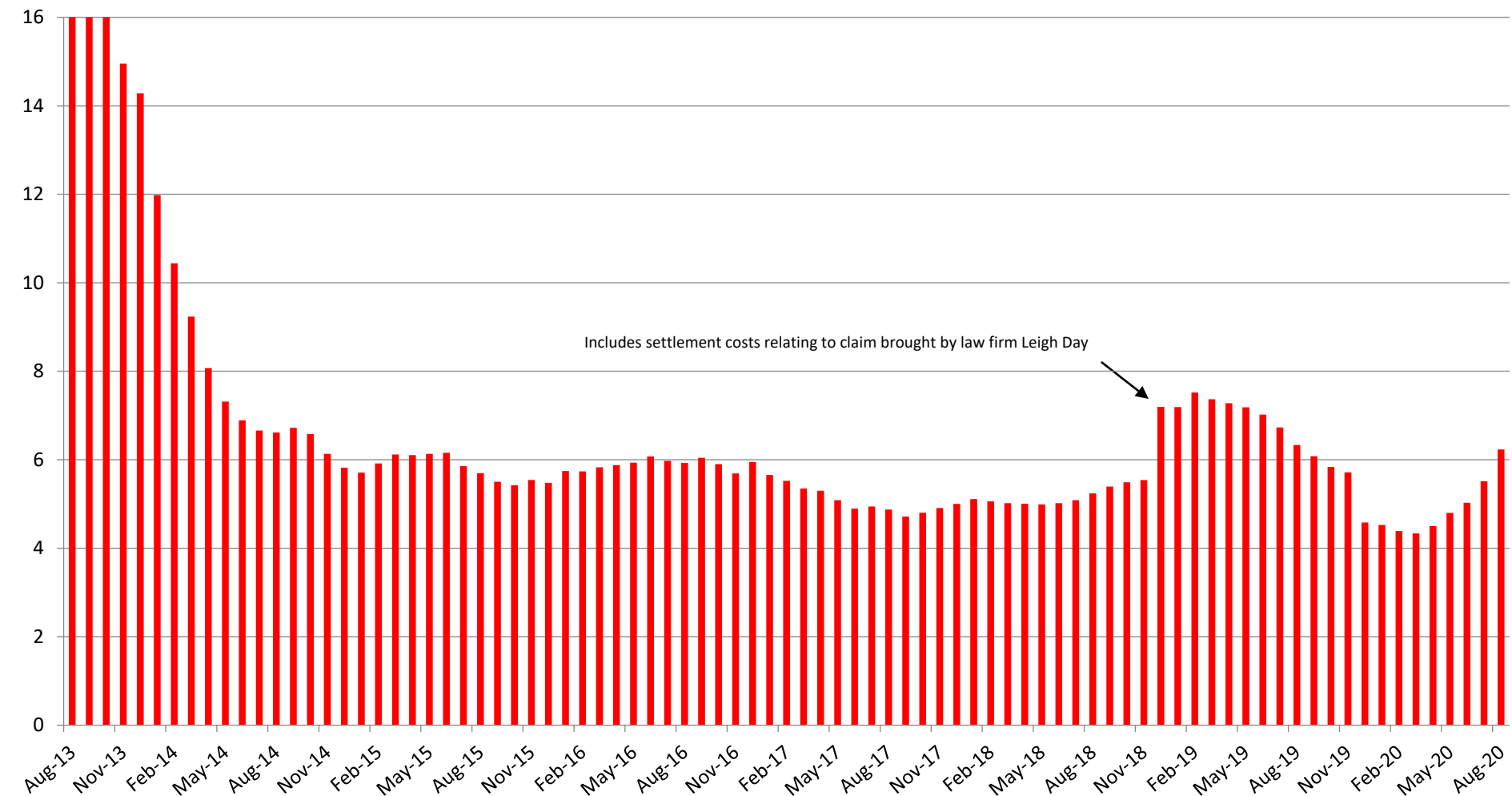


# Montepuez Ruby Mining Performance

MOZAMBIQUE

GEMFIELDS

MONTEPUEZ LAST 12 MONTH UNIT ROCK HANDLING COSTS (USD / TONNE OF ROCK MINED)

