GEM DIAMONDS

2025

ANNUAL REPORT AND ACCOUNTS

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PRESENTING THE GEM DIAMONDS ANNUAL REPORT AND ACCOUNTS 2025

The Annual Report and Accounts covers Gem Diamonds Limited and its subsidiaries (the Group) for the financial year ended 31 December 2025.

This report has been prepared in accordance with:

Regulatory guidance

- Applicable English and British Virgin Islands law.
- Regulations and best practice as advised by the Financial Reporting Council (FRC) and the Department for Energy Security and Net Zero (DESNZ) in the United Kingdom (UK).
- Guidance from the Task Force on Climate-related Financial Disclosures (TCFD).
- Information on payments made to governments was compiled as required under the UK's Report on Payments to Governments Regulations 2014 as applicable to companies involved in extractive activities. It is also intended to satisfy the requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the UK.
- International Financial Reporting Standards (IFRS).
- The UK Corporate Governance Code 2024 (the Code), which is publicly available at www.frc.org.uk.

Voluntary guidance

- Guidance from the International Integrated Reporting Framework, which is publicly available at www.integratedreporting.org.
- Guidance from the Global Reporting Initiative (GRI) Standards as updated from time to time.
- Guidance from the International Finance Corporation Environmental, Health and Safety (IFC EHS) Guidelines and Equator Principles.
- Applicable standards of the International Organization for Standardization (ISO).

THE 2025 REPORTING SUITE

In addition to this report, the Group's reporting suite includes:

The Sustainability Report 2025

The Annual Report and Accounts should be read in conjunction with the Sustainability Report, which provides a comprehensive outline of our environmental, social and governance (ESG) priorities, performance and progress and is available on the Group's website at www.gemdiamonds.com. Additional information and case studies on the Group's sustainability activities can also be found at www.gemdiamonds.com.

Board approval of this report

The Board, supported by the Audit Committee, is responsible for ensuring the integrity and completeness of this report. The Board applied its collective mind to the preparation and presentation of this report. We consider the broader interests of our stakeholders, including communities and the environment, when making decisions. We believe the report provides a balanced and appropriate representation of the Group's performance, strategy and material risks. Acting fairly and in good faith, we have considered what is most likely to promote the long-term sustainability and success of Gem Diamonds.

The Board approved the Annual Report and Accounts 2025 on 17 March 2026.

By order of the Board

Harry Kenyon-Slaney

Chairperson

17 March 2026

STRATEGIC REPORT

GUIDING PRINCIPLES

CARAT

Purpose

Produce the best diamonds, in the best way, leaving a lasting legacy

CLARITY

Vision

A world full of Gem diamonds

CUT

The way we do things (values)

Care – We listen and respond responsibly to the needs of our employees, communities, customers and shareholders. We honour our commitments to all stakeholders, and we care for the natural environment in which we operate.

Trust – We empower our people and trust them to make decisions that will deliver on our strategy.

Ethical – We promote a culture of ethical behaviour and conduct ourselves in a manner consistent with good governance practices. We have zero tolerance for bribery and corruption and pride ourselves on being socially and environmentally responsible.

Respect – We cultivate an open and transparent culture where we respect and value the beliefs, ideas and contributions of all our stakeholders. Everyone matters and is treated equally.

Flexible and open-minded – We encourage and consider ideas from employees and project-affected communities (PACs) while remaining responsive and agile.

Passionate and fun – We enjoy the work that we are fortunate to do and the people we do it with. We seek opportunities to explore and develop while encouraging a healthy work-life balance.

COLOUR

Culture

At Gem Diamonds we invest in our workforce to create an environment where every person is proud to be part of our organisation. Mutual respect and care are not only shared throughout the Group but extend to the wider society. Individuals are valued for their differences and are empowered to thrive, grow and contribute to a common goal, holding themselves and each other accountable for delivering on their promises.

We support, develop and empower our people so that:

- a meaningful, sustainable contribution is made to the countries in which we operate;
- we can deliver long-term value to our shareholders; and
- our employees benefit in the short and long term.

2025 IN NUMBERS

Financial

Measure	2025	2024	% change
Average price per carat achieved (US$)	**1 105**	1 390	(21)
Revenue (US$ million)	**98.4**	154.2	(36)
Total direct cash cost (excluding waste costs) per tonne treated (LSL)	**223.8**	252.4	(11)
Total direct cash cost (including waste costs) per tonne treated (LSL)	**250.8**	319.2	(21)
Total operating cost per tonne treated (LSL)	**286.2**	366.3	(22)
Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) (US$ million) [1]	**3.9**	29.7	(87)
(Loss)/profit for the year (from continuing operations) (US$ million)	**(72.6)**	9.0	(907)
Attributable (loss)/profit for the year (US$ million)	**(104.0)**	2.9	(3686)
Corporate costs excluding depreciation (US$ million)	**(5.6)**	(7.7)	(27)
Basic (loss)/earnings per share (EPS) (from continuing operations) (US cents)[2]	**(37.9)**	2.8	(1 454)
Basic (loss)/earnings per share (EPS) (US cents)	**(74.4)**	2.1	(3 643)
Cash and short-term deposits (US$ million)	**3.8**	12.9	(71)
Cash flows from operating activities (US$ million)	**6.3**	51.2	(88)
Drawn down bank facilities (US$ million)	**23.9**	20.2	18
Net debt (US$ million)[3]	**(20.1)**	(7.3)	175
Available undrawn bank facilities (US$ million)	**68.3**	69.0	(1)

People

Average number of employees (including contractors)	**1 165**	1 257	(7)
Gender diversity (% female employees including contractors)	**23**	21	10
Skills development (training hours)	**15 217**	13 186	15
Fatalities	**–**	–	–
Lost time injuries (LTIs)	**2**	3	(33)
Lost time injury frequency rate (LTIFR)	**0.14**	0.18	(22)
All injury frequency rate (AIFR)	**0.41**	0.61	(33)
ISO 45001 (occupational health and safety) certification	**Yes**	Yes	–

Operational

Capital expenditure excluding waste (US$ million)	**4.4**	5.8	(24)
Ore tonnes treated (millions)	**5.2**	5.0	4
Waste tonnes mined (millions)	**2.0**	5.4	(64)
Carats recovered	**90 354**	105 012	(14)
Carats sold	**88 381**	109 967	(20)

Sustainability

Corporate Social Investment (CSI) (US$ million)	**0.3**	0.3	–
Major or significant stakeholder, environmental or residue facility incidents	**–**	–	–
Total carbon footprint (tCO_2e)	**97 183**	103 215	(6)
ISO 14001 (environmental management) certification	**Yes**	Yes	–

[1] *Refer to Note 4, Operating (loss)/profit on page 129 for the definition of non-GAAP (Generally Accepted Accounting Principles) measures.*
[2] *Refer to Group financial performance for GAAP measures on page 106. The comparative period has been re-presented to adjust for the discontinued operation. Refer to Note 16, Discontinued operation.*
[3] *Net debt is a non-GAAP measure and calculated as cash and short-term deposits less drawn down bank facilities (excluding insurance premium financing and credit underwriting fees).*

GROUP STRUCTURE

Sales and marketing, rough diamond analysis and manufacturing

Gem Diamonds Marketing Services (100% ownership)

The Group's diamond sorting, sales and marketing, and high-tech rough diamond analysis operation in Belgium:

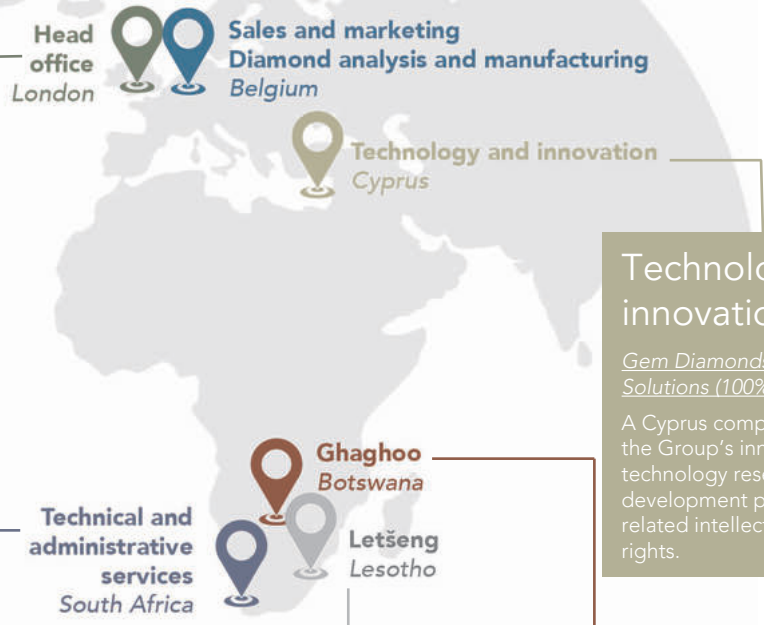
- Drives sales strategy to obtain highest prices on international markets to maximise revenue
- Enhances and strengthens the Gem Diamonds/Letšeng brand and customer relationships
- Undertakes detailed technical mapping and analysis of Letšeng's exceptional large, high-value rough diamonds
- Manages the polishing process of selected Letšeng diamonds for final polished sale
- Manages approved alternative sales channels and partnership arrangements for selected Letšeng diamonds

The Group's diamonds are predominantly sold through a tender process using its bespoke electronic tender platform, allowing clients to participate virtually from anywhere in the world.

Head office

Gem Diamonds Limited

Based in London, United Kingdom and listed on the London Stock Exchange, the Group's holding company provides oversight of governance structures and overall Group strategy.



Technology and innovation

Gem Diamonds Innovation Solutions (100% ownership)

A Cyprus company that houses the Group's innovation, technology research and development projects and related intellectual property rights.

Technical and administrative services

Gem Diamond Technical Services (100% ownership)

A wholly owned South African mining services company providing technical support to the Group across the entire value chain.

Letšeng

Letšeng Diamonds (70% ownership; 30% owned by the Government of the Kingdom of Lesotho)

Our open pit diamond mine in Lesotho is the highest-achieving average US$ per carat kimberlite mine in the world. The operation focuses on mining and processing ore safely, responsibly and efficiently from its two kimberlite pipes (Main and Satellite), which are 17.0ha and 5.2ha, respectively. Ore is processed through two treatment plants with an annual throughput of approximately 5.0 million tonnes. Letšeng Diamonds has a valid mining lease until 2029, with an exclusive option to renew until 2039.

Ghaghoo

Gem Diamonds Botswana (100% ownership)

The Botswana Ministry of Minerals and Energy formally approved the cancellation of the Ghaghoo mining licence in agreement with the Group. The Ghaghoo mine site was officially handed over to the Department of Mines on 1 June 2025. The Group has no further obligations or commitments related to the Ghaghoo mining licence or the mine site.

BUSINESS MODEL

DIAMOND VALUE CHAIN

ROUGH DIAMONDS

PRODUCTION

- Mining ore and waste
- Processing ore
- Recovering, securing and sorting diamonds

SALES

- Rough diamond analysis and sorting
- Sale of rough diamonds

POLISHED DIAMONDS

MANUFACTURING

- Rough diamonds manufactured into polished diamonds

SALES

- Wholesale of polished diamonds
- Trading in polished diamonds

JEWELLERY

JEWELLERY MANUFACTURING

- Design and manufacturing of diamond jewellery

RETAIL SALES

- Retail sales to end consumer

INPUTS REQUIRED

Letšeng is a long-term asset with an open pit resource base. It is a low-cost operation with a track record of successful mine plan optimisation, operational efficiency and effective cost management.

- Approved mining lease to 2029, with an exclusive option to renew to 2039
- Workforce of 1 000 people (including contractors) at year end
- Highly experienced management team
- 302 registered diamond clients
- 550 887 GJ of direct energy consumed
- 0.29 m^3 water per tonne treated
- Social and environmental plans implemented

OUR APPROACH

The strategic focus on extracting maximum value from the operations prioritises production optimisation and consistency, continually improving efficiencies, reducing costs and enhancing cash generation.

The health, wellness and development of the workforce are prioritised throughout the Group.

The Group maintains zero tolerance for harm of employees, human rights violations, bribery and corruption.

The Group values and safeguards its social licence to operate.

TOP REVENUE DRIVERS

- Resource grade performance
- Diamond market
- Recovery of exceptional, large high-quality diamonds (>10.8 carats)
- Reduction in diamond damage
- Main versus Satellite Pipe ore mix

TOP COST DRIVERS

- Necessary waste stripping
- Increasing depths of pits resulting in longer hauling distances
- Remoteness of the Letšeng mine
- Foreign exchange rate fluctuations
- Inflationary pressures
- Supply chain challenges

Available undrawn debt facilities of US$68.3 million

Annual capex investment (excluding waste stripping) of US$4.4 million

OUTPUTS

- Rough carats recovered: 90 354
- Rough carats sold: 88 381
- 501 >10.8ct diamonds sold, contributing 73% of revenue
- 14 diamonds sold for more than US$1.0 million each, contributing US$20.8 million to revenue

OUTCOMES: 2025 DELIVERY

- Total carbon footprint of 97 183 tCO_2e
- Zero major or significant environmental incidents
- 3.8 million m^3 of water recycled
- Rehabilitation provision of US$11.9 million
- 100% of diamond exports comply with the Kimberley Process[1]
- Since inception, Gem Diamonds has worked in partnership with the Government of the Kingdom of Lesotho to make a positive contribution to national priorities. The Group continues to invest in initiatives that support long-term, sustainable development in its surrounding communities.
- The Sustainability Report provides a comprehensive outline of our ESG priorities, performance and progress.
- The Group has adopted the following eight UN Sustainable Development Goals (SDGs) as part of its sustainability framework:

- Zero fatalities
- Lost time injury frequency rate (LTIFR) of 0.14
- All injury frequency rate (AIFR) of 0.41
- Human rights training included in employee induction programme
- Zero major or significant stakeholder incidents
- Supply chain controls in place to prevent child and forced labour
- Invested US$0.3 million in needs-based corporate social investment (CSI) projects
- Letšeng in-country procurement: US$30.7 million
- Letšeng paid royalties of US$6.7 million in Lesotho

- Revenue of US$98.4 million
- Underlying EBITDA[2] of US$3.9 million
- Net debt of US$20.1 million
- Implementation of the Business Resilience Programme to ensure the financial viability of the business

[1] *The Kimberley Process (KP) unites administrations, civil societies and industry in reducing the flow of conflict diamonds around the world. For more information, visit www.kimberleyprocess.com.*

[2] *Refer to Note 4, Operating (loss)/profit on page 129 for the definition of non-GAAP measures.*

Our viability statement on page 24 explains how the outcomes ultimately lead to a sustainable business model that delivers on our vision.

Financial

People

Sustainability

PRIMARY BUSINESS DRIVERS IN 2025

OPERATING RESPONSIBLY	Shareholders, funders, regulators, employees, communities, consumers and other stakeholders expect companies to adhere to responsible and ethical practices, including safe working conditions, fair labour practices, environmentally responsible operations, the safe operation and governance of dams and residue storage facilities, and preparedness for climate-related risks and opportunities.	The Group is committed to ethical business practices and strong corporate governance. Workplace safety systems and processes are continuously enhanced in pursuit of zero harm. The Group is deeply committed to environmental sustainability and adheres to recognised ESG standards, having adopted eight UN SDGs and the TCFD recommendations. Residue storage facility management aligns with the International Council on Mining and Metals' (ICMM) Global Industry Standard on Tailings Management (GISTM). All our diamond exports comply with the Kimberley Process[1], ensuring ethical sourcing and trade. • In 2025, US$0.7 million was invested in environmental stewardship • Achieved record low AIFR of 0.41 • Zero major or significant environmental or stakeholder incidents reported
SUSTAINABLE RETURNS	Ensuring sustainable returns for shareholders while creating long-term value for all stakeholders remains key to securing the Group's future. Refer to the CEO Review and the CFO Review on pages 27 and 29 respectively for the Group's financial results and operational performance.	Downward pressure on diamond prices persisted in 2025. Despite these external challenges, cost containment initiatives implemented in recent years, such as the insourcing of operations, improvement of operational efficiencies and implementation of the Business Resilience Programme (refer to page 26), enabled the Group to maintain operational resilience during another challenging year. • US$3.9 million underlying EBITDA[2] in 2025
MARKET DEMAND	Market demand for diamonds continues to be influenced by affordability, desirability, value chain efficiency and consumer preferences. Diamond affordability is closely linked to economic growth and disposable income.	The diamond market remained under significant pressure in 2025 due to a volatile macro-economic environment and geopolitical tensions. The average price per carat achieved for Letšeng's diamonds decreased by 20% compared to 2024, partly due to market pressure and partly due to a decrease in large high-quality diamond recoveries – nine greater than 100 carat diamonds were sold in 2025 compared to 13 in 2024, and 68 diamonds between 30 and 100 carats were sold compared to 98 in 2024. • US$1 105 average price per carat achieved in 2025 • 73% of revenue was generated from diamonds greater than 10.8 carats
DIAMOND SUPPLY	Diamond supply is closely linked to the economics of mining. Prolonged periods of low prices result in mine closures, while established producers typically manage stockpile inventory that is released as demand improves, moderating short-term price recovery.	Global production of synthetic diamonds has increased significantly, from c.1 million carats in 2015 to an estimated c.20 million carats in 2025. While these products have gained popularity, there is a clear distinction between synthetic diamonds and large high-value natural diamonds at the premium end of the market. • 105 million carats (estimated) global rough diamond production in 2025
SOCIAL VALUE	The Letšeng mine, co-owned by the Government of the Kingdom of Lesotho (30%), is an important employer and contributes meaningfully to the country's socio-economic development.	Letšeng contributes to Lesotho's economy through dividends, royalties and tax contributions, and provides employment for c.1 000 people. Community investments focus on access to tertiary education (55 student scholarships since 2006), basic infrastructure and local business development. • In 2025, US$25.4 million paid in taxes, royalties and lease payments in Lesotho • US$0.3 million invested in local communities in Lesotho • US$30.7 million Letšeng in-country procurement

[1] *The Kimberley Process (KP) unites administrations, civil societies and industry in reducing the flow of conflict diamonds around the world. For more information, visit www.kimberleyprocess.com.*

[2] *Refer to Note 4, Operating (loss)/profit on page 129 for the definition of non-GAAP measures.*

CHAIRPERSON'S STATEMENT

Dear shareholders,

On behalf of the Board of Directors, I am pleased to share with you the Gem Diamonds Annual Report and Accounts for 2025, which outlines the Group's performance over the course of another challenging year.

The changes included in the UK Corporate Governance Code 2024 have been implemented where relevant and the Governance report is available on page 47.

DIAMOND MARKET

2025 was a particularly difficult year for the diamond industry. Rough diamond prices remained under pressure from a combination of elevated inventory levels, weak demand in important markets and the growing prevalence of synthetic diamonds, specifically in smaller size categories. These industry dynamics were compounded by persistent global macro-economic headwinds such as the impact of US tariffs and a weakening of the US dollar, and an increasingly unstable geopolitical environment.

The Group approached these challenges with resolve and care. Protecting both our people and the sensitive environment in which our Letšeng mine is located remained paramount, even as we acted with urgency to reduce costs and identify opportunities to improve operational efficiency and effectiveness.

BUSINESS RESILIENCE PROGRAMME

To this end, management launched a further effort to lower costs under the banner of the Business Resilience (BR) Programme. This included streamlining organisational structures, further optimising mining and processing activities and implementing additional cost-saving measures. Together, these actions reduced unit operating costs to record low levels. This discipline is particularly important as the mine transitions from treating ore from both the Main and Satellite Pipes to a period of sole reliance on lower-value Main Pipe ore while work continues to establish future access to additional higher-value Satellite Pipe material.

Full details of this programme are provided on page 26. The measures implemented delivered immediate results, and we remain confident in our ability to navigate the current challenging business environment and position the Group for future recovery.

Other notable achievements in 2025 were the preparation for the implementation of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and the IFRS Sustainability Disclosure Standards, IFRS S1 and S2, issued by the International Sustainability Standards Board (ISSB); and the final relinquishment of the Ghaghoo mining licence to the Government of Botswana following the successful completion of a rigorous closure process. I would like to thank the Government of Botswana for their active support during this process.

STAKEHOLDER ENGAGEMENT

Our ability to implement these changes was strengthened by the understanding and commitment of a broad range of stakeholders. We received valuable support from senior representatives of the Lesotho Government, local community organisations, our employees and contractors, as well as our key shareholders and funding partners. Throughout the year, we sought to communicate openly and transparently about the challenges facing the Letšeng mine and the diamond industry more generally and the actions required to sustain the business. We also provided opportunities for key stakeholders to observe first-hand the work undertaken by management to maintain a lean, efficient and safe operation.

On behalf of the Board, I extend my sincere thanks to all those who engaged constructively with us during the year and contributed to the implementation of these important measures.

BOARD CHANGES

As previously reported, Janet Blas joined the Board and became Chair of the Audit Committee on 1 April 2025.

On 31 December 2025, Mazvi Maharasoa resigned from the Board to pursue other opportunities. Mazvi has been associated with the Letšeng mine and Gem Diamonds in various capacities for more than 25 years. On behalf of everyone in the Group, I want to express my deepest thanks for the substantial contribution she has made; our deliberations have been much the richer for her wisdom and insight.

The new Board composition addresses the requirement to right-size the Board to fit the current structure of the business, while remaining aligned with the independence requirements of the UK Corporate Governance Code. The Board is fully representative with respect to both gender and ethnic minority groups.

BOARD PERFORMANCE REVIEW

Once again, Board governance remained a high priority. The findings of the internal Board performance review concluded at the end of 2024 were implemented during the year, resulting in, among others, an optimisation of the Committee meeting structure and schedule to improve efficiency and a review of ongoing training provided to Directors to support them in performing their duties.

In Q4 2025, an internal review was conducted by the Company Secretary by means of an online survey that was completed by all Directors. The overall findings of the performance review were positive, with no material matters identified for action.

LOOKING TO THE FUTURE

Looking ahead to 2026, the Board's primary focus will remain firmly on supporting executive and senior management to navigate the continued weakness in the diamond market and the challenges facing the diamond industry. The Letšeng mine is the source of many of the largest and finest diamonds recovered anywhere on earth, and we will constantly strive to ensure it operates as safely, efficiently and effectively as possible for the benefit of all stakeholders.

APPRECIATION

On behalf of the Board, I extend my sincere thanks to everyone who worked so hard on behalf of the Company during the past year. Specifically, I wish to thank our operational teams for their resilience and focus during a difficult year, our senior leadership team, who made difficult decisions with courage and empathy, and my fellow Board members for the wisdom and guidance they provided. I also want to thank our community partners, the Government of the Kingdom of Lesotho and all our shareholders for their continued support.

Finally, I am due to retire from the Board in 2026 following the conclusion of my nine-year tenure as Chair, and I will therefore not be offering myself up for re-election at the 2026 AGM in June. The Company will make an announcement on my successor in due course following recommendations from the Nominations Committee.

It has been an enormous privilege to lead Gem Diamonds during a period of profound change for both the Company and the wider diamond industry, and I would like to thank everyone who supported me during my tenure. I wish the Group, its employees and its shareholders every success in the future.

Harry Kenyon-Slaney

Chairperson

17 March 2026

SECTION 172 STATEMENT

The Board of Directors confirms that during 2025, it acted to promote the long-term success of the Company for the benefit of shareholders while having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act, 2006, being:

a. the likely consequences of any decision in the long term;

b. the interests of the Company's employees;

c. the need to foster the Company's business relationships with suppliers, customers and others;

d. the impact of the Company's operations on the community and the environment;

e. the desirability of the Company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly between members of the Company.

The Board of Directors considers all references to "Company" in section 172(1) to include the Gem Diamonds Group and all its subsidiaries.

Factoring others into decision-making

Long-term consequences (a)

- Business model (page 5)
- Our strategy (page 15)
- Risk management (page 18)

Employee interests (b)

- Business model (page 5)
- Stakeholder engagement (page 11)
- Employee practices & policies (page 53)
- Remuneration Committee report (page 74)

Fostering business relationships with suppliers, customers and others (c)

- Business model (page 5)
- Stakeholder engagement (page 11)
- Conflicts of interest (page 56)

Produce the best diamonds, in the best way, leaving a lasting legacy

Impact on the community and environment (d)

- Stakeholder engagement (page 11)
- Sustainability (page 39)
- Climate change (page 41)
- Sustainability Committee report (page 66)

Maintaining a reputation for high standards of business conduct (e)

- Culture, values and purpose (page 2)
- Business model (page 5)
- Risk management (page 18)
- Employee practices & policies (page 53)
- Conflicts of interest (page 56)
- Audit Committee report (page 70)

Acting fairly between members of the Company (f)

- Shareholders; bankers, funders and insurers; PACs; clients; suppliers and business partners; regulators and government (page 11)

STAKEHOLDER ENGAGEMENT

Gem Diamonds' strong stakeholder relationships – particularly with its workforce, regulators, communities and government partners – are essential to maintaining its social licence to operate. Through regular, transparent engagement, valuable insights are gained for decision-making, to support long-term sustainability and to enhance the Group's contribution to broader society.

The Board is responsible for stakeholder engagement, ensuring that any issues raised are reviewed, well understood and integrated where relevant. Stakeholder input and impact inform decision-making on strategy, sustainability, remuneration, CSI and other key matters.

Our communication channels are detailed below:

Electronic channels	Written communication	Direct interaction	Media
• Company website • Virtual meetings • Email, SMS and WhatsApp communications • Electronic tender platform	• Annual Report and Accounts • Sustainability Report • Quarterly and interim results statements and presentations • Regulatory news releases • Newsletters	• In-person meetings • AGMs • Investor roadshows • Results presentations • Industry conferences • Tenders • Informal interaction • Independent analysis of community needs • Community representative meetings • Employee Engagement Committee meetings • Sustainability Committee meetings including Corporate Social Responsibility Investment (CSRI) discussions	• Press releases • Interviews • Media briefings • Social media platforms

The Group's stakeholder engagement is assessed in the Board's annual performance review process.

STAKEHOLDER ENGAGEMENT

Shareholders

Gem Diamonds' shareholders include institutional and private shareholders. The shareholders are the owners of the Group and the Board is ultimately accountable to them for performance. They offer a potential avenue for the funding of future expansion opportunities. Our strategy aims to maximise shareholder value in a sustainable manner.

The Chairperson, Senior Independent Director and Executive Directors regularly interact with shareholders at requested meetings, during roadshows to larger investors, and at the Annual General Meeting (AGM), which is attended by all Directors. The CFO is responsible for the investor relations function and is supported by an independent investor relations consultancy. Feedback and concerns from investors are considered at Board meetings.

Shareholder interests include:

- growth opportunities;
- operational performance, including safety;
- financial performance, including cash flow generation, sustainable returns, balance sheet strength and capital allocation;
- ESG considerations, including corporate governance and ethics, responsible environmental and social practices, climate change and residue storage facility (RSF) management; and
- fair executive remuneration practices.

Engagements post the AGM

At the Company's AGM on 4 June 2025, all resolutions were passed, with the lowest vote for a resolution being 93% votes in favour. The requirement of Provision 4 of the UK Corporate Governance Code to engage with shareholders post the AGM should any resolution not achieve a minimum of 80% votes in favour was therefore not necessary. The Board maintained regular interactions with its largest shareholders and will continue to engage these shareholders on material matters prior to the 2026 AGM.

Majority interest in shares

As at 28 February 2026, the Company was notified of the following major interests (at or above 3%) in the issued ordinary shares of the Company in accordance with the Disclosure Guidance and Transparency Rules (DTR) 5:

Shareholders	Number of ordinary shares	% of issued share capital
Lansdowne Partners Limited	19 493 603	13.9
Graff Investments Limited	19 446 395	13.9
Gem Diamonds Holdings Limited[1]	9 325 000	6.7

[1] *C Elphick is interested in these ordinary shares by virtue of his interest as a potential beneficiary in a discretionary trust which has an indirect interest in these ordinary shares.*

There were no further updates at the date of this report. Changes in major interests in the Company are periodically updated on the Company's website. The shareholder base comprises 139.9 million issued ordinary shares of US$0.01 each (excluding the 1.5 million treasury shares held by Gem Diamonds).

Employees

Our employees and contractors are integral to running our operations and executing our strategy. Operating in a remote region of a small country with limited resources makes the retention and development of local skills a key priority. We are committed to maintaining regular communication with employees on all matters that affect them and providing platforms for them to express their needs.

Engagement with employees through daily informal interactions, the Employee Engagement Committee, the Group's website and frequent pre-shift "toolbox" talks with smaller shift teams provides opportunities to interact. Regular site visits to Letšeng are also undertaken by the Board and Executive Management.

Mazvi Maharasoa was the non-Executive Director with delegated responsibility to engage with the broader workforce and provide direct feedback to the Board on key concerns raised during the year. Mazvi chaired the Employee Engagement Committee, which provides a platform for the Board to effect two-way communication to ensure that the workforce's voice is heard in the boardroom. The Committee met twice during the year. Operational issues are often raised at these meetings, and these are communicated and dealt with by management in the normal course of business. Important matters that were raised and resolved pertained to change management following the insourcing of treatment activities at the end of 2024. Notably, the unfortunate but necessary retrenchments that took place during the year were not raised at the last meeting, which is testament to how well this process was managed. No significant matters requiring action from the Board were raised by employees during these engagements.

Mike Brown will replace Mazvi in this important role in 2026 following Mazvi's resignation at the end of 2025.

Employee interests include:

- fair treatment and safe working conditions;
- inclusion and diversity;
- competitive remuneration; and
- skills development and opportunities for advancement.

Bankers, insurers and funders

Banks and other funders allow the Group to invest in capital projects and expansion opportunities. Insurance providers allow the Group to mitigate certain risk elements and form part of the Group's overall risk management strategy.

The finance department engages with bankers and funders on an ongoing basis regarding facilities, compliance with covenants and debt renegotiations. At each operation, the finance team regularly interacts with insurance brokers, engaging in detail around renewal anniversaries with oversight from Group risk management and the Audit Committee.

In December 2024, the Group's revolving credit facilities totalling US$75.3 million were successfully extended for a further 24-month period, extending the expiry date to December 2026 (from the initial expiry date of December 2024). Lenders will be engaged in Q2 2026 to commence the renewal process for these facilities.

US$31.6 million of the facilities are sustainability-linked loans (SLLs) where the margin and resultant interest rate decrease if the Group meets certain carbon reduction and water conservation key performance indicators (KPIs). These KPIs are aligned to the Group's sustainability strategy.

Providers of finance interests include:

- responsible management of the Group's financial position to ensure commitments can be met as they fall due;
- maintaining required covenants;
- performance against sustainability and climate-related targets for the SLLs;
- ESG practices and regulatory compliance, including effective management of RSFs; and
- transparency in reporting potential material matters in a timely manner.

Refer to page 29 in the CFO Review for more details.

Project-affected communities (PACs)

Gem Diamonds is committed to ensuring that PACs benefit from its operations, recognising that the strength of these relationships is vital in safeguarding our social licence to operate.

The Group takes a multi-level approach to stakeholder engagement, which includes monthly engagements with local community leaders, biannual meetings with residents of local villages, and regular forums with district-level stakeholders and leadership. Letšeng's Corporate Social Responsibility Investment Officer (CSRI Officer) engages with the surrounding communities, government officials and community-elected representatives.

PACs select their community representatives to attend the Sustainability subcommittee of the Letšeng Board, specifically the section of the meeting that deals with CSRI discussions, establishing a direct link between community needs and Board decision-making. In addition to regular community engagement forums, a grievance mechanism is in place, allowing PAC members to submit issues directly to mine management.

Social and environmental impact assessments (SEIAs) and community needs analyses identify the most pressing community needs and concerns. They are conducted through consultation processes facilitated by independent external specialists. The needs and concerns identified through these independent studies form the foundation of our corporate social investment (CSI) strategies and community engagement plans.

Community needs and concerns include:

- responsible and safe mining;
- environmental and social practices;
- community health and safety;
- socio-economic development initiatives;
- regular engagement and updates regarding progress on community projects;
- responsible RSF management, disaster response mechanisms and involvement in emergency preparedness planning;
- local employment opportunities; and
- operational support in response to climate-related impacts, such as extreme weather events.

In 2025, the Group procured US$2.2 million of goods from PACs located close to the Letšeng mine and US$7.3 million of goods from the broader Mokhotlong region. From 2016 to 2025, the Group invested US$5.4 million in needs-based and sustainable CSI initiatives. In 2025, the Group invested US$0.3 million in CSI projects, including the existing dairy and egg circle projects, scholarships, the construction of water and sanitation infrastructure in two villages, renovations of classrooms and construction of a school kitchen, and financial support of the Bearded Vulture Endangered Species Recovery Programme.

Clients

Gem Diamonds' strong client relationships drive demand for its unique diamonds and help secure the best possible prices. Clients are regularly engaged in the course of business and at tenders, and further communication is provided through the Group website and press releases. Clients have access to the Group's electronic tender platform, which provides specific tender-related information.

Clients care about:

- consistent availability of large, high-quality diamonds;
- regular and transparent tenders;
- responsible sourcing and traceability of the provenance of rough diamonds; and
- responsible environmental and social practices.

Six large and four small rough diamond tenders were held in Antwerp in 2025. Amid continued pressure in the diamond market, the Group benefited from the ongoing support of its loyal client base.