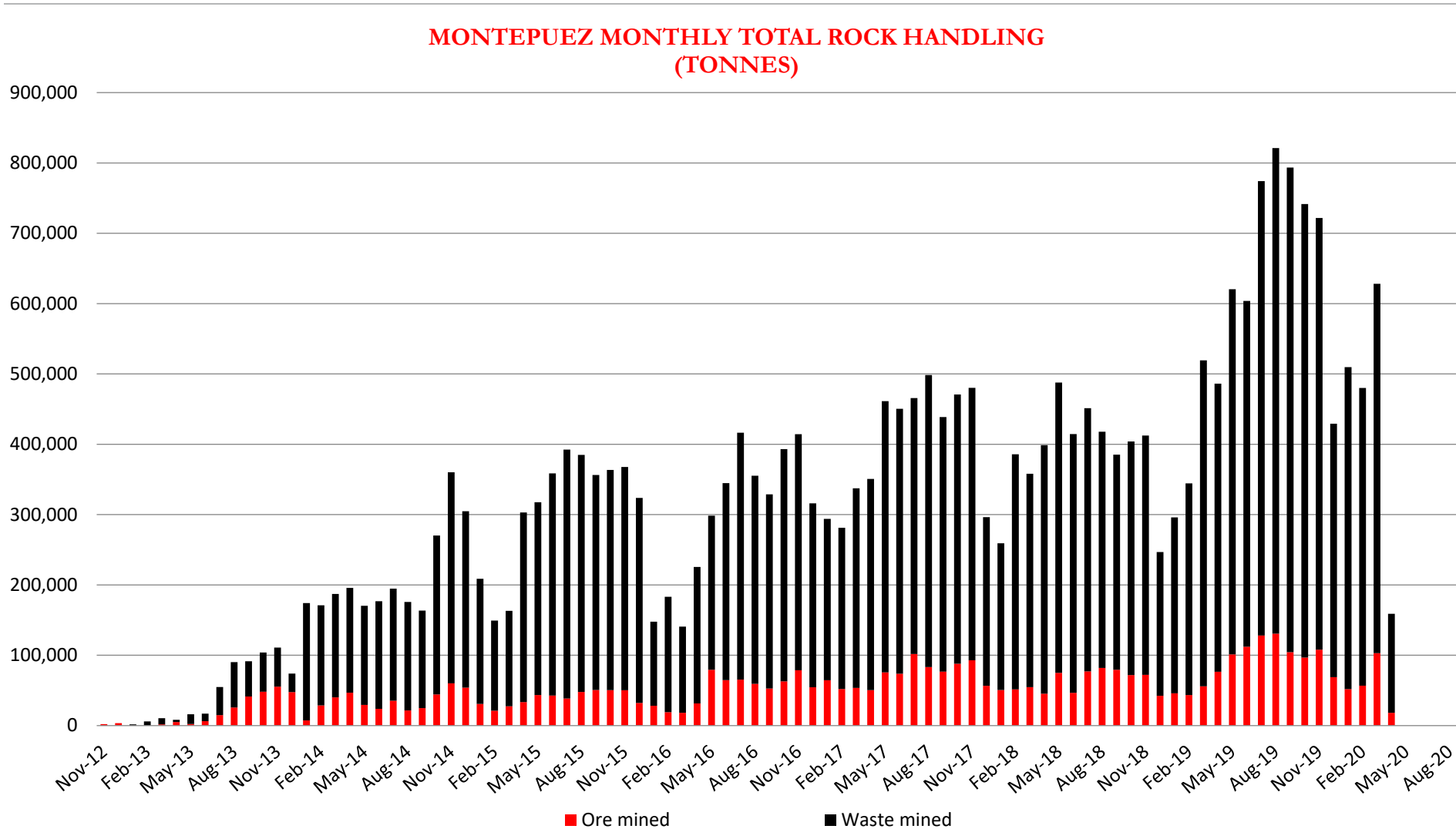


Includes settlement costs relating to claim brought by law firm Leigh Day

# Montepuez Ruby Mining Performance

MOZAMBIQUE

GEMFIELDS

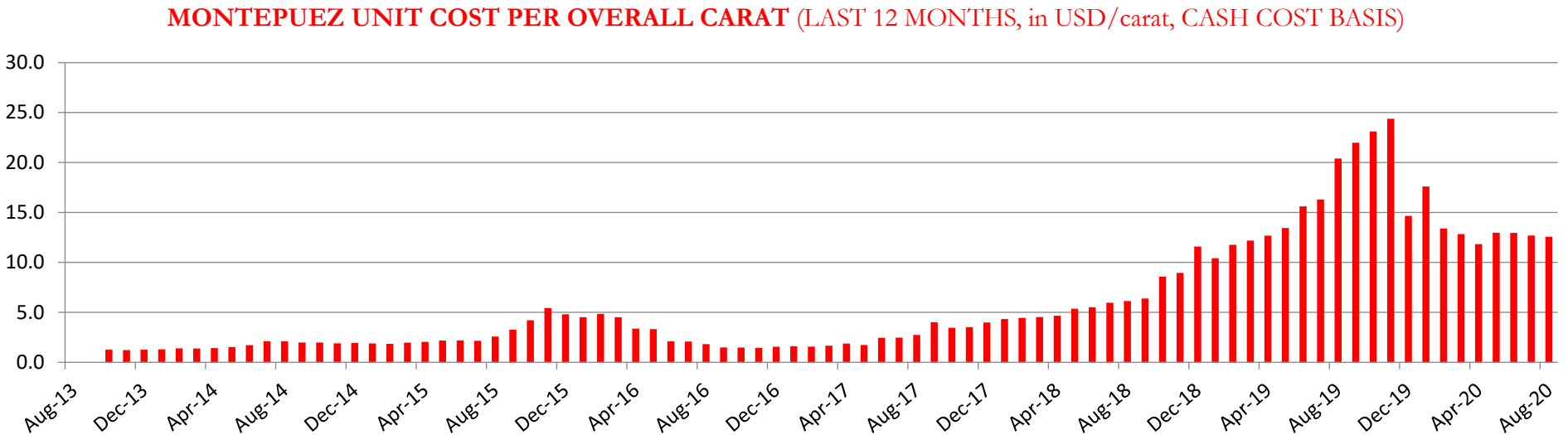
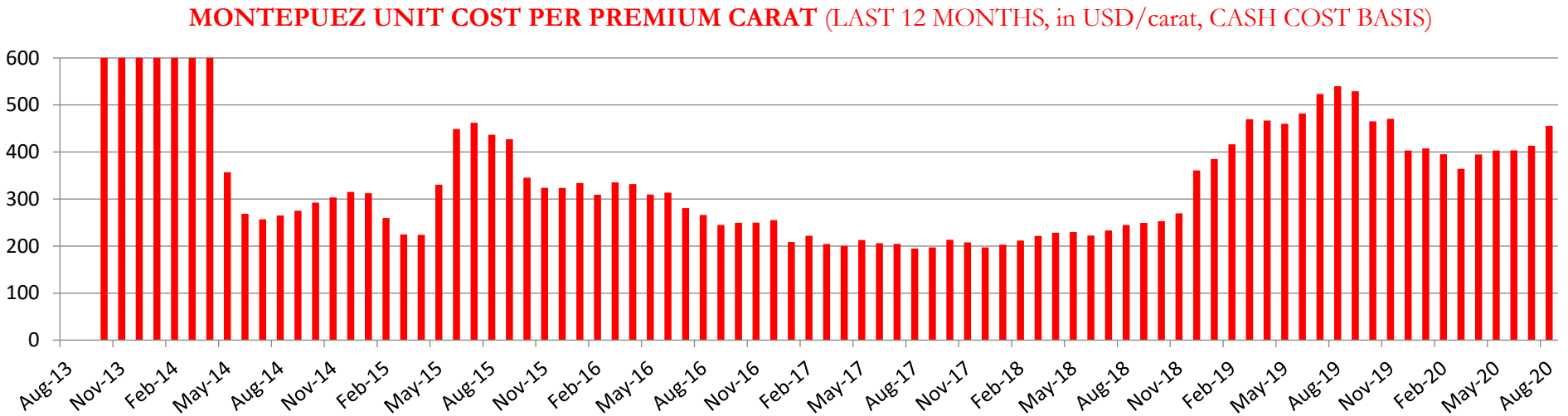