Suppliers and business partners

Suppliers and business partners provide the essential products and services required to run the operations and achieve the Group's strategic objectives, which is why strong relationships with them are essential. The importance of ensuring responsible business practices across supply chains has increased, and the significant impact suppliers and business partners can have on the Group's reputation is acknowledged. To this end, formal written contracts are based on the principles that guide the Group's procurement culture, being fairness, transparency and responsibility.

Suppliers and business partners care about:

- fair payment terms;
- local procurement opportunities;
- the protection of contractor employees' health, safety, well-being and dignity; and
- responsible environmental and social practices.

Regulators and government

The Government of the Kingdom of Lesotho is a 30% shareholder in Letšeng. The Group respects and adheres to regulations in all countries in which it operates and maintains good relationships with governments and regulators. Engagements with regulators are held as appropriate. The Group interacts with the government regularly regarding operational challenges where support is required, regarding employment and progress on community initiatives and to support local and national development priorities.

Government and regulator priorities include:

- responsible employee, environmental and social practices;
- health and safety of the workforce;
- good governance and ethics;
- community relationships and investments;
- local employment and procurement; and
- contribution to Lesotho's GDP through dividends, royalties, mining lease payments and tax contributions.

In challenging years like 2025, it is crucial to communicate openly, honestly and transparently with our government partners, as their support is heavily relied upon to navigate difficult times and ensure the delivery of sustainable value for all stakeholders. We engaged regularly with the Government of Lesotho throughout the year to keep them informed of developments in the diamond industry, and also to keep them fully apprised of the BR Programme, which led to unfortunate but necessary job losses. In an effort to support the struggling diamond market, the Lesotho Government suspended the requirement for Letšeng to pay royalties on the sale of rough diamonds for a period of six months, up to the end of February 2026.

The Group also engaged regularly with the Botswana Government in 2025, particularly with the Director of Mines, and is grateful for their cooperation leading up to the relinquishment and cancellation of the Ghaghoo mining licence and the agreed handover of the Ghaghoo mine site to the Department of Mines, effective 1 June 2025.

OUR STRATEGY

The Group strategy is developed by the Executive Management team, led by the CEO, and presented to the Board annually for review and approval. The strategy is reviewed each year against developments in regulations, governance requirements, prevailing market conditions and the short, medium and long-term economic and market outlook. The strategy is revised where necessary to adjust for any such developments.

Our three strategic priorities aim to deliver maximum value for all stakeholders:

Extracting Maximum Value from Our Operations	**Working Responsibly and Maintaining Our Social Licence**	**Preparing for Our Future**

2025 STRATEGY REVIEW

In June 2025, the Board and executive leadership reviewed the strategy in light of prevailing macro-economic, industry and diamond market conditions. The review also considered the effect of these conditions on industry peers and the Group's operations, and explored opportunities to enhance shareholder value through operational optimisation, external growth, asset diversification and alternative operating structures.

The Group's short, medium and long-term strategic objectives remain unchanged, supported by a business model well suited to achieving them. The ability to adapt in the short to medium term helps safeguard long-term fundamentals and sustain the Group's strategy.

The Group's primary business drivers are set out on page 7. The Group aims to effectively contain costs while recovering the highest-value diamonds to sell for the best market prices. The short to medium-term priority remains maximising value from the Letšeng operation through the following main focus areas:

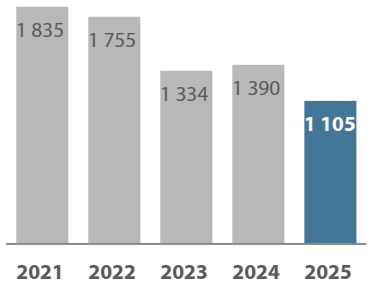
Optimising the current operating model	The changes to Letšeng's mine plan resulted in a significant reduction in waste volumes. Rigorous cost management, operational excellence and the interrogation of capital expenditure were applied to ensure business continuity and enabled the Group to successfully navigate a challenging year while the diamond market remained under pressure.
External growth opportunities	The Group has been a single-asset operation for a number of years, and although Letšeng is the highest dollar per carat kimberlite mine in the world, it has a finite life, and the operating environment is becoming more challenging as the pits deepen and it enters a period during which it will be solely reliant on ore from the lower-value Main Pipe. It is essential for the Group to explore external growth opportunities.

The tables below further define our strategic objectives and link them to relevant KPIs and targets. Our 2025 performance against our strategic objectives is included in the CEO Review on page 27, the CFO Review on page 29, and the COO Review on page 36.

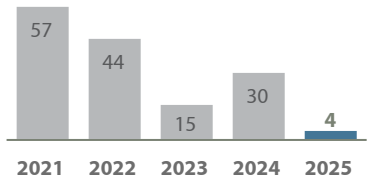
1. Extracting Maximum Value from Our Operations

What this objective entails	KPIs related to the objective
• Optimise the operating model • Reduce diamond damage • Embed a culture of continuous improvement	• Underlying EBITDA[1] • Return on average capital employed • Basic earnings per share • Cash generated from operating activities • Ore tonnes treated and carats recovered • >20 carat diamond recoveries • Average US$ per carat achieved

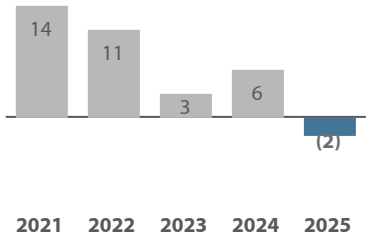
US$ per carat achieved



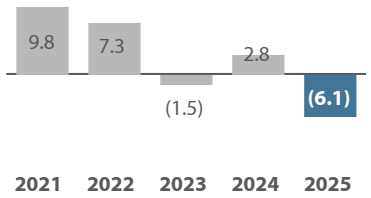
Underlying EBITDA (US$ millions)



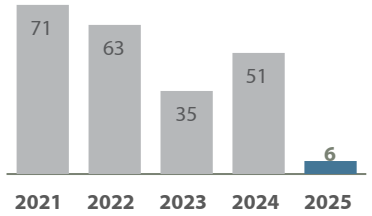
Return on average capital employed (%)



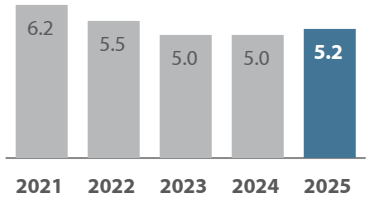
Basic (loss)/earnings per share (pre-exceptional items) (US cents)[2]



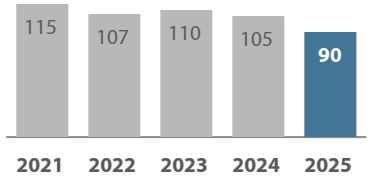
Cash generated from operating activities (US$ million)



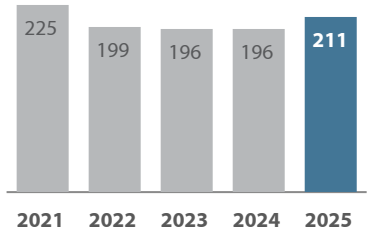
Ore tonnes treated (millions)



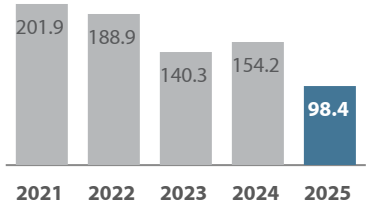
Carats recovered (thousands)



>20 carat recoveries



Revenue (US$ million)



[1] *Refer to Note 4, Operating (loss)/profit on page 129 for the definition of non-GAAP (Generally Accepted Accounting Principles) measures.*
[2] *The 2024 comparative period has been re-presented to adjust for the discontinued operation. Refer to Note 16, Discontinued operation.*

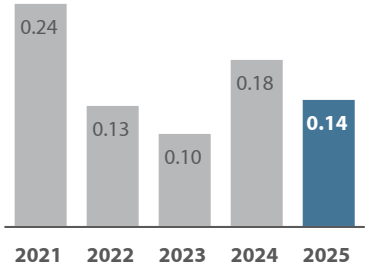
2. Working Responsibly and Maintaining Our Social Licence

What this objective entails	KPIs related to the objective
Embed a culture of zero harm and responsible care for our workforce, PACs and environment, and drive the eight priority UN SDGs adopted by the Group: • No poverty • Zero hunger • Good health and well-being • Clean water and sanitation • Decent work and economic growth • Reduced inequalities • Responsible consumption and production • Climate action	• Safety measures: Zero fatalities, LTIFR[1], AIFR[1] • Best environmental practices adopted • Zero major environmental or stakeholder incidents • Zero significant residue storage facility breaches • Sustainability legal compliance • Community investment • ISO certifications • Fair remuneration practices • Employment opportunities for communities • Ethical modern slavery and child labour policies adopted • Anti-bribery and corruption policy • Decarbonisation target adopted

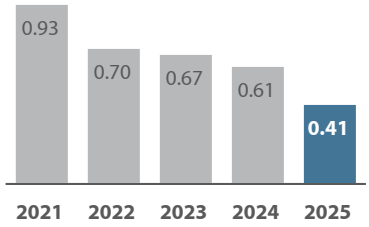
[1] *Measures the safety performance of the Group (including contractors) and is expressed as a frequency rate per 200 000 man-hours.*

Fatalities

Lost time injury frequency rate (LTIFR)



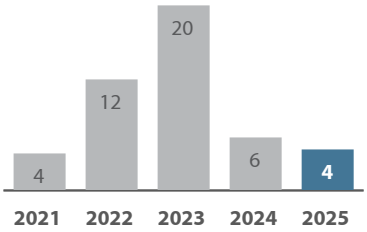
All injury frequency rate (AIFR)



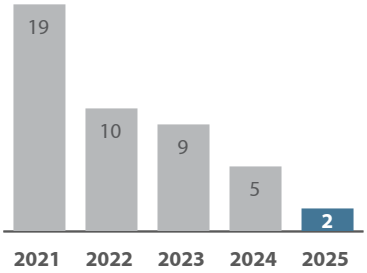
3. Preparing for Our Future

What this objective entails	KPIs related to the objective
• Assess external growth opportunities • Long-term mine planning and optimisation	• Capital expenditure (excluding waste) • Waste tonnes mined • Extending life of mine • Mining in accordance with life of mine plan • Mergers and acquisitions

Capital expenditure (excluding waste) (US$ million)



Waste tonnes mined (millions)



RISK MANAGEMENT

HOW WE APPROACH RISK

The Group's risk management framework, which is fully integrated with strategic and operational planning, aims to identify, manage and respond to the Group's risks and uncertainties. The framework combines top-down and bottom-up approaches with appropriate governance and oversight.

Risk management framework

Oversight

BOARD OF DIRECTORS

The Board is responsible for the overall approach to risk management for the Group and provides stakeholders with assurance that key risks are properly identified, assessed, mitigated and monitored. The Board maintains a formal Group risk management framework, assesses and approves the overall risk appetite and tolerance, and formally evaluates the effectiveness of the Group's risk management and internal control processes annually at a minimum. It confirms that the process is appropriately aligned with the Group's strategy and performance objectives.

Top-down approach – the Board sets the risk appetite and tolerances, strategic objectives and accountability for the management of the framework

Governance

AUDIT COMMITTEE

The Audit Committee monitors the Group's risk management processes, reviews the status of risk management, and reports on a biannual basis. It is responsible for addressing the corporate governance requirements of risk management.

SUSTAINABILITY COMMITTEE

The Sustainability Committee provides assurance to the Board that appropriate systems are in place to identify and manage health, safety, social, environmental and climate change-related risks. It monitors the Group's performance within these categories and drives proactive risk mitigation strategies to secure safe and responsible operations and our social licence to operate in the future.

Responsibility

MANAGEMENT

Management develops, implements, communicates and monitors risk management processes and integrates them into the Group's day-to-day activities. It identifies risks affecting the Group, including internal and external, current and emerging risks. It implements appropriate risk responses consistent with the Group's risk appetite and tolerance.

GROUP INTERNAL AUDIT

Group Internal Audit formally reviews the effectiveness of the Group's risk management processes. The outputs of risk assessments are used to compile the strategic three-year rolling and annual internal audit coverage plan and evaluate the effectiveness of controls.

Bottom-up approach – ensures a sound risk management process and establishes formal reporting structures

The Board is ultimately responsible and accountable for the Group's risk management function. It is supported by its subcommittees and senior management in overseeing the Group's most relevant and significant current and emerging risks. These risks are actively identified, assessed, prioritised, managed and mitigated as much as reasonably possible, as they could negatively impact the Group's ability to execute its strategy.

While the Group's risk management framework focuses on risk identification and mitigation, many of the factors that give rise to these risks also present opportunities. Gem Diamonds tracks these opportunities and incorporates them into the strategy where they appropriately support the Group's purpose.

The Board and its subcommittees have identified the following key strategic, operational and external risks, which are set out in no order of priority.

Exposure increased	Exposure unchanged	Exposure reduced

1. Rough diamond demand and prices	Risk: Numerous factors beyond our control could affect the price and demand for diamonds. These factors include geopolitical tensions, macro-economic conditions, global diamond production levels and consumer trends. Medium to long-term demand is forecast to outpace supply, but short-term uncertainty and liquidity constraints within the diamond sector may negatively impact rough diamond pricing.	Risk response: • Monitoring market conditions and trends • Flexibility in sales processes and utilisation of multiple sales and marketing channels, including additional viewing opportunities • Ability to enter into partnership agreements to share in the upside of polished diamonds • Maintaining the integrity of the tender process	Strategic impact:
2. Variability in cash generation	Risk: Marginal cash resources and variability of cash flows could negatively affect the Group's ability to effectively operate, repay debt and fund capital projects, and impact strategic short and long-term decision-making. The risk is directly impacted by other principal risks such as rough diamond demand and prices, performance of the resource and the economic viability of reserves.	Risk response: • Rigorous cost and capital discipline is in place • Funding facilities are in place to manage variability in the short to medium term • Focus on cost discipline to achieve greater operational efficiencies • Ongoing drive for continuous improvement to deliver operational efficiencies	Strategic impact:
3. Successful refinancing of facilities	Risk: The Group-wide debt facilities that were concluded in December 2021 will expire on 21 December 2026. Refinancing of these facilities is an important consideration for the Group's going concern assessment to ensure that it will have adequate financial resources to continue operations for the foreseeable future.	Risk response: • Constructive ongoing and early engagement with lenders • No covenant breaches on current facility agreements in place • Long-standing relationships and previous successful refinancing and/or renewals • Engagement with lenders on facility renewal scheduled to commence in Q2 2026	Strategic impact:

4. Diamond resource and reserve performance	Risk: Letšeng's low-grade orebodies make the operation sensitive to resource variability. Unexpected variability in key resource/reserve criteria, such as volume, tonnage, grade and price, could significantly impact mine planning, forecasting and financial stability in both the short and medium term, and could influence decisions regarding future growth.	Risk response: • Gathering geological evidence on variations within the resource (lithology, density, volume/tonnage, grade, diamond population size and value distribution) and applying industry best practice • Continual review of the reserve extraction strategy considering the prevailing technical and economic environment • Ongoing pit mapping, petrography, drilling and 3D modelling • Grade control, bulk sampling, density and moisture content measurements (on-site and independent lab verification), dilution control, stockpile management, data management, quality control and internal auditing of production data (including geological, processing, recovery and sales data) • Managing the Diamond Accounting System and Mineral Resource Management (MRM) database, and monitoring recovery data on a daily and monthly basis, as well as per export period, to follow trends in diamond distributions, large stone recovery frequencies and average diamond prices per kimberlite domain	Strategic impact:
5. Growth and access to capital	Risk: The volatility of the Group's share price and lack of growth opportunities negatively impact the Group's market capitalisation. Constrained cash flows add pressure on returns to shareholders. The Group currently relies on a single mine with a finite life for its revenues, profits and cash flows.	Risk response: The Group's strategic objectives are to drive share price growth through: • Assessing mergers and acquisitions • Focusing on existing operations to unlock further value through rationalisation and efficiency improvements	Strategic impact:
6. Workforce	Risk: Achieving the Group's objectives and sustainable growth depend on our ability to attract and retain suitably qualified, experienced and ethical employees. Gem Diamonds operates in an environment and industry where shortages in experience and skills are prevalent.	Risk response: • Human resource practices are designed to identify skills shortages and implement development programmes and succession planning for employees • Remuneration practices and incentives are in place to appropriately remunerate and retain skills • Training and coaching plans are in place to address skills and experience shortages	Strategic impact:

7. Information technology (IT) and operational technology (OT) systems, and cybersecurity	Risk: The Group's operations rely on secure OT and IT systems to process financial and operating data in its information management systems. If these systems are compromised, there could be a material adverse impact on the Group through a lack of production and/or compromised recovery parameters. Integration of operating systems due to insourcing of the processing activities increases the risk exposure in the short term.	Risk response: • Application of technical and process IT controls and policies in line with industry-accepted standards • Appropriate back-up procedures, firewalls and other appropriate security applications are in place • Vulnerability assessments to identify gaps and devise corrective actions	Strategic impact:
8. Production interruption	Risk: Material mine and/or plant shutdowns, pit closures or periods of decreased production could arise due to various events. These events could lead to personal injury or death, environmental impacts, damage to infrastructure and delays in mining and processing activities, and could result in financial losses and possible legal liability.	Risk response: • Robust business continuity plans are in place to ensure limited delays due to disruptions • Appropriate levels of critical resources (fuel, ore stockpiles, etc) are maintained to mitigate the impact of any production interruptions • Appropriate insurance is maintained	Strategic impact:
9. Health, safety and wellness	Risk: The probability of a major health or safety incident occurring is inherent to mining operations. Such incidents could impact the well-being of employees, PACs, our licence to operate, the Group's reputation, and compliance with our mining lease agreement. The health and safety of our people is critical to the business.	Risk response: • Appropriate health and safety policies, practices, training, and awareness campaigns are in place • A dam safety management framework has been implemented in alignment with the ICMM's GISTM • ISO 45001 (occupational health and safety management) accreditation is maintained • A safety management and leadership programme, visible felt leadership, and detection and prevention strategies have been developed and implemented • We continually assess our organisational safety culture maturity to address current and emerging issues • Pit safety management, including pit monitoring and emergency response systems	Strategic impact:

10. Security of product	Risk: Theft is an inherent risk in the diamond industry. The high-value nature of the product at Letšeng makes it susceptible to theft and could result in significant losses that would negatively affect revenue, cash flows and strategic short and long-term mine plan decision-making.	Risk response: • Zero tolerance of non-conformance to diamond security policies and regulations • Advanced security access control and surveillance systems are in place • Monitoring of security process effectiveness is performed by the Executive Committee and the Board • Appropriate diamond specie insurance cover is in place • Vulnerability assessments and assurance audits are conducted by internal and independent third parties	Strategic impact:
11. Social licence to operate	Risk: The Group's operations are subject to country risk, being the economic, political and social risks inherent in doing business in certain areas of Africa, Europe and the United Kingdom. These risks include matters arising from government policies, economic conditions, imposition of or changes to taxes and regulations, foreign exchange rate fluctuations and the enforceability of contract rights. The Group's social licence to operate is underpinned by the support of its stakeholders, particularly employees, regulators, PACs and society. This support is an outcome of the way the Group manages issues such as ethics, labour practices and sustainability in our wider environment, as well as our risk management and engagement activities with stakeholders.	Risk response: • Implementation of an appropriate CSI strategy, based on a community needs analysis, that provides infrastructure and access to education and healthcare and supports local economic development • Adoption of relevant standards, best practices and strategies • Appropriate governance structures across all levels of the Group, including an established Employee Engagement Committee • Regular engagement with all stakeholders, including government, regulators, community leadership and PACs	Strategic impact:
12. Climate change	Risk: Climate change-related risks (transitional and physical risks) are recognised as top global risks, and investors are increasingly focused on the management of these risks. The uncertainty of potential carbon taxes and the impact of climate change present significant current and future risks to the Group which, if not identified and managed responsibly, could negatively impact the Group's long-term operational and financial resilience.	Risk response: • TCFD recommendations adopted and climate change strategy developed • Adoption of a Group decarbonisation strategy and 2030 target • Governance and management practices implemented to oversee the implementation of the adopted strategy and 2030 target • New reporting standards adopted • Adoption of UN SDG framework • Energy footprint and carbon emissions monitoring and reporting	Strategic impact:

13. Environmental	Risk: Failure to manage vital natural resources, environmental regulations, and pressure from neighbouring communities could affect the Group's ability to operate sustainably. Furthermore, investors and stakeholders are increasingly focused on environmental practices.	Risk response: • Appropriate sustainability and environmental policies are in place and regularly reviewed • The current behaviour-based care programme embeds environmental stewardship • A dam safety management framework has been implemented • Annual social and environmental management plan (SEMP) audit programme implemented • ISO 14001 (environmental management) accreditation maintained • Adopted the UN SDG framework • Rehabilitation and closure management strategy adopted and updated annually • Implementation of an integrated water management framework • Water footprint monitoring and reporting • Concurrent rehabilitation strategy implemented	Strategic impact:
14. Availability of sustainable and reliable power supply	Risk: Regular power interruptions (load shedding by the South African power utility, Eskom) compound the need for and cost of self-generated power in the context of escalated diesel prices. Unscheduled power interruptions and poor quality of power supply reduce the available processing time and negatively influence the reliability and stability of plant equipment.	Risk response: • Exploring solutions with the Lesotho Electricity Company (LEC) for grid and/or renewable power • Assessing the potential to generate renewable energy for own use • Prioritisation of load and allocation of power • Identification and implementation of consumption-reduction initiatives	Strategic impact:

Extracting Maximum Value from Our Operations	**Working Responsibly and Maintaining Our Social Licence**	**Preparing for Our Future**

EMERGING RISKS

The Group risk framework includes an assessment of emerging risks. These are defined as risks that:

- are likely to materialise or impact over a longer timeframe than existing risks;
- are new risks that have not previously been experienced; and
- are likely to be assessed and monitored against vulnerability, velocity and preparedness when determining likelihood and impact.

The current emerging risks that are being monitored by the Group are:

- generational shifts in consumer preferences; and
- future workforce (automation, skills for the future and artificial intelligence).

VIABILITY STATEMENT

The Board has assessed the viability of the Group over a period significantly longer than 12 months from the approval of the financial statements, in accordance with the UK Corporate Governance Code. The Board considers three years from the financial year end to be the most relevant period for consideration for this assessment, given the Group's current position and the potential impact on the Group's viability of the principal risks documented on pages 18 to 23.

While the Group maintains a business model based predominantly on the life of mine plan for Letšeng, the Group's annual business and strategic planning process also uses a three-year time horizon. This process is led by the CEO and CFO and involves all relevant functions including operations, sales and marketing, finance, treasury and risk. The Board participates in the annual review process through structured Board meetings and annual strategy review sessions. A three-year period provides sufficient and realistic visibility in the context of the industry, the environment in which the Group operates, and the current short-term mine plan, even though the life of mine, the mining lease tenure and available estimated reserves exceed three years.

The business and strategic plan reflects the Board's best estimate of the Group's prospects. The Board evaluated several additional scenarios and assessed their potential impact on the Group by quantifying their financial impact and overlaying this on the detailed financial forecasts in the plan.

The Board's assessment of the Group's viability focused on the critical principal risks categorised within the strategic, external and operational risk types, together with the effectiveness of the potential mitigations that management reasonably believes would be available to the Group over this period.

GROUP FACILITIES

The Group has access to US$75.3 million in revolving credit facilities (RCFs) when fully available. Of these RCFs, US$13.0 million was utilised at the end of the year. In addition, there is a general banking facility of US$6.0 million with no set expiry date. This facility was fully available at the end of the year. The Group's RCFs mature on 21 December 2026, and therefore the viability assessment explicitly assumes a successful refinancing of the current RCFs in order for the Group to be financially supported, at current diamond market prices and unfavourable exchange rates, while a hiatus of Satellite Pipe ore and investment in waste stripping of the next cutback commences over the next five years. The Board has a reasonable expectation that the refinancing will be achieved, based on:

- 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.

ROUGH DIAMOND MARKET

For a review of the diamond market, refer to page 27.

Despite a modest price recovery reported in January 2025, downward pressure on both rough and polished diamond prices persisted during the year. These external challenges were driven by a volatile global economic landscape, persistent geopolitical tensions, uncertainty caused by US tariffs, a weaker US dollar and the ongoing impact of synthetic diamonds on smaller categories of diamonds. The Board has adopted conservative assumptions for modelling purposes, assuming minimal to no real price growth. This approach recognises the continuing short-term uncertainty but ensures the Group's viability assessment is stress-tested against severe but plausible downside scenarios.

OPERATIONAL UPDATES

For a review of our operations and costs, refer to the CFO Review on page 29 and the COO Review on page 36.

At Letšeng, the risk of rising operating costs has, to a significant extent, been mitigated by a wide array of implemented measures to right-size the operation and insource various activities over the last two years. More recently, as reported in the Half-year Report 2025, the Group successfully implemented the BR Programme (as detailed on page 26), which resulted in additional cost reduction and optimisation measures to further conserve cash, drive business continuity and protect the balance sheet. Cost reduction and mine plan optimisation remain ongoing priorities within the business.

CLIMATE CHANGE

The Board is cognisant of the risks presented by climate change and conscious of the need to minimise carbon emissions. A Group-specific climate change scenario analysis was conducted to assess the short to medium and longer-term physical risks. The short to medium-term impacts fall within the viability period. The physical risks identified for Letšeng, such as drought, strong winds, extreme precipitation and cold, are similar to its current operating conditions. The operation is therefore well geared to manage these conditions within its current and medium-term operational activities, cost structure and business planning. Additional cash investment required in the event of these short to medium-term physical risks materialising has been assessed as low with no material impact on the current operations and viability of the Group.

In terms of transitional risks, as users of grid-supplied and fossil fuel energy, the short-term focus is on improving energy efficiencies in operational processes and reducing the use of fossil fuels. Options are being assessed in light of the size, nature and location of the Group's operations, the required investment and the expectations of our main stakeholders. Any material investment during the viability period is considered unlikely. Due to uncertainty around the cost and timing of implementation of carbon-related taxes, the impact of such taxes on the Group's operations and cash flows has been excluded from the viability assessment and scenario stress testing. Management and the Board will continue to assess these impacts as the information becomes more certain. The Group has adopted a carbon-pricing model that will be used to responsibly assess the potential financial impact of future projects. The Group also actively monitors its adopted decarbonisation strategy, which is aimed at reducing potential future carbon tax liabilities.

STRESS TESTS

The scenarios tested considered the Group's revenue, cash flows and other key financial ratios over the three-year period. The scenarios included the compounding effect of the factors below and were applied independently of each other. In addition, the scenarios assumed the successful renewal of the RCFs following their expiry in December 2026, without which a liquidity shortfall could exist, irrespective of operating performance, in the absence of mitigating actions. The stress scenarios reflect the magnitude of outcomes that would result in a net debt position equivalent to the total RCFs when fully drawn down.

Effect	Extent of sensitivity analysis	Related principal risks	Area of business model affected
A decrease in forecast rough diamond revenue due to reduced market prices or production volumes caused by unforeseen production disruptions.	31%	• Rough diamond demand and prices • Production interruption • Diamond resource and reserve performance • Variability in cash generation	• Entire business model, i.e. inputs, activities, outputs and outcomes
A strengthening of local currencies to the US dollar from expected market forecasts.	28% (R12.00:$1)	• Variability in cash generation	• Financial capital inputs and outcomes

MITIGATING ACTIONS

To address potential downside scenarios, management has identified that the further deferral of waste mining, particularly in the Satellite pit, and the associated cost and capital savings, would reduce short-term cash outflows with no material impact on short-term production. It is therefore considered a credible mitigation measure available to management in the current economic and financial circumstances. By applying this mitigating measure, together with further related cost reduction opportunities, sufficient liquidity headroom will be restored throughout the viability period, providing resilience against the downside assumptions. The Board considers these actions to be within its control and achievable within the timeframe required, thereby supporting the Group's reasonable expectation that it remains viable.

CONCLUSION

The Group ended the year in a net debt[1] position of US$20.1 million, with undrawn available credit facilities of US$68.3 million. These facilities expire on 21 December 2026. The Group continuously engages with its lenders and will take all necessary steps, scheduled to commence in Q2 2026, to renew these facilities before the expiry date, as has been the practice in the past.

Following the launch of the BR Programme, the Group's net debt position reduced by US$8.1 million in H2 2025, from US$28.2 million at 30 June 2025. The benefits of the BR Programme are expected to continue and contribute to further reducing the Group's net debt by December 2026.

The Board is aware that Letšeng's mine plan, with no availability of Satellite ore until 2031, may present material challenges for the business. However, the revision to the mine plan, rationalisation of the workforce and implementation of the BR Programme have materially improved free cash flow generation. Focus will remain on factors within the Group's control, including further cost reduction, sound capital allocation and maintaining operational efficiencies, all while responsibly managing cash resources.

Based on a robust assessment of the principal and emerging risks, prospects and viability of the Group, and subject to the successful refinancing of the RCFs, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2028.

[1] *Net debt is calculated as cash and short-term deposits less drawn down bank facilities (excluding insurance premium financing and credit underwriting fees).*

The Strategic Report, including pages 2 to 25, was approved by the Board of Directors on 17 March 2026 and signed on its behalf by:

Harry Kenyon-Slaney

Chairperson

17 March 2026

PERFORMANCE REVIEW

BUSINESS RESILIENCE PROGRAMME

The diamond industry operated in a highly challenging environment in 2025. Prolonged downward pressure on diamond prices since late 2022 forced many producers to streamline operations, reduce activity or suspend production. While the Group had previously navigated these conditions through capital discipline, cost reductions and improved operational efficiencies, the absence of a sustained diamond price recovery and continued macro-economic and geopolitical volatility necessitated a step change to safeguard the Group's financial viability and long-term sustainability.

As announced in the Group's H1 2025 Trading update released on 23 July 2025 and further reported in the Half-year Report 2025, the Group launched a Business Resilience (BR) Programme to implement immediate and decisive measures to conserve cash and protect shareholder value. These measures included:

- accessing additional higher-value Satellite Pipe ore for processing during H2 2025 and H1 2026;
- reducing waste mining volumes to a minimum without compromising the long-term mine plan, while ensuring continued ore availability;
- rationalising the workforce in line with reduced operating activities;
- introducing salary sacrifices for Board members and the corporate office senior management team;
- right-sizing the Board to fit the structure of the business while remaining aligned with independence requirements;
- reducing international travel and associated costs for Board meetings;
- reviewing the Group structure and reducing the number of companies where possible;
- limiting capital expenditure to absolute minimum requirements without compromising operating activities; and
- undertaking a rigorous review of all supplier contracts.

The above initiatives were fully implemented by the end of September 2025 and delivered immediate results.

Once-off implementation costs included severance payments to retrenched employees at Letšeng.

Recurring monthly savings from the successful implementation of the BR Programme amount to approximately US$1.5 million.

The Group remains committed to its long-term strategy of producing exceptional quality diamonds and is confident that the actions taken will position the Group well for recovery when market conditions improve. Market developments are closely monitored and operational adjustments are made as necessary.

CHIEF EXECUTIVE OFFICER'S REVIEW

OPERATING ENVIRONMENT

The global economic landscape in 2025 remained uncertain, with ongoing geopolitical tensions, the imposition of US tariffs and the weakened US dollar adding further strain to the diamond market. Demand and prices remained under pressure despite efforts by major producers to moderate supply.

The lower end of the diamond market continues to be affected by the availability and attractive price points of synthetic diamonds. The distinction between synthetic diamonds and large, high-quality natural diamonds has, however, become increasingly evident in pricing trends. Premium luxury houses such as Richemont (including Cartier and Van Cleef & Arpels) and LVMH (including Tiffany & Co. and Bulgari) reported strong sales growth in 2025 and, in some cases, record high sales results for their high-end jewellery divisions.

Price increases were observed in the latter part of the year for Letšeng's larger, higher-quality rough diamonds. Overall revenue for the year was, however, adversely affected because of lower volumes of higher-value Satellite Pipe ore under the current mine plan.

Numerous initiatives have been implemented over the past 24 months to reduce costs and enhance operational efficiencies because of the continued weakness in response to the sustained weakness in the diamond market. These challenging market conditions necessitated decisive and proactive measures to safeguard the financial sustainability of Letšeng and the broader Group. Accordingly, the BR Programme was launched to support these objectives (refer to page 26).

Measures implemented under the BR Programme unfortunately resulted in a reduction of our workforce at Letšeng. We are acutely aware of the human impact of these decisions and conducted the process with care, transparency and support for affected employees. These measures were essential to ensure that Letšeng remains a sustainable operation, at lower prices, capable of supporting employment, communities and stakeholders over the longer term.

We are grateful for the support provided by the Lesotho Government, who suspended royalty payments for a period of six months.

Following the application for relinquishment, the Ghaghoo mining licence was officially cancelled by the Botswana Ministry of Minerals and Energy and the mine site was handed over to the Department of Mines, effective from 1 June 2025. The Group has no further obligations or commitments related to the Ghaghoo mining licence or the mine site.

EXTRACTING MAXIMUM VALUE FROM OUR OPERATIONS

We operated safely, responsibly and efficiently during the year. The BR Programme was fully implemented by September 2025 and led to an immediate saving of approximately US$1.5 million per month.

Production volumes were in accordance with the latest mine plan. However, being primarily reliant on lower-grade Main Pipe material with reduced ore availability from the Satellite Pipe, overall carats recovered decreased by 14% compared to 2024.