# Montepuez Ruby Mining Performance

GEMFIELDS

MOZAMBIQUE

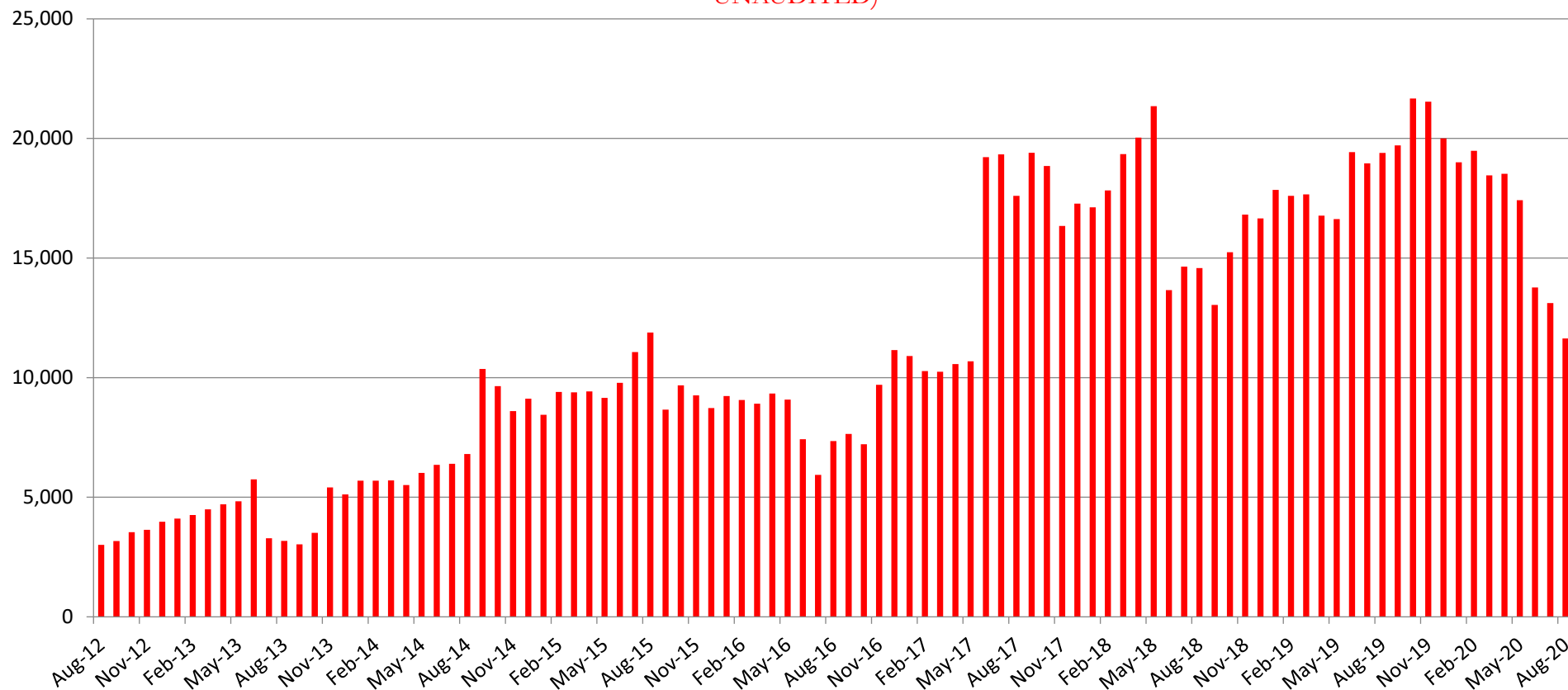


# Montepuez Ruby Mining Performance

GEMFIELDS

CAPEX

**MONTEPUEZ CAPITAL EXPENDITURE** (LAST 12 MONTHS, ACTUAL CASH COST BASIS in USD'000, UNAUDITED)

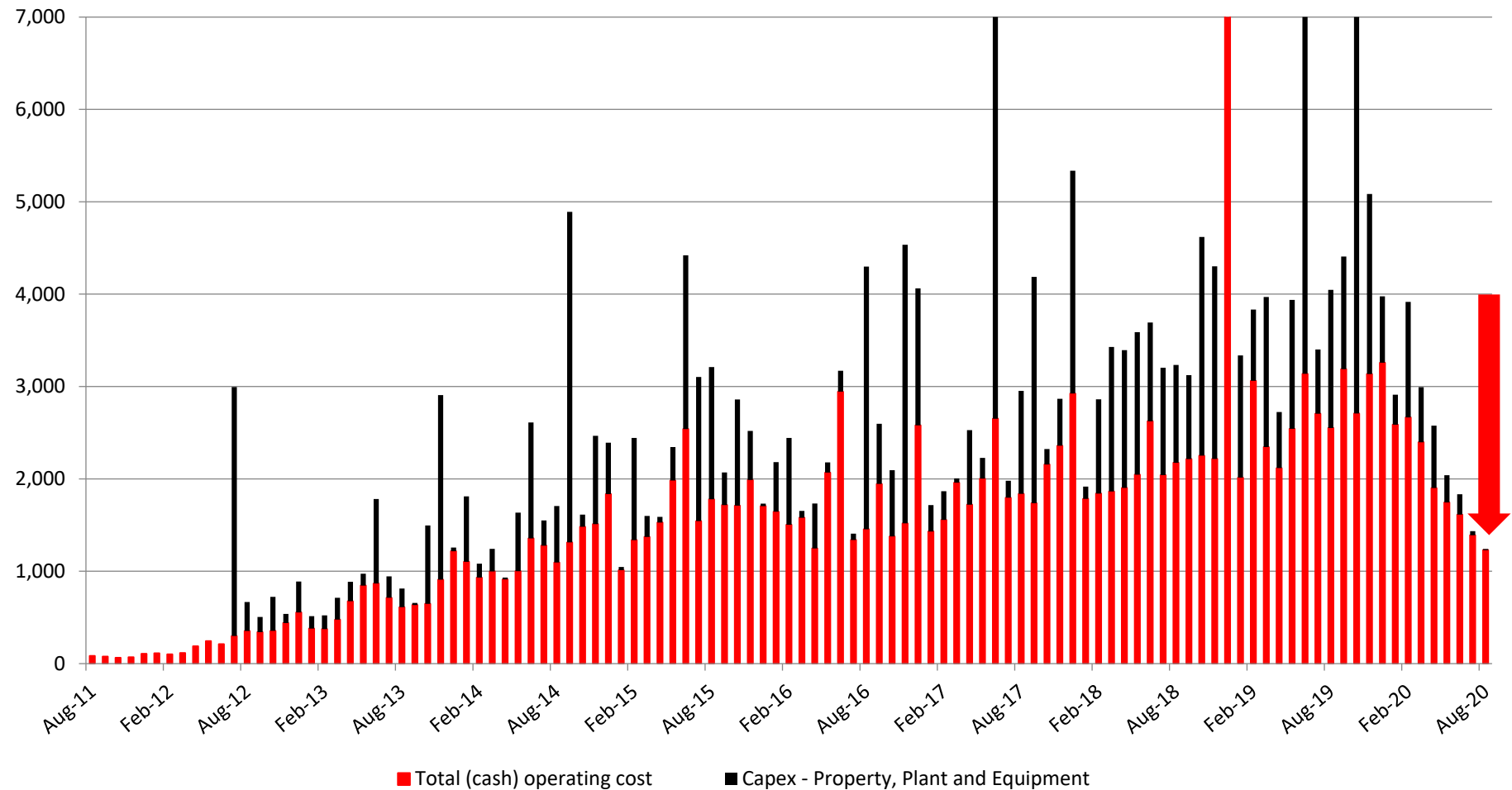


Major capex projects include the MRM sort house (completed Feb 2019), and initial construction of the resettlement village for 105 families (completion June 2020) and the construction of a second washing plant (estimated completion April 2021).

# Montepuez Ruby Mining Performance

OPERATING & CAPEX COSTS

MONTEPUEZ MONTHLY TOTAL CASH OPERATING AND CAPEX COSTS  
USD '000 (UNAUDITED)





Fabergé





Fabergé is one of the world's most recognisable luxury brands owned outside of the major luxury conglomerates.

It has a well documented and globally respected heritage.