Waste volumes were significantly decreased as part of the BR Programme and other mine optimisation initiatives. The mine plan remains under continuous review and provides the flexibility to react quickly to a change in market conditions.

We have an effective, transparent and competitive tender sales process in Antwerp. Selected rough diamonds were also sold pursuant to the limited supply agreement established in 2022 with key diamond manufacturing clients who supply polished diamonds to some of the world's most premium luxury brands. Letšeng receives additional revenue on the sale of the resultant polished diamonds.

The average price achieved decreased to US$1 105 per carat in 2025, mainly due to the weak diamond market coupled with the change in ore mix, which resulted in a decrease in the number and quality of large high-value diamonds sold during the year. The lower prices achieved and decrease in carats sold resulted in total revenue of US$98.4 million, a 36% decrease compared to 2024.

Full details of the Group's financial performance are included in the CFO Review on page 29 and details of the operational performance are included in the COO Review on page 36.

WORKING RESPONSIBLY AND MAINTAINING OUR SOCIAL LICENCE

We maintained an excellent safety performance in 2025, achieving our lowest overall AIFR on record. Our workplace safety is founded on individual responsibility, mutual care and collaboration.

We adhere to the highest environmental management standards and had no major or significant environmental incidents during the year.

Our residue storage facility management process aligns with the ICMM's GISTM. Our residue storage and freshwater facilities are subject to regular inspections by internal as well as independent external experts. These professional external reviews, together with the internal governance, monitoring and reporting processes, provide assurance that our freshwater dam and residue storage facilities are being managed in a safe and responsible manner.

Our CSI activities are built around the eight selected UN SDGs and are focused on supporting infrastructure development, education and health while assisting and stimulating small businesses. From 2016 to 2025, the Group invested US$5.4 million in sustainable CSI initiatives.

In 2025, Letšeng contributed a total of US$25.4 million (LSL453.8 million) to the Lesotho fiscus in the form of taxes, royalties and mining lease payments. We remain proud of our role in supporting the country's developing economy and of our position as a significant employer and contributor to the national fiscus.

PREPARING FOR THE FUTURE

Our primary focus in 2026 is the safe and efficient operation of our Letšeng mine, building on the measures implemented in 2025 to ensure the long-term financial viability of the operation. While all opportunities are being explored for earlier extraction of Satellite Pipe ore, under the current mine plan we are reliant on lower-value Main Pipe ore until the end of 2030. No higher-value Satellite Pipe ore will be accessible while the waste stripping of the final cutback of the Satellite pit is being implemented (refer to the current mine plan on page 38).

We are well prepared to navigate this difficult period, largely assisted by the change in our cost base. We continuously engage with our lenders and the formal process of renewing our loan facilities, which expire in December 2026, is scheduled to commence in Q2 2026.

Our capital plans prioritise funding for projects that will sustain growth and create value. The planned capital projects for 2026 are detailed in the COO Review.

OUTLOOK

The streamlining of the cost base of the Group has positioned it well to navigate the prevailing diamond market conditions, and we are confident that the implemented measures have better equipped the Group for recovery as market conditions improve.

In the medium to long term, rough diamond prices should be supported by favourable demand and supply fundamentals, with a projected further decrease in natural rough diamond supply. Over the longer term, this dynamic of rising demand and constrained supply is expected to benefit high-quality rough diamonds in particular. The fundamentals that underpin our business are sound and position Gem Diamonds for success.

Clifford Elphick

Chief Executive Officer

17 March 2026

CHIEF FINANCIAL OFFICER'S REVIEW

The financial performance of the Gem Diamonds Group reflects prolonged pressure on the diamond market arising from a range of macro-economic and geopolitical factors. The Group responded decisively through the launch of the BR Programme (refer to page 26) in 2025.

The Group generated revenue of US$97.7 million from the sale of rough diamonds, achieving an average price of US$1 105 per carat for the year. In addition, US$0.7 million was generated from alternative sales activities, bringing the total revenue for the year to US$98.4 million. Underlying EBITDA decreased to US$3.9 million from US$29.7 million in 2025, mainly due to the US$55.8 million decrease in revenue, offset by a reduction in costs. The Group ended the year with a cash balance of US$3.8 million and drawn down facilities of US$23.9 million, resulting in a net debt position of US$20.1 million and available undrawn facilities of US$68.3 million.

Summary of financial performance

US$ million	**2025**	**2025**	**2025**	2024	2024	Re-presented[3] 2024
	Before exceptional items	**Exceptional items**	**After exceptional items**	Before exceptional items	Exceptional items	After exceptional items
Revenue from contracts with customers	**98.4**	**–**	**98.4**	154.2	–	154.2
Royalties and selling costs	**(5.9)**	**–**	**(5.9)**	(16.5)	–	(16.5)
Cost of sales[1]	**(83.0)**	**–**	**(83.0)**	(100.3)	–	(100.3)
Corporate expenses (excluding depreciation)	**(5.6)**	**–**	**(5.6)**	(7.7)	–	(7.7)
Underlying EBITDA[2]	**3.9**	**–**	**3.9**	29.7	–	29.7
Depreciation and mining asset amortisation	**(12.0)**	**–**	**(12.0)**	(11.3)	–	(11.3)
Share-based payments	**(0.3)**	**–**	**(0.3)**	(0.5)	–	(0.5)
Other operating income/(expenses)	**0.7**	**–**	**0.7**	(0.2)	–	(0.2)
Impairment of non-financial assets	**–**	**(77.5)**	**(77.5)**	–	–	–
Write-down of inventories to net realisable value	**–**	**(3.5)**	**(3.5)**	–	–	
Foreign exchange gain	**1.3**	**–**	**1.3**	1.1	–	1.1
Net finance costs	**(4.7)**	**–**	**(4.7)**	(6.4)	–	(6.4)
(Loss)/profit before tax for the year	**(11.1)**	**(81.0)**	**(92.1)**	12.4	–	12.4
Income tax benefit/(charge)	**1.9**	**17.6**	**19.5**	(3.4)	–	(3.4)
(Loss)/profit after tax for the year	**(9.2)**	**(63.4)**	**(72.6)**	9.0	–	9.0
Non-controlling interests	**0.6**	**19.0**	**19.6**	(5.2)	–	(5.2)
Attributable (loss)/profit from continuing operations	**(8.6)**	**(44.4)**	**(53.0)**	3.8	–	3.8
Profit/(loss) from discontinued operation[3]	**–**	**(51.0)**	**(51.0)**	–	(0.9)	(0.9)
Attributable net (loss)/profit	**(8.6)**	**(95.4)**	**(104.0)**	3.8	(0.9)	2.9
Basic (loss)/earnings per share (US cents)	**(6.1)**	**(68.3)**	**(74.4)**	2.8	(0.7)	2.1

[1] *Including waste stripping amortisation but excluding depreciation and mining asset amortisation.*
[2] *Underlying EBITDA as defined in Note 4, Operating (loss)/profit of the notes to the consolidated financial statements.*
[3] *Gem Diamonds Botswana (Proprietary) Limited (Ghaghoo Diamond Mine) is classified as a discontinued operation in the current year (refer to Note 16, Discontinued operation) and the comparative period has been re-presented to adjust for this.*

Revenue

Rough diamond revenue of US$97.7 million (2024: US$152.8 million) was generated at Letšeng, achieving an average price of US$1 105 per carat (2024: US$1 390 per carat).

Revenue decreased by US$55.8 million, representing a 36% decrease when compared to 2024, due to a combination of (i) a 20% decrease in carats sold of 88 381 carats compared to 109 967 in 2024, (ii) the ore mix, which consisted mainly of lower-value and lower-grade Main Pipe material (74% contribution compared to 56% in 2024), (iii) downward market pressure on rough diamond prices, and (iv) fewer and lower-quality diamonds of greater than 100 carats were sold during the year. Nine greater than 100 carat diamonds were sold for a combined value of US$6.2 million, while in 2024, 13 greater than 100 carat diamonds were sold for a value of US$41.9 million.

Additional revenue of US$0.7 million was generated from partnership margin uplift (US$0.4 million (2024: US$1.4 million)), polished diamond sales and additional rough diamond proceeds, bringing the total revenue for the year to US$98.4 million.

US$ million	2025	2024
Group revenue summary		
Rough diamond sales	**97.7**	152.8
Additional revenue	**0.7**	1.4
Group revenue	**98.4**	154.2

Expenditure

Royalties and marketing 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 mining industry during the challenging market conditions. The Group's sales and marketing operation in Belgium incurs costs relating to diamond selling and marketing. Royalties and selling costs decreased by 64% to US$5.9 million (2024: US$16.5 million), in line with the decrease in rough diamond revenue and the royalty relief.

Energy costs

The decrease in waste mining volumes led to a significant decrease in diesel consumption during the year of 2.1 million litres. Overall diesel costs decreased by 25%, aided by a 9% decrease in the average cost per litre compared to 2024. In local currency, the costs decreased to LSL167.1 million (US$9.3 million) from LSL222.6 million (US$12.1 million) in 2024.

Grid electricity usage decreased by 5% due to energy efficiency initiatives on site, and maximum demand utilisation decreased by 12% due to the effective management of these thresholds. Overall electricity costs increased by 7% to LSL64.8 million (US$3.6 million) notwithstanding a 9.6% tariff increase.

Overall energy costs, including diesel and electricity, amounted to LSL231.9 million (US$13.0 million) in 2025 (2024: LSL283.0 million, US$15.4 million), an 18% decrease in local currency.

Letšeng unit cost analysis

Unit cost per tonne treated	Direct cash costs[1]	Non-cash accounting charges and working capital movement[2]	Total operating cost	Waste cash costs per waste tonne mined
2025 (LSL)	**223.75**	**62.43**	**286.18**	**71.90**
2024 (LSL)	252.39	113.95	366.34	61.87
% change	(11)	(45)	(22)	16
2025 (US$)	**12.51**	**3.49**	**16.00**	**4.02**
2024 (US$)	13.77	6.21	19.98	3.37
% change	(9)	(44)	(20)	19

[1] *Direct cash costs represent all operating costs, excluding royalties and selling costs.*

[2] *Non-cash accounting charges and working capital movement include waste stripping amortised, inventory and ore stockpile adjustments, and finance lease costs, and exclude depreciation and mining asset amortisation.*

Operating expenditure

Group cost of sales (excluding depreciation) decreased by 15% to US$83.0 million in 2025 from US$100.3 million in 2024.

- Direct cash costs (excluding waste) decreased by 8% to LSL1 161.0 million (US$64.9 million) compared to LSL1 266.7 million (US$69.1 million) in 2024. The decrease is mainly due to the initiatives implemented and also includes once-off severance payments related to the retrenchment of employees at Letšeng as part of the implementation of the BR Programme. Direct cash costs per tonne treated decreased by 11% to LSL223.75 (US$12.51) from LSL252.39 (US$13.77) in 2024, in line with the overall cost decrease and a 3% increase in ore tonnes treated (5.2 million tonnes compared to 5.0 million tonnes in 2024).

- Non-cash accounting charges and working capital movement refer to waste amortisation, stockpile and diamond inventory movements and interest and depreciation on IFRS 16 leases. These charges decreased by 43% to LSL324.0 million (US$18.1 million) (2024: LSL571.9 million, US$31.2 million). The decrease was mainly due to an increase in the value of stockpile and inventory on hand at the end of 2025 compared to 2024.
- Total operating costs in local currency decreased to LSL1 485.0 million (US$83.1 million) from LSL1 838.5 million (US$100.3 million) in 2024, which includes the impact of direct cash costs, non-cash accounting charges and working capital movements detailed above. The unit cost per tonne treated decreased by 22% to LSL286.18 (US$16.00) per tonne treated (2024: LSL366.34, US$19.98 per tonne treated), mainly due to the impact of benefits achieved following the launch of the BR Programme and the impact of the reduction in non-cash accounting charges.
- Waste cash costs decreased by 58% to LSL140.3 million (US$7.8 million) from LSL335.4 million (US$18.3 million) in 2024, mainly due to the 64% reduction in waste tonnes mined (2.0 million tonnes compared to 5.4 million tonnes in 2024) following the decision to minimise waste mining activities and defer the commencement of the next Satellite Pipe cutback, being one of the key initiatives of the BR Programme. Waste cash cost per waste tonne, however, increased by 16% to LSL71.90 (US$4.02) from LSL61.87 (US$3.37) in 2024, due to the significantly lower waste tonnes mined and the impact of fixed costs within the cost base.

US dollar-reported costs

Gem Diamonds' revenue is generated in US dollars, while the majority of operational expenses are incurred in the relevant local currency in the operational jurisdictions. Local currency rates for the Lesotho loti (LSL) (pegged to the South African rand) were stronger against the US dollar on average compared to 2024. This increased the Group's US dollar-reported costs and decreased local currency cash flow generation. The average and year end exchange rates are set out in the table below:

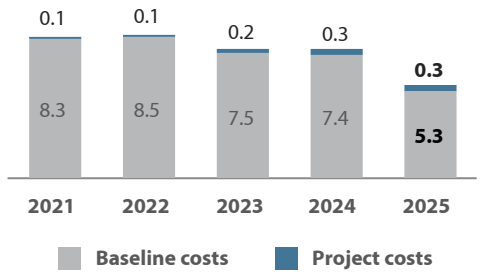
Exchange rates	**2025**	2024	% change
LSL per US$1.00			
Average exchange rate	**17.88**	18.34	(3)
Year end exchange rate	**16.57**	18.87	(12)
BWP per US$1.00			
Average exchange rate	**13.59**	13.56	–
Year end exchange rate	**13.57**	13.93	(3)
GBP per US$1.00			
Average exchange rate	**0.76**	0.78	(3)
Year end exchange rate	**0.74**	0.80	(8)

Corporate costs

The technical and administrative office in South Africa and the head office in the UK provide expertise in all areas of the business to realise maximum value from the Group's assets. Central costs are incurred in South African rand and British pounds, respectively.

Corporate costs (excluding depreciation) decreased by 27% compared to 2024 at US$5.6 million. The savings were due to the implementation of the BR Programme, which included salary sacrifices by management and the Board, elimination of travel and other cost containment initiatives. Project costs of US$0.3 million were incurred to finalise the handing over of Ghaghoo and to investigate external growth opportunities (2024: US$0.3 million).

Historical corporate costs (excl. depreciation) (US$ million)



Underlying EBITDA[1] and attributable loss

Group underlying EBITDA[1] decreased by 87% to US$3.9 million (2024: US$29.7 million) mainly due to the US$55.8 million decrease in revenue, set off by cost savings achieved following the launch of the BR Programme and the royalty relief from the Lesotho Government in Q3 2025. The Group reported a negative underlying EBITDA[1] at 30 June 2025 of US$2.6 million. The benefit derived from the BR Programme is evident in the turnaround in H2 2025 of a US$6.5 million underlying EBITDA[1].

The loss attributable to shareholders was US$104.0 million after recording impairments of US$81.0 million (refer to paragraph below) and the recycling of the foreign currency translation of the discontinued operation of US$52.8 million. The loss before exceptional items was US$8.6 million, compared to an attributable profit of US$2.9 million in 2024. This translates to a loss after exceptional items of 74.4 US cents per share and 6.1 US cents per share before exceptional items (2024: earnings per share of 2.1 US cents), based on a weighted average number of shares in issue of 139.8 million (2024: 139.7 million shares).

[1] *Underlying EBITDA as defined in Note 4, Operating profit of the notes to the consolidated financial statements.*

Impairment of non-financial assets and write-down of inventory

An impairment review for Letšeng is performed annually. The impairment review for 2025 was largely influenced by the prolonged downward pressure on the rough diamond market and the weakened US dollar against the Lesotho loti.

The recoverable amount (value in use) of Letšeng was assessed and an impairment of US$77.5 million was recorded in the consolidated statement of profit or loss to bring the carrying value in line with the recoverable amount. The impairment was allocated firstly to the goodwill, which is now fully impaired, then to the mining asset, which is now fully impaired, and the balance to the stripping activity asset.

Ore stockpiles were written down by US$3.5 million to net realisable value in 2025 mainly due to lower diamond prices and the weakened US dollar at 31 December 2025.

Statement of financial position – selected indicators

US$ million	2025	2024
Property, plant and equipment	**211.3**	269.9
Non-current: receivables and other assets	**0.9**	7.3
Current: receivables and other assets	**12.0**	6.6
Inventory	**43.3**	34.1
Cash and short-term deposits	**3.8**	12.9
Net income tax (payable)/receivable	**1.7**	(6.8)
Non-current: interest-bearing loans and borrowings	**(6.2)**	(16.6)
Current: interest-bearing loans and borrowings	**(18.6)**	(4.4)
Net deferred tax liabilities	**(49.5)**	(65.0)
Non-current: rehabilitation provisions	**(14.0)**	(12.6)

Capital expenditure

Total capital expenditure (excluding waste stripping) was US$4.4 million during the year (2024: US$5.8 million). The capital spend in the current year related to:

- the purchase of earthmoving machinery to improve ore feed into the plants, and a new drill (US$2.3 million);
- the purchase of a mobile dry rotary trommel that was used to sort heavily basalt-diluted Satellite Pipe stockpile ore for treatment (US$0.6 million);
- expansion of the Patising residue storage facility to build necessary capacity (US$0.4 million); and
- geotechnical monitoring equipment and licences (US$0.4 million).