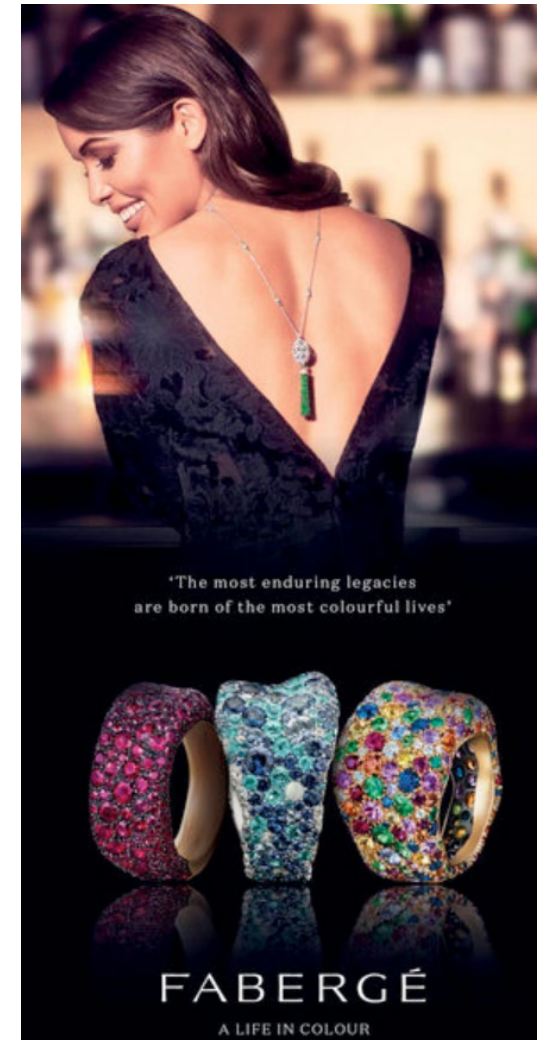
The Fabergé brand provides Gemfields with direct access to the coloured gemstone end consumer through directly operated boutiques and international wholesale partners.

Fabergé achieved revenues of USD2.5 million in the six months ending 30 June 2020.

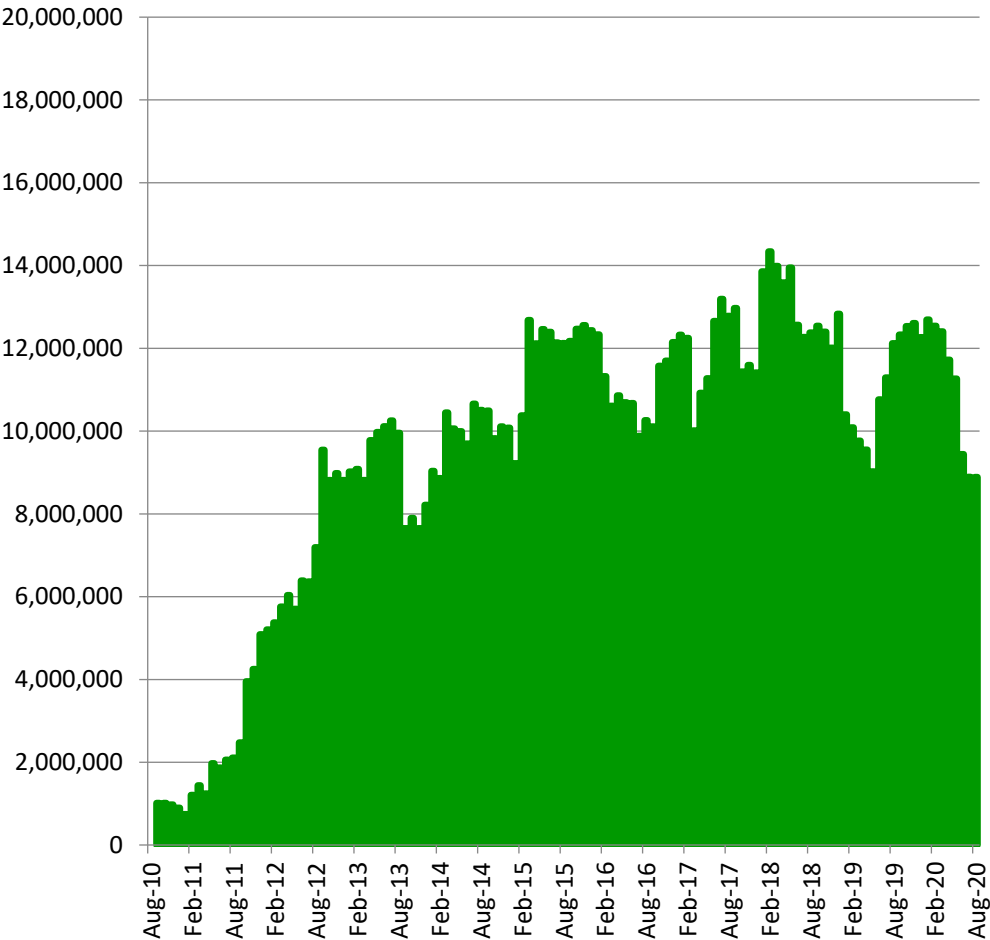
Fabergé operates two points of sale directly: a concession in the Harrods Fine Jewellery Room in London and a mono-brand boutique located in The Galleria Mall, Houston, Texas.

Fabergé products are available globally, with the total number of Fabergé outlets increasing from 65 to 80 over the past year.

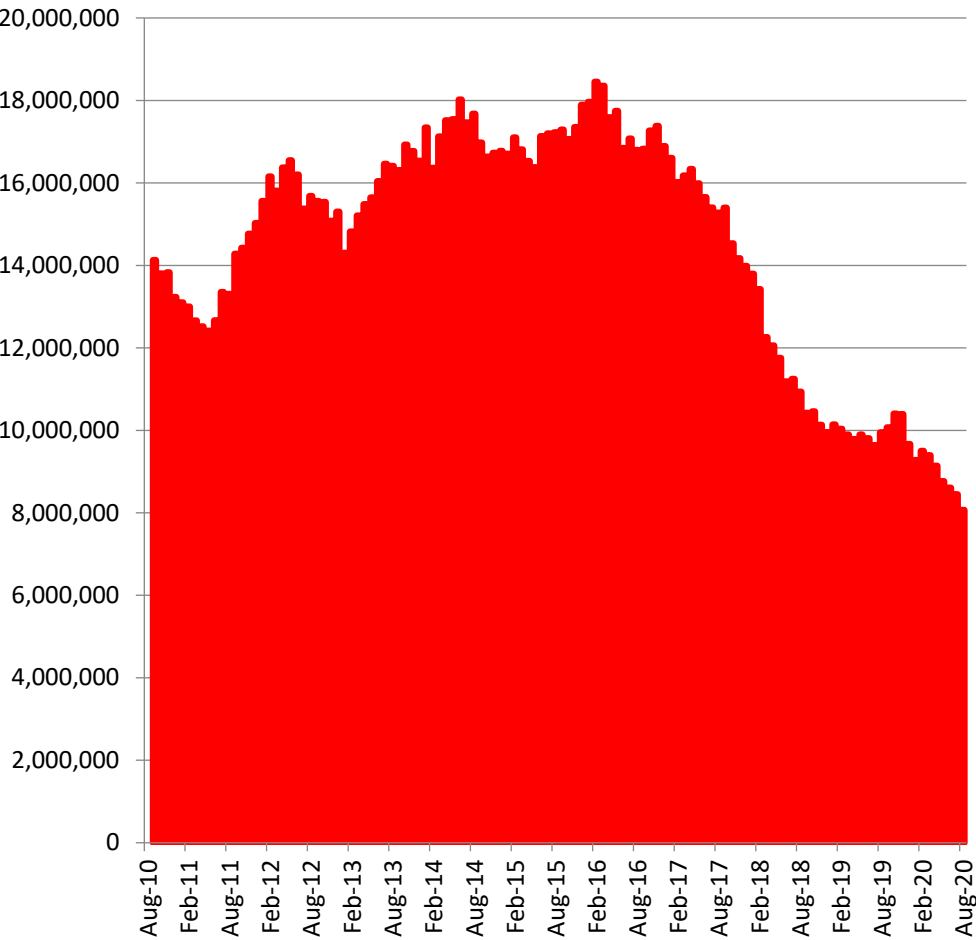
Funding requirements from Gemfields reduced to less than USD 5 million as at the end of 2019 (USD 6.4 million as at 31 August 2020).



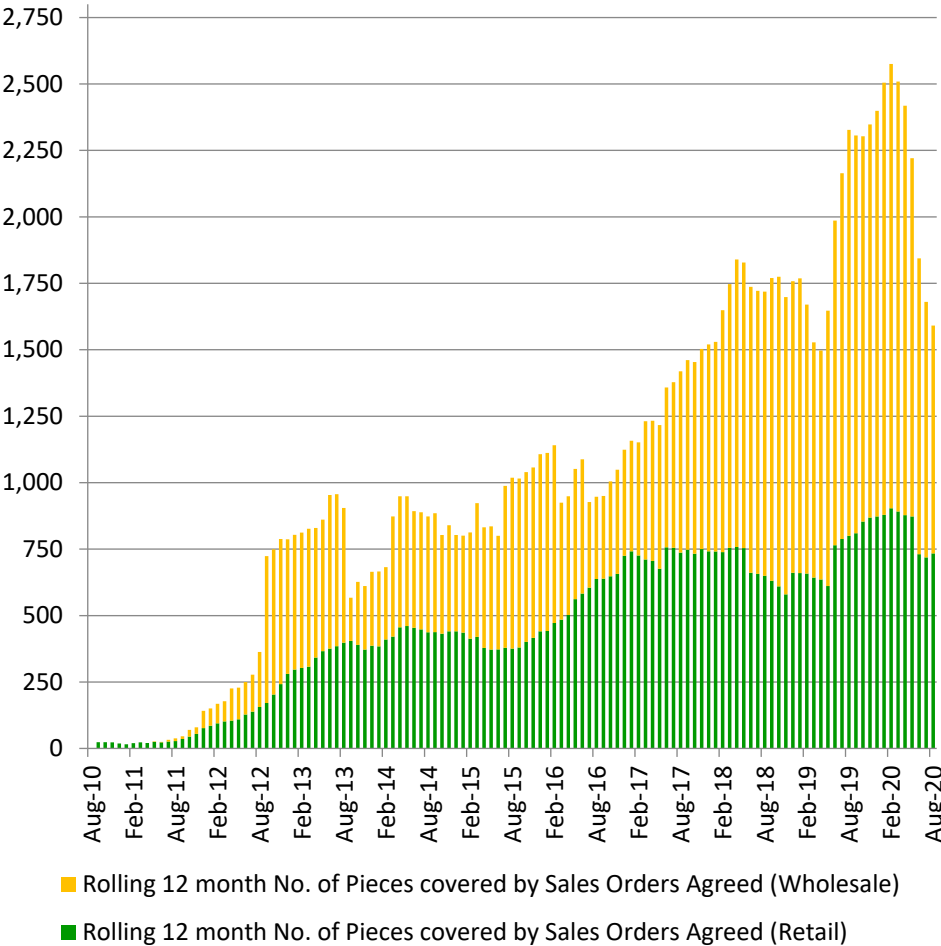
SALES ORDERS AGREED (LAST 12 MONTHS)  
(USD, POST ANY DISCOUNTS, ALL CHANNELS)



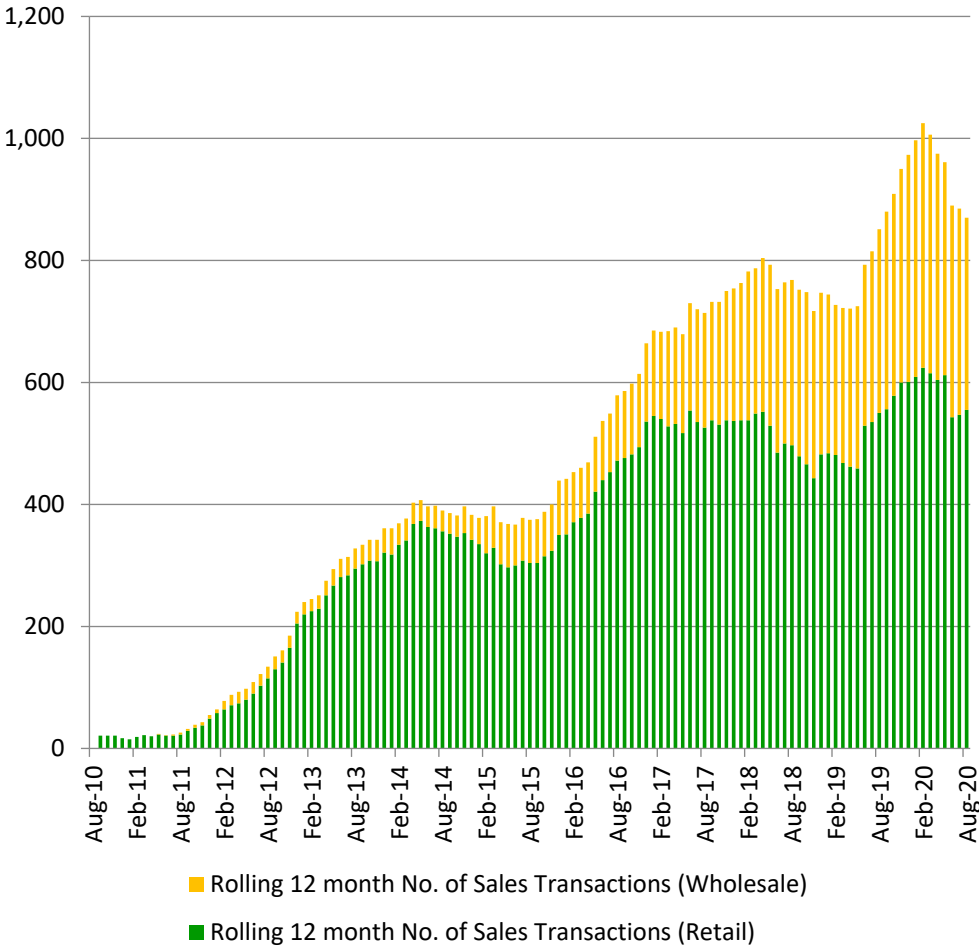
OPERATING COSTS (LAST 12 MONTHS)  
(USD)