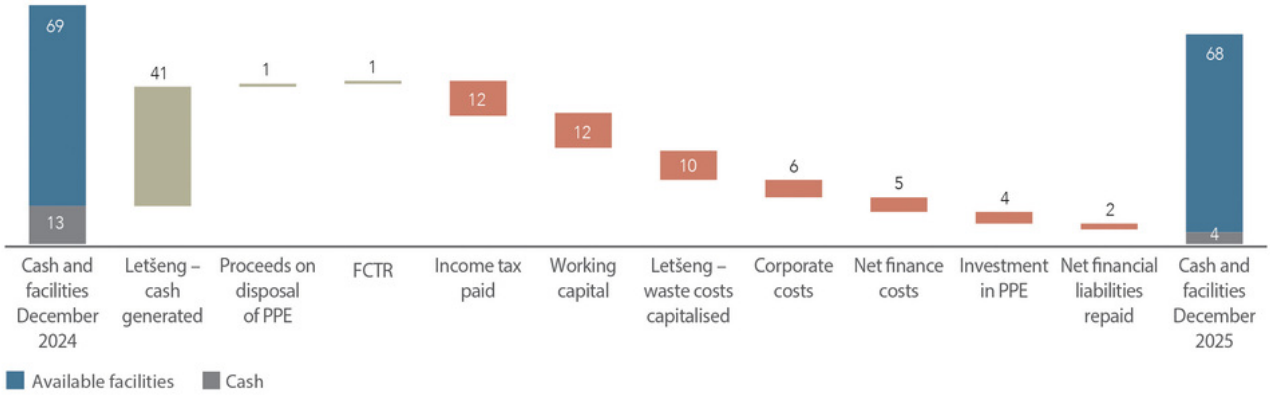
The balance of the capital was spent on enhancements to the recovery areas for improved workflow and security, minor capital requirements following the insourcing of treatment activities, improvements to the bioremediation plant, and pit slope lateral support studies.

Capital allocation, in the current challenging market, is focused on sustaining operations and the need to conserve cash resources. In a more favourable market, excess cash generated would be allocated to shareholder returns or growth projects that would generate positive returns. In considering investments in growth opportunities, these would be assessed in terms of financial and non-financial metrics, including the alignment to the Group's ESG strategy and objectives.

Cash on hand

The Group ended the year with cash on hand of US$3.8 million (2024: US$12.9 million) and net debt of US$20.1 million (2024: US$7.3 million). Group cash generated by operations was US$35.1 million before capital and waste investment of US$13.9 million. Following the launch of the BR Programme, which delivered recurring monthly cost savings of US$1.5 million, the Group's net debt position reduced by US$8.1 million from US$28.2 million at 30 June 2025.

Cash movement (US$ million)



Loans and borrowings

The Group-wide debt facilities for Letšeng (LSL450.0 million (US$27.2 million) and ZAR300.0 million (US$18.1 million)) and Gem Diamonds (US$30.0 million), will expire on 21 December 2026. In line with normal processes, the Group will commence the formal renewal of its facilities in Q2 2026. 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 and, until it is concluded, represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The funding partners for the above facilities are Nedbank, Standard Bank and Firstrand Bank (through their respective operations). Nedbank's portion of the funding, totalling US$31.6 million, is a sustainability-linked loan (SLL), an innovative structure that links the margin and resultant interest rate on the SLL to the Group's ESG performance. The margin on the SLL decreases subject to the Group meeting certain carbon reduction and water conservation KPIs that are aligned with the Group's sustainability strategy. These KPIs are assessed at the end of every financial year. The two KPIs included for the SLLs both need to be met at each measurement date before the margin reduction on these loans becomes effective. At 31 December 2025, both the carbon emission and water conservation KPIs were met, and therefore the margin reduction will apply to outstanding balances in 2026.

Letšeng has a ZAR100.0 million (US$6.0 million) general banking facility with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division), which is reviewed annually. The facility was utilised from time to time during the year and was fully repaid by year end.

In 2022, Letšeng implemented a four-and-a-half-year project facility agreement with Nedbank for the replacement of the PCA for an amount of ZAR132.0 million (US$7.0 million). The facility is underwritten by the Export Credit Insurance Corporation of South Africa (ECIC). Quarterly repayments of this facility commenced in Q1 2024, and at the end of 2025 an amount of LSL56.6 million (US$3.4 million) was outstanding. The facility expires in May 2027.

On 15 May 2024, Letšeng entered into a secured five-year term loan facility of LSL200.0 million (US$12.1 million) jointly with Standard Lesotho Bank and Nedbank Lesotho. The loan is secured by a special notarial bond over the mining 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 that commenced in May 2024, and expires on 28 February 2029 (previously 30 April 2029) following an additional capital repayment from proceeds from the sale of mining equipment.

At year end, the Group had utilised facilities of US$23.9 million, resulting in a net debt position of US$20.1 million and available undrawn facilities of US$68.3 million. Gem Diamonds, the Company, ended the year with US$10.0 million of its facility utilised (2024: US$6.0 million) and US$20.0 million available. Letšeng ended the year with US$3.0 million of its revolving facility utilised (2024: nil) and US$42.3 million remains available.

Summary of loan facilities as at 31 December 2025

Company	Term/description/ expiry	Lender	Interest rate	Amount US$ million	Drawn down/ Balance due US$ million	Available US$ million
Gem Diamonds Limited	Extended two-year revolving credit facility Expires 21 December 2026	Nedbank Standard Bank Firstrand Bank	Facility A (US$30 million): Term SOFR (4.33%) + 5.21%	**30.0**	**10.0**	**20.0**
Letšeng Diamonds	Extended two-year 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 (7.75%) + 3.25%	**27.2**	**1.8**	**25.4**
		Nedbank	Facility C (ZAR300 million): South African JIBAR (8.35%) + 3.00%	**18.1**	**1.2**	**16.9**
Letšeng Diamonds	Four-and-a-half-year project facility Expires 31 May 2027	Nedbank Export Credit Insurance Corporation	ZAR132 million South African JIBAR (8.35%) + 2.50%	**8.0**	**3.4**	**–**
Letšeng Diamonds	Five-year term loan facility Expires 28 February 2029	Standard Lesotho Bank Nedbank Lesotho	LSL200 million Lesotho prime rate (11.25%) minus 1.5%	**12.1**	**7.5**	**–**
Letšeng Diamonds	General banking facility Reviewed annually	Nedbank	ZAR100 million South African Prime Lending Rate (11.25%) minus 0.70%	**6.0**	**–**	**6.0**
Total				**101.4**	**23.9**	**68.3**

Ghaghoo

The Ghaghoo mining licence was relinquished and the mine site was formally handed back to the Botswana Ministry of Minerals and Energy effective from 1 June 2025. The Group has no further obligations or commitments related to the Ghaghoo mining licence or the mine site.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Ghaghoo operation is classified as a discontinued operation which was abandoned, following the relinquishment (for no consideration) of the underlying mining licence which represented the subsidiary's principal business activity. All impacted prior year figures in the consolidated statement of profit or loss and relevant notes have been re-presented to reflect Gem Diamonds Botswana as part of a discontinued operation. Refer to Note 16, Discontinued operation on page 137.

Insurance

The perception of risk in the mining industry has improved, with insurers offering more competitive rates for mining companies. In 2025, insurance premiums for the Group decreased significantly (24% lower than 2024), driven by the reassessment of insurance values and optimising the structure of the multi-aggregate insurance policy. The Group is in the final year of this five-year multi-aggregate insurance policy, which was implemented to mitigate the risk of higher deductibles in the unlikely event of a loss. At year end, the balance of the fund was US$9.0 million. The policy matures in July 2026 and the decision to renew, extend or exit will be taken prior to the maturity date.

Letšeng's business interruption claim for insured losses arising from the COVID-19-related shutdown in 2020, when the mine was required to be placed on care and maintenance, is ongoing.

Share-based payments

The share-based payment charge for the year was US$0.3 million (2024: US$0.5 million). In line with the approved 2021 Remuneration Policy, on 10 April 2025, 2 602 899 nil-cost options were granted to certain key employees and Executive Directors under the GDIP. Refer to Note 28, Share-based payments on page 150 for more detail.

TAXATION

The Group applies all relevant principles in accordance with prevailing legislation when assessing its tax obligations. The Group's effective tax rate was 21.2%. Most of the Group's taxes are incurred in Lesotho, which has a corporate tax rate of 25%. The effective tax rate is below the Lesotho statutory tax rate of 25% primarily due to the incurred net loss before tax. Refer to Note 7, Income tax (benefit)/charge on page 130 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. We expect to pursue this matter in the courts in 2026. We have sought senior legal counsel, and their advice indicates good prospects for success. Refer to the accounting treatment for this matter, Note 1.2.27, Critical accounting estimates and judgements, for further detail.

OUTLOOK

There is no certainty around the 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. Letšeng's current mine plan presents material challenges for the business, with no availability of Satellite Pipe ore until the end of 2030.

The availability of our revolving credit facilities is critical for the business, and lenders will be engaged in Q2 2026 to commence the refinancing process before the expiry of these facilities in December 2026.

Michael Michael

Chief Financial Officer

17 March 2026

CHIEF OPERATING OFFICER'S REVIEW

Letšeng delivered a solid operational performance despite the challenging diamond market and continued pressure on prices. Significant structural and operational changes implemented since 2023, together with the launch of the BR Programme in mid-2025, supported operational delivery and reinforced the mine's ongoing viability amid adverse industry conditions.

Our top priority remains the safety and well-being of our workforce, and we are proud to report that we maintained an exceptional safety performance in 2025. The positive results reflect our unwavering commitment to and the maturity of our safety culture, founded on individual responsibility, mutual care and collaboration.

We are pleased to report that we reached our decarbonisation target of a 30% reduction in Scope 1 and 2 emissions by 2030, compared to our 2021 baseline, in the current year. We are fully committed to maintaining this achievement despite a scheduled increase in waste mining volumes from 2027 in accordance with the current mine plan. For a comprehensive overview of our 2025 performance, refer to the Climate Change Report on page 41.

Letšeng's long-term mine plan remains under continuous review taking into consideration prevailing market conditions. The latest change to the mine plan significantly reduced long-term waste mining volumes and deferred certain short-term waste stripping activities as part of the BR Programme. These changes were communicated in the Half-year Report 2025.

GROUP SAFETY PERFORMANCE

Safety performance	Unit	2025	2024	% change
Fatalities	Number	**0**	0	–
LTIs	Number	**2**	3	(33)
LTIFR	200 000 man-hours	**0.14**	0.18	(23)
AIFR	200 000 man-hours	**0.41**	0.61	(32)

Gem Diamonds' safety culture is deeply rooted in a pursuit of zero harm. In 2025, the Group maintained exceptional safety standards with zero fatalities (2024: zero) and two LTIs (2024: three). A record-low AIFR of 0.41 (2024: 0.61) was achieved, and an LTIFR of 0.14 was a further improvement on the 0.18 achieved in 2024. This excellent safety performance was achieved in the face of recent significant changes to our operations, including the necessary change management related to the insourcing of material functions and the implementation of the BR Programme, and despite an 11% reduction in man-hours compared to 2024.

OPERATIONAL PERFORMANCE

KPI	Unit	2025	2024	% change
Waste mined	tonnes	**1 951 717**	5 420 567	(64)
Ore mined	tonnes	**5 161 352**	5 052 263	2
Ore treated	tonnes	**5 188 776**	5 018 739	3
Carats recovered	carats	**90 354**	105 012	(14)
Grade	cpht	**1.74**	2.09	(17)
Carats sold	carats	**88 381**	109 967	(20)
Average price per carat	US$/carat	**1 105**	1 390	(21)

All operational metrics were achieved in accordance with Letšeng's short-term mine plan. The positive outcomes of operational efficiencies implemented since 2023 are clearly reflected in Letšeng's overall operational performance in 2025.

Waste tonnes mined

Through further short-term optimisation of the mine plan and the implementation of the BR Programme, total waste tonnes mined in 2025 decreased by 64% to 2.0 million tonnes from 5.4 million tonnes in 2024. As reported in the Half-year Report 2025, the reduction in waste mining was achieved through the redesign of Main Pipe Cut 4 West (MC4W) and the deferral of waste mining in the Main Pipe cutbacks (MC4E & W) and the final Satellite Pipe cutback (SC6W). Notwithstanding the necessary deferral of waste mining in both pits to weather current economic conditions, ore availability remains consistent at the current treatment rate of c.5.0 million tonnes per annum until 2034.

Ore mined

Total ore tonnes mined in 2025 increased by 2% to 5.2 million tonnes from 5.1 million tonnes in 2024. The increase in ore mined was aligned with the higher production target for 2025. In addition, ore was mined to establish stockpile platforms in support of the new plant feed strategy. Under this strategy, haul trucks discharge ore onto newly established active stockpiles, eliminating truck queuing at the plant tipping points. The ore is reclaimed from the active stockpiles using a front-end loader and fed to the plants in a controlled and consistent manner. As a result, ore mining operations were no longer constrained by plant feed requirements and were effectively decoupled from plant operations, leading to improved mining productivity.

Ore treated

Letšeng's two plants treated 5.2 million tonnes of ore in 2025 (2024: 5.0 million tonnes). Besides the higher treatment target in 2025, the increase in treatment volumes was driven by effective plant management focusing on stability and increased operating time at a consistent run rate. The introduction of a front-end loader assisted plant performance by delivering a controlled and consistent feed rate. In addition, a dry rotary trommel was introduced to sort an historic basalt-diluted Satellite Pipe ore stockpile for treatment. The concentrate ore from this stockpile was heavily weathered and easily treated through the plants. Ore contribution from the Main Pipe totalled 3.9 million tonnes, while the Satellite Pipe contributed 1.3 million tonnes.

Total carats recovered

Total carats recovered in 2025 decreased by 14% to 90 354 carats (2024: 105 012 carats) due mainly to the higher ore contribution from the lower-grade Main Pipe.

The overall grade for 2025 was 1.74 cpht, representing a 17% decrease from 2.09 cpht in 2024. The lower grade achieved in 2025 was in line with expectations for the ore treated and was primarily attributable to the increased contribution from the lower-grade Main Pipe, which accounted for 74% of total ore treated compared to 56% in 2024.

Capital projects

Capital expenditure in 2025 was subject to rigorous review to ensure strict alignment with operational requirements and prudent cash management. Expenditure was prioritised based on necessity, operational continuity and short-term value enhancement, with a disciplined focus on preserving liquidity while sustaining core operations and short-term value-add. Material capital projects at Letšeng in 2025 included:

- the acquisition of essential mining fleet equipment to optimise mining and processing in line with the mine plan; and
- the purchase of a dry rotary trommel unit for sorting heavily diluted high-value Satellite Pipe stockpile material for treatment.

Details of overall costs and capital expenditure incurred at Letšeng are included in the CFO Review on page 29.

The planned capital spend at Letšeng for 2026 mainly relates to the lateral support and potential rockfall mitigation measures to be implemented in preparation for the commencement of the next Satellite pit cutback (SC6W).

Large diamond recoveries

In 2025, Letšeng recovered nine diamonds greater than 100 carats (2024: 13) and 15 diamonds in the 60 to 100 carat size category (2024: eight). Primarily as a result of the increased contribution of ore from the lower-value Main Pipe, the diamonds recovered from this material were of comparatively lower quality, negatively impacting overall revenue generated from their sale.

From 2006 to the end of 2025, a total of 153 diamonds exceeding 100 carats have been recovered. Additionally, two notable diamonds have been recovered to date in 2026 – a 192 carat diamond and a 105 carat diamond – underscoring Letšeng's continued ability to produce exceptional large diamonds. The total number of diamonds greater than 10 carats decreased by 14% year on year, again due to the negative impact on overall ore mix resulting from the increase in Main Pipe ore contribution in 2025. 14 diamonds sold for more than US$1.0 million each in 2025, generating US$20.8 million in revenue.