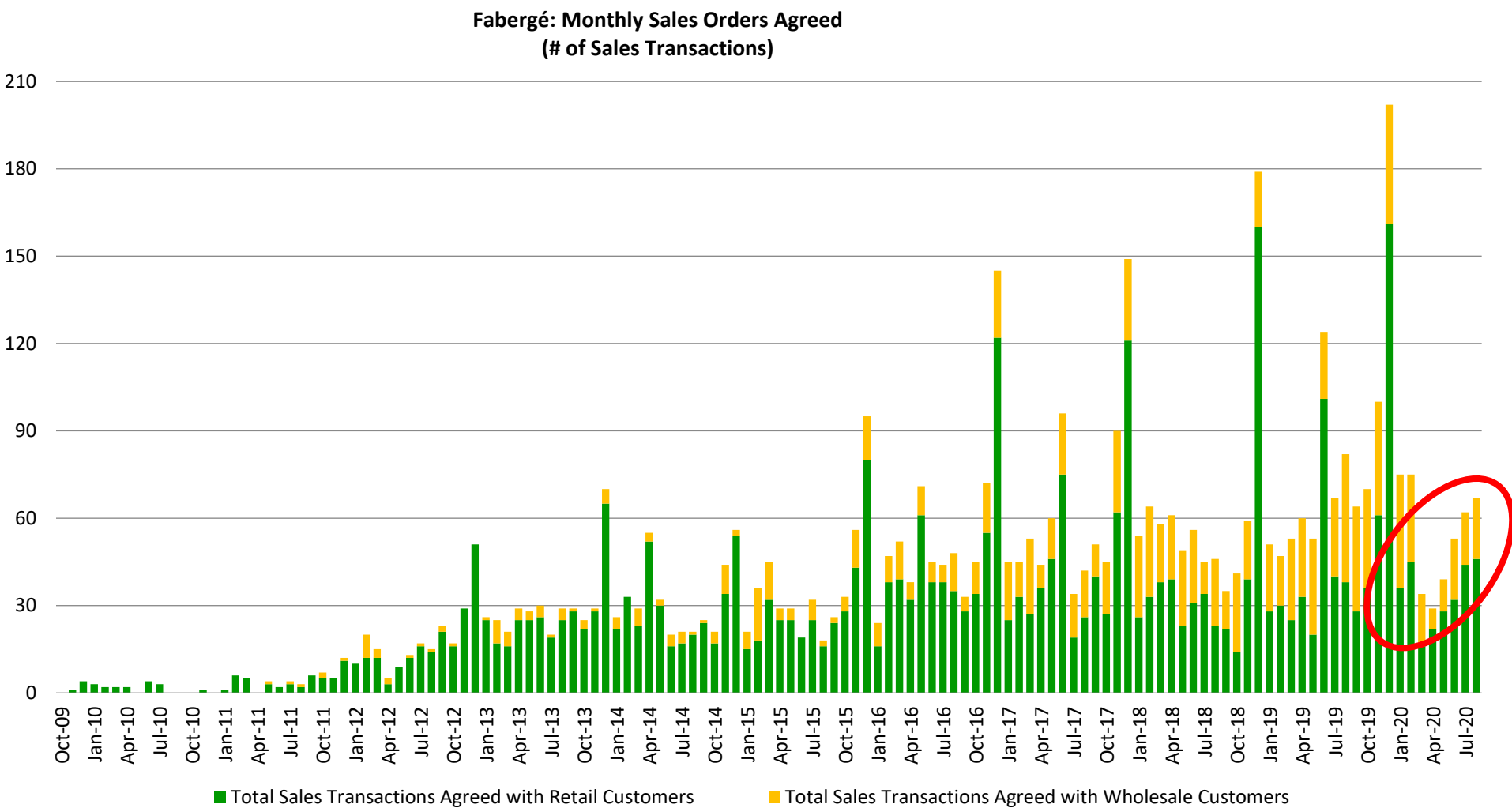
NO. OF PIECES SOLD, LAST 12 MONTHS  
(NO. OF PIECES, ALL CHANNELS)



NO. OF SALES TRANSACTIONS, LAST 12 MONTHS  
(NO. OF SALES TRANSACTIONS, ALL CHANNELS)

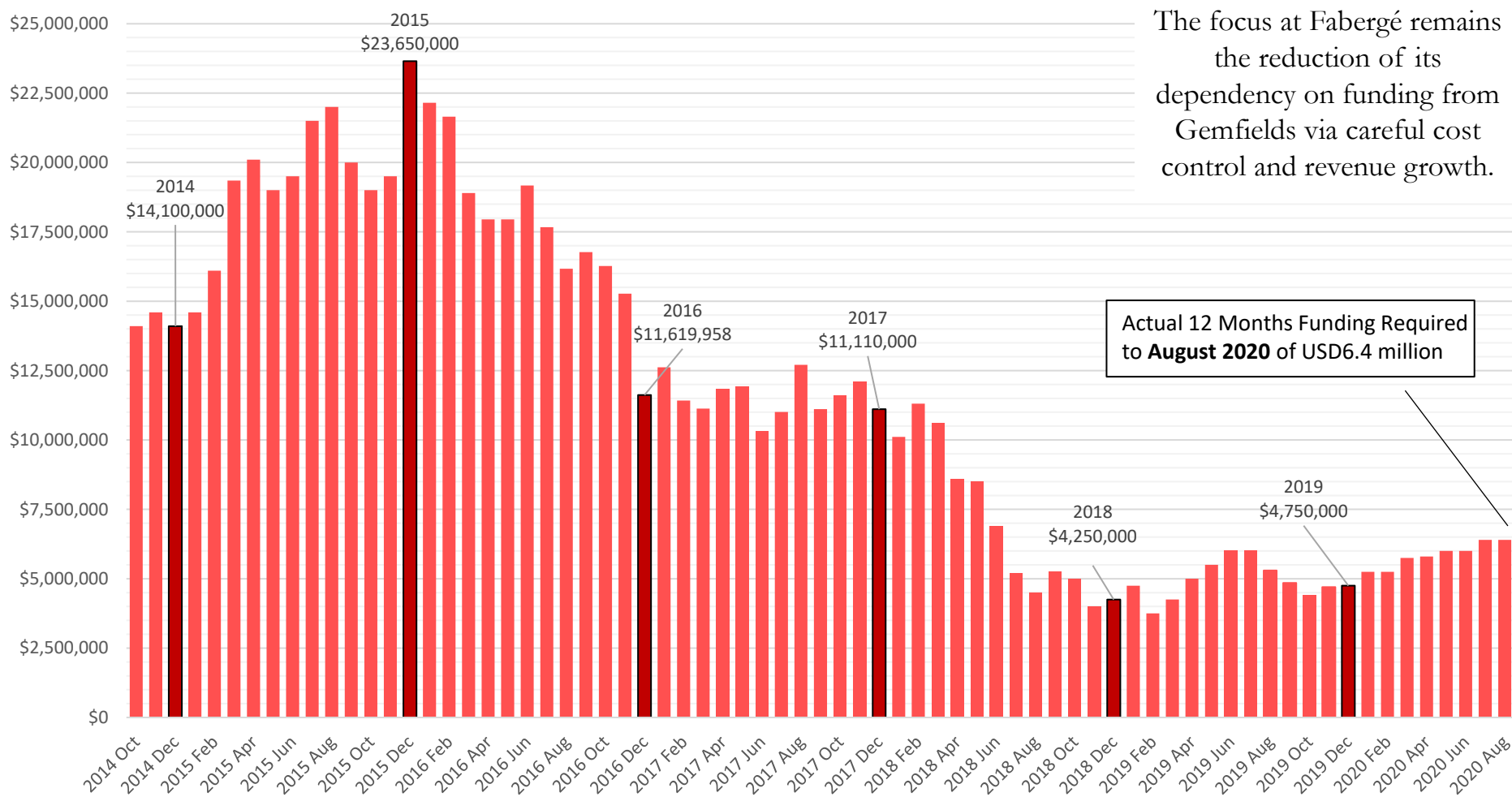






FUNDING REQUIRED BY FABERGÉ (LAST 12 MONTHS, in USD)

The focus at Fabergé remains the reduction of its dependency on funding from Gemfields via careful cost control and revenue growth.



# COVID-19 and Revenue Opportunities

**GEMFIELDS**



Responsibly sourced Zambian emeralds and Mozambican rubies.

Enhancing environmental sustainability by regenerating land and replanting native flora.

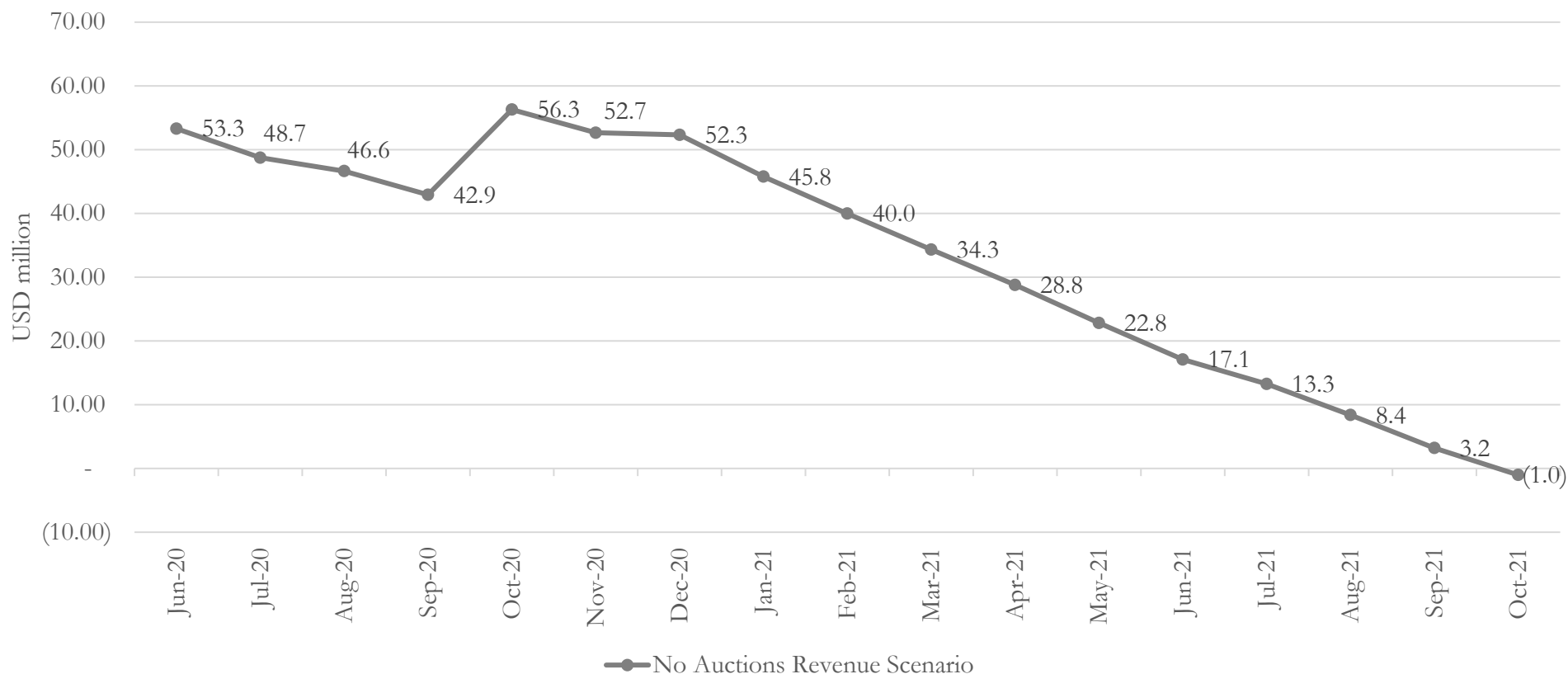
- Principal operations at Kagem were suspended from 30 March 2020 and are expected to remain suspended until such time that a successful auction is held.
- All but critical operations at MRM were suspended from 22 April 2020 and are expected to remain suspended until such time that a successful auction is held.
- All exploration projects have been postponed until further notice.
- Widespread travel restrictions dictate that Gemfields cannot presently host auctions. Timing of next auctions uncertain. Some 93% of 2019's revenues came from auctions.

### **Alternative revenue streams / Group funding**

- Additional external debt – USD 15 million facility approved in Mozambique, paperwork expected to be completed in Q4 2020.
- Modifying our approaches to generating gemstone sales.
- An increased volume and value of direct emerald sales.
- A sale of the Group's 6.54% interest in Sedibelo Platinum Mines Limited

Some comfort in the fact that well-bought gemstones have for centuries been regarded as a store of value and a guard against turbulent times. This was also evidenced after the 2008 financial crisis when we saw gemstone prices proved remarkably resilient when compared to equity indices.