Number of large diamond recoveries	2025	2024	FY average 2008 – 2025
>100 carats	**9**	13	8
60 – 100 carats	**15**	8	17
30 – 60 carats	**53**	90	75
20 – 30 carats	**103**	100	112
10 – 20 carats	**405**	466	447
Total diamonds >10 carats	**585**	677	659

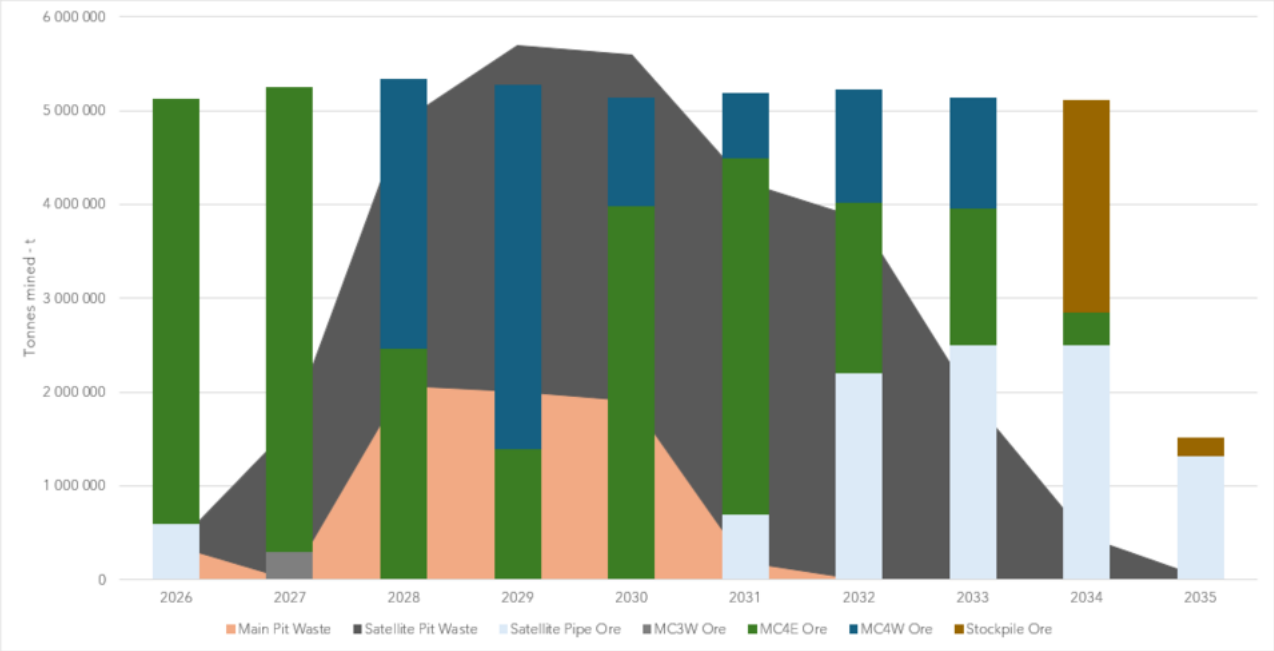
Diamond sales

Six large and four small rough diamond tenders were held in Antwerp during the year.

A total of 88 381 carats were sold in 2025 (2024: 109 967), and Letšeng generated rough diamond revenue of US$97.7 million (2024: US$152.8 million) at an average price of US$1 105 per carat (2024: US$1 390). The lower dollar per carat achieved and the reduction in revenue in 2025 were driven by a combination of continued weakness in the diamond market and a decline in both the volume and quality of carats sold. This was directly attributable to the increased contribution of lower-grade, lower-value Main Pipe ore, as discussed above, which adversely impacted overall ore mix and realised prices.

Long-term mine plan

The current life of mine production profile from 2026 to 2035, as reported in the Half-year Report 2025, is shown in the figure below:



Letšeng's long-term mine plan remains under continuous review to identify optimisation opportunities and to ensure the viability of each cutback, considering current and foreseeable diamond market and economic conditions, as well as the respective impact that each cutback has on the overall value of the mine. The short-term deferral of waste stripping activities has not compromised ore availability, and the mine will continue ore treatment at c.5.0 million tonnes per annum to 2034.

SUSTAINABILITY

Refer to our Sustainability Report 2025, available at www.gemdiamonds.com, for full details of our sustainability strategy and performance in 2025.

UN Sustainable Development Goals

The Group is committed to contributing to the global effort to achieve the UN SDGs and has developed an appropriate framework to guide, measure and support delivery against this commitment. The Group's UN SDG framework aims, over a three-year period (2024 – 2026), to self-assess current contributions and thereafter implement appropriate measures to advance the realisation of the Group's eight adopted UN SDGs.

No poverty

Zero hunger

Good health and well-being

Clean water and sanitation

Decent work and economic growth

Reduced inequalities

Responsible consumption and production

Climate action

Residue storage facility and dam management

Operational status of dams and residue storage facilities

We are dedicated to managing our residue storage facilities (RSFs) and water storage dam in a way that safeguards the health, safety and well-being of our employees and communities, while also protecting our property and the natural environment. We adhere to high standards that align with both national and global best practices for health, safety and environmental preservation throughout every phase of the RSFs' and water dam's lifecycle. To this end, Letšeng has aligned its Residue Management System (RMS) to the Conformance Protocols on the Requirements of the Global Industry Standard on Tailings Management (GISTM) published by the International Council on Mining and Metals (ICMM). Our Operational and Maintenance System (OMS), along with our RMS, seamlessly integrates people, resources, processes and practices related to RSF and water storage management, thereby supporting the achievement of our performance objectives, promoting effective risk management, and ensuring the safe and responsible operation of our facilities.

Letšeng has two RSFs and one freshwater dam on site:

- the Patising RSF, which is currently in use for the deposition of coarse and fine residue from the treatment plants;
- the old RSF, which is no longer used for active deposition but rather for stormwater management and rehabilitation trials to inform further concurrent rehabilitation; and
- the Mothusi Dam, which is the mine's freshwater supply source.

All internal and external reviews of Letšeng's RSFs and freshwater dam have confirmed their sound structural integrity and effective operational controls, with no concerns raised regarding the overall integrity of the facilities. The condition of the RSFs and water storage dam is continuously monitored, well managed, and reported at the relevant governance structures and forums. This has been further endorsed by the Independent Tailings Review Board (ITRB), which oversees that the RSFs are managed according to the highest standards of safety and risk mitigation.

Stringent inspections and monitoring of the RSFs and freshwater dam are carried out on a daily, weekly and monthly basis, focusing on factors such as the densities of fines deposits, water levels, beach lengths and freeboard. Additionally, an annual performance report, including a structural stability analysis, is conducted for our RSFs. An early warning system, alongside risk-appropriate community training and awareness programmes, ensures emergency preparedness for communities that could be affected in the unlikely event of a failure. The nearest village is located more than 20km downstream from the mine. The findings and recommendations from these inspections and audits are regularly reported to the Boards and Sustainability subcommittees at both Letšeng and Group levels.

We remain committed to proactively managing our RSFs and freshwater dam in accordance with international best practices. Retaining structures and embankments undergo rigorous safety monitoring through both internal and external inspections and audits conducted at regular intervals throughout the year. The appointed Engineer of Record (EoR) and the ITRB performed their 2025 periodic and annual inspections of the facilities and reported no issues or concerns regarding the stability or management of these facilities. There have been no incidents of compromised dam or RSF integrity to date.

Refer to our Annual Report and Accounts 2022, available on our website at www.gemdiamonds.com, for full details on our RSF governance framework and assurance strategy.

Managing our environmental footprint

The Group maintains comprehensive sustainability, environmental, climate change and water management policies aligned with recognised best practice to manage our environmental footprints and associated impacts. During 2025, zero major or significant environmental or stakeholder incidents were recorded. Letšeng retained its ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management) certifications for the eighth consecutive year, reflecting the continued strength of our management systems and operational controls.

In 2023, the Group committed to reducing Scope 1 and 2 emissions by 30% by 2030, using 2021 as a baseline. This target was reached in 2025, with the Group reducing total carbon emissions (Scope 1, 2 and 3) by 36% and Scope 1 and 2 emissions by 30% compared to the 2021 baseline, reflecting reduced waste mining volumes, sustained operational optimisation, improved energy efficiency and disciplined energy management. Having reached this milestone ahead of the 2030 target, the Group's focus now shifts to maintaining this level of absolute emissions reduction despite a scheduled increase in waste mining volumes from 2027 in accordance with the current mine plan. Ongoing efforts will prioritise energy efficiency and emissions intensity indicators, and focus on operational optimisation to preserve gains achieved to date and enhance performance resilience in a dynamic operating environment.

During 2025, we continued to strengthen our management of water impacted by elevated nitrate levels leaching from the active waste dump. Targeted interventions included pumping water from the pits to the Patising RSF, fertigating grasslands within the mine lease area with appropriately diluted nitrate-enriched water, and optimising the performance of the bioremediation water treatment plant, commissioned in 2024. Collectively, these measures enhanced our capacity to responsibly manage and mitigate nitrate impacts associated with blasting activities, which declined during the year in line with lower waste mining volumes.

The Group remains committed to minimising its environmental impacts and reducing natural resource consumption across our value chain. We continue to identify and implement initiatives that lower operational inputs and costs while mitigating environmental effects. Our water stewardship approach emphasises efficient use, recycling and nature-based solutions that support ecosystem health, operational reliability and community water security.

Through disciplined environmental management and continuous improvement, Gem Diamonds aims to safeguard natural resources, strengthen operational resilience and sustain long-term stakeholder value.

Corporate social responsibility

Maintaining our social licence to operate is fundamental to the Group's long-term sustainability. We engage regularly with governments, local communities, employees and other stakeholders to understand priorities, address shared challenges and develop mutually beneficial and sustainable solutions. As responsible operators and social partners in our host countries, we prioritise constructive and transparent relationships with governments, employees and our PACs.

In 2025, the Group CSRI programme focused on initiatives that promote local economic participation, improve access to essential services and strengthen community resilience. The Group invested US$0.3 million towards CSRI projects. Key projects implemented during the year included:

- continuation of the scholarship programme for young Basotho citizens (55 scholarships awarded since 2006);
- donation of sanitary towels to girls at primary schools in Lesotho to support menstrual health, dignity and improved school attendance;
- completion of water and sanitation infrastructure in two villages to enhance access to safe water and improve community health outcomes;
- renovation of classrooms and construction of a kitchen at Ramosoeu Primary School to improve the learning environment and support school nutrition programmes; and
- financial sponsorship in support of the Bearded Vulture Endangered Species Recovery Programme, contributing to biodiversity conservation within the region.

The Group seeks to create lasting positive impact in the countries in which it operates by strengthening local economies, maximising local employment and procurement opportunities, and investing in community projects that deliver sustainable outcomes. Our approach integrates social, environmental and economic considerations to ensure that community development initiatives are aligned with broader sustainability objectives.

Refer to our Sustainability Report 2025, available on the Group's website at www.gemdiamonds.com, for full details of our environmental and corporate social responsibility objectives and performance.

OUR PLANS FOR 2026

We have a number of important operational objectives for 2026. These include:

- the safe and responsible implementation of the updated mine plan;
- maintaining the 30% decarbonisation target of Scope 1 and 2 carbon emissions despite a scheduled increase in waste mining volumes from 2027; and
- a continued rigorous focus on operational efficiencies while closely managing operating costs and capital expenditure.

CLIMATE CHANGE REPORT

OUR APPROACH TO CLIMATE CHANGE

Gem Diamonds is committed to responsible, safe, and sustainable mining. We recognise that climate change presents both risks and opportunities for our business and the communities in which we operate, and we are committed to managing our environmental impact while strengthening the resilience of our business. Climate change considerations are integrated into our corporate strategy, risk management processes and operational planning. Our approach focuses on reducing greenhouse gas emissions, improving our energy efficiency, enhancing operational resilience to climate-related impacts and supporting the responsible transition to lower-carbon energy sources where feasible.

In 2023, the Board approved a decarbonisation strategy aligned to our long-term sustainability objectives, including a commitment to reduce Scope 1 and Scope 2 emissions by 30% by 2030, using 2021 as the baseline year. This target is supported by initiatives aimed at improving energy efficiency, optimising fuel consumption, evaluating renewable energy opportunities and strengthening energy management practices across the Group.

Over recent years, the Group has undertaken comprehensive assessments to better understand its climate-related exposure and mitigation opportunities. These have included scenario analysis, physical and transition risk assessments, energy and water footprint evaluations, carbon pricing analysis and the identification of emission reduction initiatives. The insights gained from this work continue to inform capital allocation, operational decision-making and long-term planning. Further details on our climate-related exposure and decarbonisation strategy roadmap and associated studies can be found on our website, www.gemdiamonds.com, as well as in our Sustainability Reports from 2021 to 2014, and stand-alone Climate Change Reports from 2021 to 2023, also available on our website at www.gemdiamonds.com.

Climate-related risks and opportunities are overseen at Board level, with management responsible for the implementation and performance monitoring. Progress against our emission reduction target and related initiatives is reviewed regularly to ensure alignment with our broader sustainability objectives. As a responsible mining company, we recognise that effective climate management extends beyond compliance. Our focus remains on continuous improvement, operational efficiency, prudent resource management and responsible stewardship of the natural environment. Through disciplined governance, data-driven decision-making and practical mitigation initiatives, we aim to contribute to the global effort to address climate change while sustaining long-term value for our stakeholders.

This Climate Change Report is guided by the TCFD recommendations and disclosures as they relate to our 2025 operations. We encourage stakeholders to review this report alongside the Sustainability Report 2025 for a comprehensive understanding of our climate strategy.

GOVERNANCE

How we govern climate-related risks and opportunities

Board

The Board retains ultimate oversight of climate-related risks and opportunities as part of its broader responsibility for long-term sustainability and value creation. Climate change is considered within the Group's strategic planning, capital allocation and enterprise risk management processes, ensuring alignment with our decarbonisation ambitions and responsible mining commitments. The Board, supported by its Audit and Sustainability Committees, monitors progress against emission reduction targets, reviews climate-related risk exposures and evaluates the effectiveness of mitigation and resilience measures. Climate considerations form part of regular reviews of Group strategy, risk appetite, annual budgets and operational planning. Through this structured oversight, the Board ensures that climate-related matters are managed prudently, transparently and in the best interests of the Group and its stakeholders.

Executive accountability

Executive responsibility for climate-related matters sits with the Group COO, who oversees sustainability, decarbonisation and energy management across the Group's operations. The COO is accountable for implementing climate initiatives, improving energy efficiency and driving emission reduction measures in line with the Group's approved strategy.

The Group CFO ensures that climate-related considerations are appropriately reflected in financial planning, capital allocation, risk management and external disclosures. Climate-related assumptions, including energy pricing and carbon risk considerations, are incorporated into budgeting and business planning processes where relevant.

Integrated management approach

Climate-related risks and opportunities are embedded within the Group's existing governance and management systems rather than managed in isolation. Key functions, including enterprise risk management, financial planning, insurance, project management, internal audit and operations, incorporate climate considerations into their respective processes. Management regularly reports to the Gem Diamonds and Letšeng Boards and their respective Audit and Sustainability Committees on climate-related performance, risks and mitigation opportunities. This integrated governance model supports disciplined oversight, continuous improvement and informed decision-making across the business.

Through clear accountability, structured oversight and operational integration, Gem Diamonds ensures that climate-related risks and opportunities are managed responsibly while supporting the long-term resilience and sustainability of our mining operations.

STRATEGY

The impacts of climate-related risks and opportunities on our businesses, strategy and financial planning

Gem Diamonds' strategy to sustainably maximise stakeholder value is underpinned by responsible stewardship of natural resources and disciplined operational management. Climate change is considered within this broader strategic context, recognising both the risks it presents and the opportunities it creates to enhance efficiency, resilience and long-term competitiveness. Climate considerations are embedded within three core strategic priorities that guide how we create value for stakeholders. The first is maximising value from our operations, ensuring efficiency and optimisation across all aspects of our business. The second is operating responsibly while maintaining our social licence, reinforcing our commitment to environmental and community stewardship. The third is preparing for the future, integrating sustainability into long-term planning to enhance resilience and competitiveness.

2025 climate-related considerations and strategy integration		
Operational efficiency forms a core pillar of the Group's strategic framework, aligning climate action with financial performance. Initiatives to optimise energy use and reduce resource intensity drive cost efficiencies, lower emissions and improve asset resilience. This integrated approach supports sustainable resource management while reinforcing the Group's ability to create enduring value for stakeholders.	Building resilience to the physical impacts of climate change forms part of the Group's broader risk and operational strategy. By strengthening infrastructure, emergency preparedness and adaptive planning, and supporting our PACs in enhancing their readiness, we protect operational stability and community well-being. These measures reinforce our social licence to operate and demonstrate our commitment to responsible, sustainable mining.	The Group applies disciplined governance frameworks to identify, assess and prioritise climate-related opportunities, ensuring alignment with our broader sustainability and value-creation strategy. Climate resilience is embedded within our business continuity and disaster management planning, with established protocols to address extreme weather and environmental disruptions. Our operational track record in remote and demanding environments reflects the strength of these systems and reinforces our resilience.

Effective management of climate-related risks and opportunities supports each of these priorities. By improving energy efficiency and reducing fuel consumption, we lower operating costs while reducing emissions intensity. By strengthening resilience to physical climate risks, we protect operational continuity. By monitoring regulatory and market developments, we safeguard long-term competitiveness.