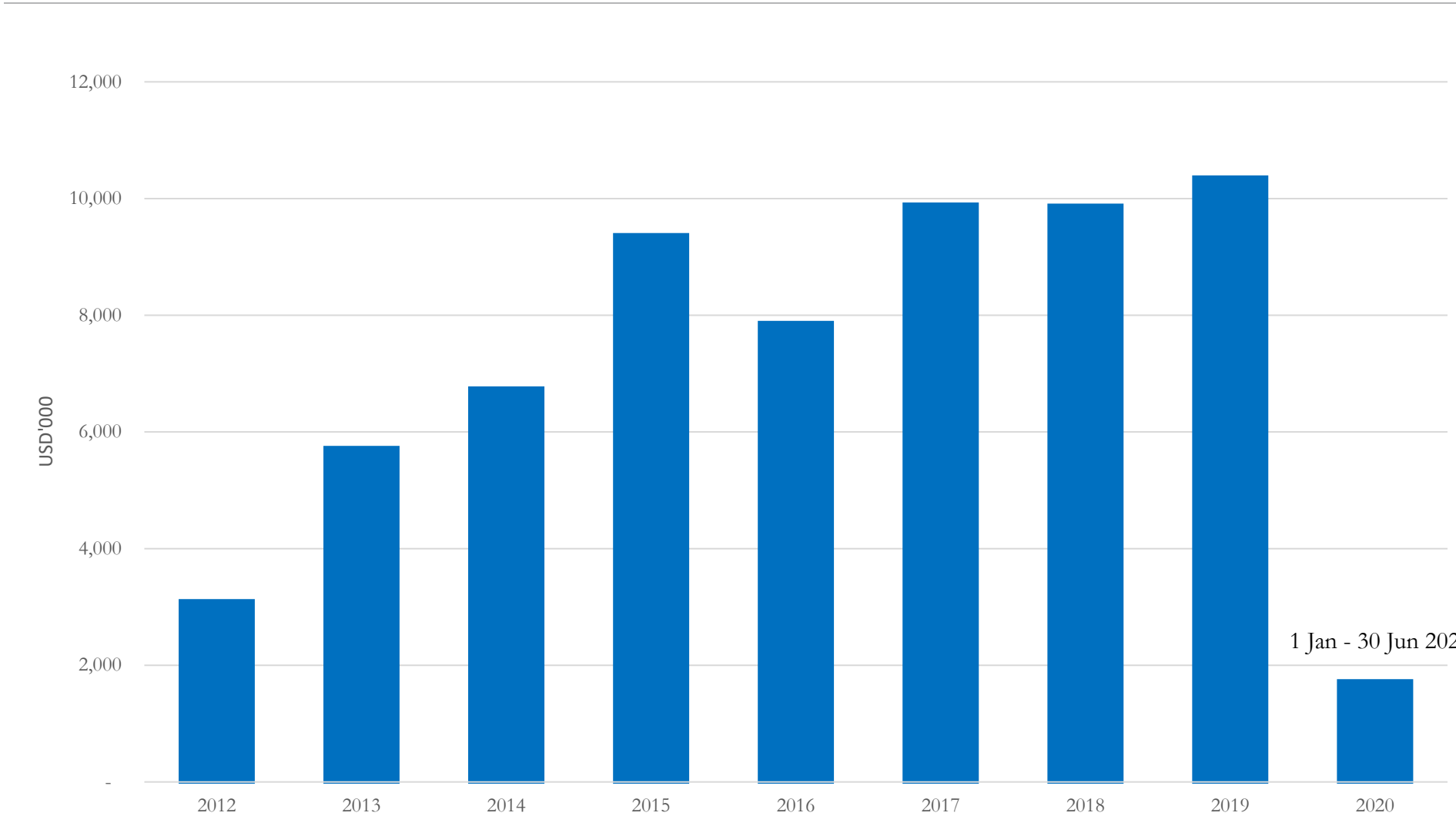
## GROUP CASH FORECAST – NO AUCTION REVENUE SCENARIO



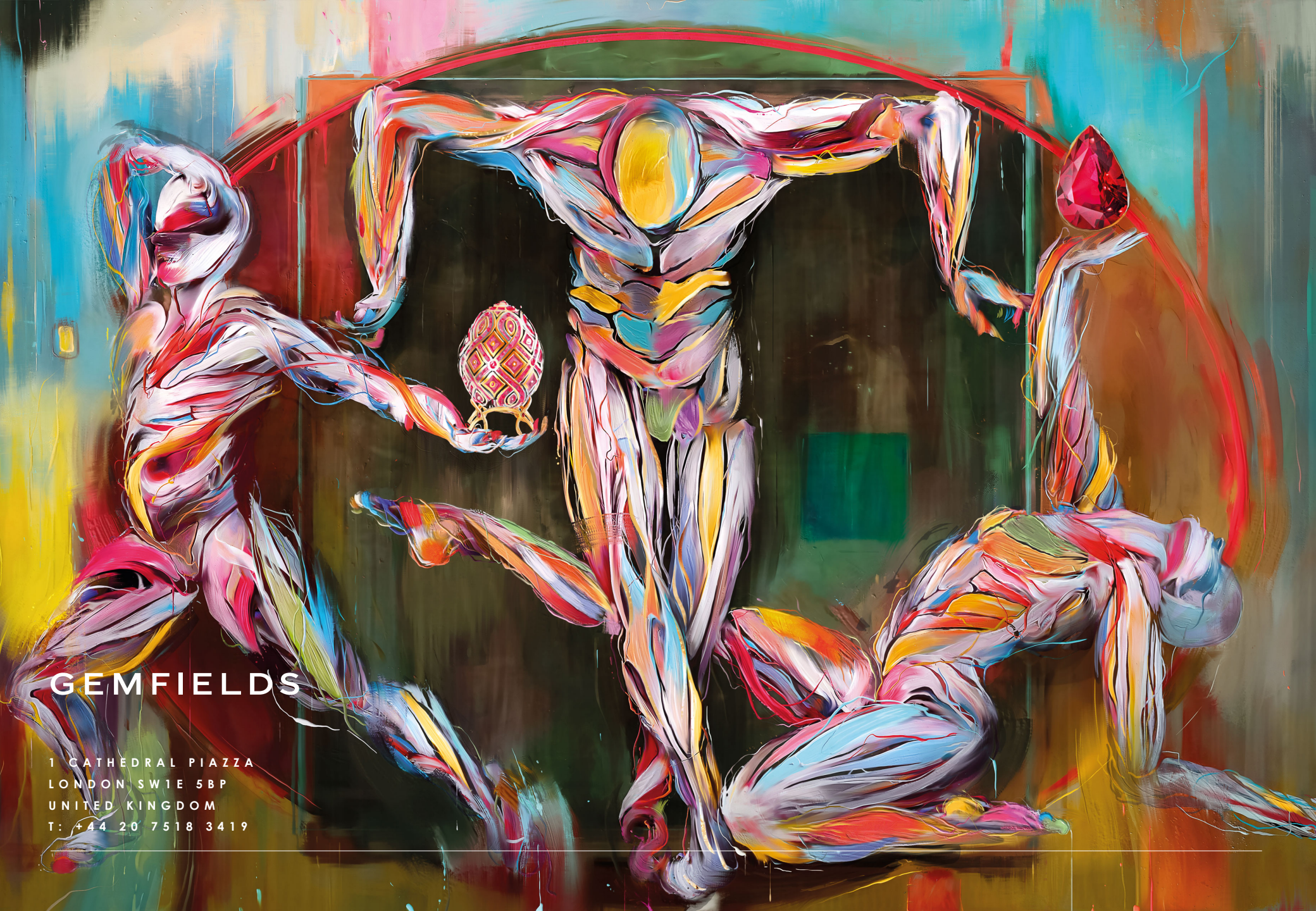
### Key Assumptions:

- No auction revenue for the remainder of 2020 and for 2021.
- Mines under Care and Maintenance scheme until the end of 2021. Suspension of expansionary capital expenditure.
- Development assets under “licence live” scheme until end of 2021.
- Fabergé revenue: USD 5 million total annual revenue for 2020 and USD 10 million for 2021.
- External sources of funding will not be called upon during this period.

MARKETING, SELLING AND ADVERTISING COSTS (ANNUAL, EXCLUDING FABERGÉ) IN USD'000







GEMFIELDS

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