Climate-related risks – both physical and transition – are incorporated into the Group's enterprise risk management processes. Physical risks such as extreme weather events, temperature variability, excessive rainfall, snowstorms, flash floods and drought are considered within operational planning and infrastructure resilience strategies. Operating in remote and often extreme environments has required the Group to develop robust mitigation and response mechanisms that enhance climate resilience.

Transition risks, including evolving regulation, carbon pricing mechanisms, changing energy markets and stakeholder expectations, are monitored and integrated into financial planning and strategic decision-making. Scenario analysis and forward-looking assessments continue to inform our understanding of potential long-term impacts and capital allocation priorities.

In 2025, the Group initiated preparations for emerging sustainability reporting standards, including the TNFD and IFRS S1 and S2 recommendations, to ensure continued alignment with evolving investor and regulatory expectations.

For more information on how we respond to and prepare for extreme weather events, refer to our Sustainability Report 2025, available at www.gemdiamonds.com.

The table below provides a high-level summary of key climate-related risks and opportunities identified by the Group.

Climate-related risks	Potential financial impact	Climate-related opportunities	Potential financial impact
Short term: 1 to 3 years			
Short-term processes include annual business and financial planning, performance reporting, short-term capital allocation and contract negotiations.			
• Increase in occurrence of moderate precipitation • Enhanced emissions reporting obligations • Enhanced ESG obligations	• Increased operating costs • Increased capital investment	• Increased resource efficiencies and reducing our reliance on fossil fuels • Enhanced water use strategies • Waste reduction and recycling initiatives	• Reduced operating costs • Increased capital investment

Climate-related risks	Potential financial impact	Climate-related opportunities	Potential financial impact
Medium term: 3 to 5 years; long term: 5 to 10 years			
Medium to long-term processes include strategy development, social and environmental management plans, rehabilitation planning, capital management plans, financing and capital investments, and operational planning, including contract negotiations and future-focused projects.			
• Increase in occurrence and severity of precipitation • Rising mean temperature • Strong winds • Increased frequency and duration of droughts • Failure of electricity providers to move to a low-carbon economy • Substitution of technology with lower-emission alternatives • Social risks due to resource constraints, particularly in developing countries • Evolving regulatory context regarding carbon tax • Increased costs of carbon-intensive products (such as diesel) • Reputational risk	• Increased capital investment • Increased operating cost • Reduced revenue from decreased production capacity • Increased insurance premium or insurance unavailability • Research, development and implementation costs of new technology • Inappropriate investment decisions	• Identify opportunities to transition to renewable energy sources • Position Gem Diamonds as an ethical and responsible producer of low-carbon-footprint diamonds • Use of new technologies • Reputational benefits	• Reduced exposure to carbon and fossil fuel pricing • Increased capital availability • Decreased operating costs • Increased capital investment

Decarbonisation strategy

Gem Diamonds is committed to practical, measurable and achievable decarbonisation. In 2023, the Group set a target to reduce Scope 1 and 2 emissions by 30% by 2030, using 2021 as the baseline. Our decarbonisation strategy balances environmental responsibility with the socio-economic realities of our host countries. We recognise the importance of a just and responsible transition that considers workforce stability, community well-being and national energy contexts. The strategy is guided by two core priorities:

- improving energy efficiency and reducing consumption through operational optimisation, equipment efficiency and disciplined energy management; and
- transitioning to lower-carbon energy sources where feasible, supported by technical assessment and economic viability analysis.

A bottom-up approach is applied to identify emission reduction opportunities across operations, supported by specialist technical expertise where appropriate. Initiatives are prioritised based on operational feasibility, cost-effectiveness and measurable impact. Performance against emission reduction targets is monitored through defined key performance indicators and incorporated into management accountability structures. In 2025, Scope 1 emissions accounted for 29% (2024: 34%) of the Group's total Scope 1 and 2 carbon footprint, with Scope 2 emissions comprising 71% (2024: 66%). This reflects the energy profile of our operations and underscores the importance of continued energy efficiency measures and continued evaluation of alternative energy options. For more information on the decarbonisation initiatives implemented in 2025, refer to the Targets and metrics section on page 44.

At Letšeng, renewable or alternative grid electricity sources remain limited. Consequently, the Group prioritises reducing overall energy demand to improve efficiency and manage costs while evaluating feasible lower-carbon energy solutions. By focusing first on energy optimisation, we strengthen the economic case for renewable integration and minimise residual emissions requiring mitigation. Through disciplined implementation of our decarbonisation strategy, Gem Diamonds aims to enhance operational efficiency, strengthen resilience and contribute meaningfully to climate mitigation efforts, while sustaining long-term value for our stakeholders.

RISK MANAGEMENT

How we identify, assess and manage climate-related risks

Climate-related risks are embedded within the Group's enterprise risk management framework and are considered alongside other strategic, operational and financial risks. This integrated approach ensures that climate-related exposures are assessed within the broader context of business resilience, long-term planning and capital allocation. Risks and opportunities are identified and evaluated across short, medium and long-term horizons, enabling the Group to anticipate potential impacts and implement appropriate mitigation or adaptation measures. Both physical risks (such as extreme weather events and climate variability) and transition risks (including regulatory developments, carbon pricing mechanisms and evolving stakeholder expectations) are systematically considered within the Group's risk processes.

Climate-related risks are reviewed through structured management forums and quarterly risk workshops, where department heads assess emerging exposures and evaluate mitigation effectiveness. These assessments inform updates to the Group risk register and guide the implementation of targeted action plans at both Group and operational levels. The effectiveness of mitigation measures is monitored through regular technical reviews and management risk meetings to ensure continuous improvement.

The Board retains ultimate oversight of risk management, including climate-related risks. The Audit Committee monitors climate-related governance, financial implications and regulatory developments, while the Sustainability Committee oversees operational climate risks, decarbonisation performance and broader health, safety, social and environmental considerations. Through this structured governance model, climate-related risks are subject to the same disciplined oversight as other principal risks facing the Group.

To further strengthen risk identification and preparedness, the Group engages specialist expertise in areas such as insurance, pit slope stability, RSF management, energy and decarbonisation where appropriate. This external insight supports forward-looking risk assessment and enhances organisational readiness for evolving climate-related challenges.

Through integrated governance, structured risk assessments and continuous monitoring, Gem Diamonds seeks to manage climate-related risks proactively while safeguarding operational continuity and long-term stakeholder value. For further details on how Gem Diamonds identifies, evaluates and manages risks – including climate-related risks – refer to the Risk management section on page 18.

TARGETS AND METRICS

The targets and metrics used to assess and manage relevant climate-related risks and opportunities

The Group applies structured monitoring and performance measurement to assess climate-related risks, track decarbonisation progress and support informed operational and capital allocation decisions. Carbon, energy and water metrics are monitored throughout the year, enabling management to identify emerging trends, assess mitigation effectiveness and respond proactively to operational and market developments.

Climate-related performance indicators are embedded within broader operational reporting frameworks and reviewed regularly by management and the Board Committees. These metrics support transparency, accountability and continuous improvement across the Group. As Letšeng accounts for the significant majority of the Group's carbon footprint, performance trends are primarily influenced by operational and energy dynamics at that mine. For more information on our carbon emissions, including Scope 1, 2 and 3 emissions and related climate metrics, refer to our Sustainability Report 2025, available at www.gemdiamonds.com.

Carbon

The Group's total carbon footprint for 2025 was 97 183 tCO_2e, representing a 6% reduction compared to 2024 (103 215 tCO_2e), resulting primarily from reduced waste mining volumes and other energy efficiency measures. This includes direct carbon emissions (Scope 1), energy indirect carbon emissions (Scope 2) and material Scope 3 emissions. Since 2021, total carbon emissions have decreased by 36%.

The 2021 baseline and 2024 comparative figures were recalculated to exclude emissions attributable to the Ghaghoo mine, which was relinquished to the Government of Botswana in 2025. This adjustment was undertaken in accordance with the GHG Protocol Corporate Accounting and Reporting Standard to ensure that historical performance and decarbonisation targets reflect the Group's current operational boundary.

In 2025, Scope 1 emissions represented 26% of the Group's total carbon footprint (31% in 2024 and 40% in 2021), while Scope 2 emissions increased to 66% (60% in 2024 and 44% in 2021).

This change in the emissions profile reflects shifts in energy sourcing rather than increased electricity demand. Improved reliability of the South African grid, which supplies electricity to Letšeng, significantly reduced reliance on diesel- powered generators. Load shedding declined from 83 days in 2024 to 13 days in 2025, resulting in a year-on-year reduction in generator-related emissions. While this reduced Scope 1 emissions from stationary combustion, greater availability of grid electricity increased Scope 2 emissions.

Carbon emissions	Unit	2025	2024[1]	2021[1]	Performance against 2021 baseline (%)
Scope 1 (direct)	tCO_2e	**25 578**	32 176	61 039	(58)
Scope 2 (indirect)	tCO_2e	**64 027**	61 610	67 159	(5)
Total Scope 1 and 2	tCO_2e	**89 605**	93 786	128 198	(30)
Scope 3 (indirect)	tCO_2e	**7 578**	9 429	22 976	(67)
Total Scope 1, 2 and 3	tCO_2e	**97 183**	103 215	151 174	(36)
Total tonnes mined (ore and waste)	tonnes	**7 113 069**	10 472 830	24 395 986	(71)
Ore tonnes treated	tonnes	**5 188 776**	5 018 739	6 172 428	(16)
Carats recovered	carats	**90 354**	105 012	115 336	(22)

[1] *The 2021 baseline and 2024 comparative figures have been restated to exclude the Ghaghoo mine, which was relinquished during the year.*

Operational optimisation further contributed to Scope 1 reductions. A substantial reduction in waste stripping, combined with continued refinement of mine design and hauling efficiencies, resulted in a 58% reduction in total Scope 1 emissions since 2021. At Letšeng, mobile diesel-related emissions decreased by 56% and stationary combustion emissions decreased by 33% compared to 2021. These structural operational improvements underpin the Group's decarbonisation progress and demonstrate that emission reductions have been achieved through optimised mine planning, reduced waste mining volumes and efficiency gains rather than reduced ore treatment volumes. The Group remains committed to minimising environmental impact while strengthening operational resilience through disciplined optimisation.

Letšeng carbon emissions related to diesel consumption (tCO_2e)	2025	2021	Performance against 2021 baseline (%)
Diesel: Mobile combustion	**23 065**	52 410	(56)
Diesel: Stationary combustion	**2 420**	3 587	(33)
Total emissions related to diesel consumption	**25 485**	55 997	(54)

The Group monitors both absolute and intensity-based indicators to assess carbon performance. Emissions intensity per tonne mined (ore and waste) increased between 2021 and 2025, reflecting the significant reduction in waste tonnes mined rather than increased energy consumption. In contrast, intensity metrics linked to productive output improved materially. Emissions per carat recovered and per ore tonne treated improved by 11% and 19%, respectively, between 2021 and 2025.

Carbon intensity indicators	Unit	2025	2021	Performance against 2021 baseline (%)
Intensity indicator: Scope 1 and 2 (tCO_2e)/Tonnes mined (ore and waste)	ratio	**0.013**	0.005	160
Intensity indicator: Scope 1 and 2 (tCO_2e)/Tonnes ore treated	ratio	**0.017**	0.021	(19)
Intensity indicator: Scope 1 and 2 (tCO_2e)/Carats recovered	ratio	**0.992**	1.112	(11)

The Group will continue to track both absolute emissions and operational intensity indicators to ensure a balanced assessment of performance.

Energy

Group-wide Scope 1 and Scope 2 energy consumption in 2025 was 153.0 million kWh (2024: 169.3 million kWh). Approximately 99% of this energy consumption is attributable to Letšeng, where the principal energy sources are grid electricity and diesel-powered generators.

Since 2021, Scope 1 and 2 energy consumption has decreased by 48%. While energy intensity per tonne mined increased as a result of reduced waste stripping volumes, intensity per ore tonne treated and per carat recovered improved, demonstrating enhanced energy efficiency across mining, processing and site services. In 2025, total energy consumption declined by 16.3 million kWh compared to 2024 and by 140.7 million kWh compared to 2021.

The Group continues to prioritise demand reduction as the first step in its decarbonisation hierarchy. Improving energy efficiency strengthens cost resilience, reduces exposure to carbon pricing mechanisms and enhances the long-term viability of integrating lower-carbon energy solutions.

Energy consumption	Unit	2025	2024[1]	2021[1]	Performance against 2021 baseline (%)
Scope 1	kWh	**89 631 116**	108 281 947	225 409 727	(60)
Scope 2	kWh	**63 393 101**	61 000 690	68 320 176	(7)
Total Scope 1 and 2	kWh	**153 024 217**	169 282 637	293 729 903	(48)
Total tonnes mined (ore and waste)	tonnes	**7 113 069**	10 472 830	24 395 986	(71)
Ore tonnes treated	tonnes	**5 188 776**	5 018 739	6 172 428	(16)
Carats recovered	carats	**90 354**	105 012	115 336	(22)
Intensity indicator: Scope 1 and 2 (kWh)/ Tonnes mined (ore and waste)	ratio	**21.5**	16.2	12.0	79
Intensity indicator: Scope 1 and 2 (kWh)/ Tonnes ore treated	ratio	**29.5**	33.7	47.6	(38)
Intensity indicator: Scope 1 and 2 (kWh)/ Carats recovered	ratio	**1 693.6**	1 612.0	2 546.7	(33)

[1] *The 2021 baseline and 2024 comparative figures have been restated to exclude the Ghaghoo mine, which was relinquished during the year.*

Water

Gem Diamonds recognises that climate variability is reshaping freshwater availability globally, with changing precipitation patterns influencing recharge rates, storage capacity and water security. Responsible water stewardship is therefore integral to our operational resilience and long-term sustainability.

Water management is embedded within the Group's environmental and operational planning processes, ensuring that water use is monitored, optimised and aligned with responsible mining practices. Our approach prioritises efficient use, recycling and loss prevention while safeguarding ecosystem integrity and supporting surrounding communities. For more details on our commitment to water stewardship, refer to our Sustainability Report 2025 at www.gemdiamonds.com and our detailed water stewardship case study in our Sustainability Report 2022, also available at www.gemdiamonds.com.

The Group's historical water performance baseline was recalculated to exclude water usage attributable to the Ghaghoo mine, which was relinquished to the Government of Botswana in 2025. This adjustment ensures consistency with the Group's current operational boundary and aligns with the approach applied to carbon and energy reporting.

Since 2021, the Group has achieved a 76% reduction in net water usage. While the Group's operations are not water-intensive relative to other mining activities, ore processing remains the primary water-consuming activity. Continued optimisation of processing efficiencies, improved recycling systems and enhanced water loss prevention initiatives have contributed to a 72% improvement in net water use per tonne of ore treated since 2021. Water usage per tonne of ore and waste mined was 0.21 in 2025 compared to 0.26 in 2024.

These improvements reflect disciplined water management practices and operational optimisation rather than reduced oversight. As climate patterns evolve, the Group will continue to strengthen its understanding of hydrological risks and adapt its water management practices accordingly. Through structured monitoring, infrastructure resilience and continuous improvement initiatives, Gem Diamonds remains committed to protecting water resources while ensuring sustainable and responsible mining operations.

Water consumption	Unit	2025	2024[1]	2021[1]	Performance against 2021 baseline (%)
Net water usage	million m^3	**1.5**	2.7	6.3	(76)
Water withdrawal and capture	million m^3	**0.5**	0.4	0.3	67
Water recycled	million m^3	**3.8**	5.0	8.6	(56)
Water loss through evaporation, entrainment, and seepage	million m^3	**1.8**	1.8	1.8	–
Total tonnes mined (ore and waste)	tonnes	**7 113 069**	10 472 830	24 395 986	(71)
Ore tonnes treated	tonnes	**5 188 776**	5 018 739	6 172 428	(16)
Net water use (m^3)/Tonnes mined (ore and waste)	ratio	**0.21**	0.26	0.26	(19)
Net water use (m^3)/Tonnes ore treated	ratio	**0.29**	0.54	1.02	(72)
Recycled water (m^3)/Tonnes mined (ore and waste)	ratio	**0.53**	0.48	0.35	51
Recycled water (m^3)/Tonnes ore treated	ratio	**0.73**	1.00	1.39	(47)

[1] *The 2021 baseline and 2024 comparative figures have been restated to exclude the Ghaghoo mine, which was relinquished during the year.*

GOVERNANCE

CHAIRPERSON'S INTRODUCTION TO CORPORATE GOVERNANCE

2025 HIGHLIGHTS

Board independence	Board ethnic minorities	Board gender diversity
71%	43%	43%

UK CORPORATE GOVERNANCE CODE – COMPLIANCE STATEMENT

The Board confirms that for the year ended 31 December 2025, the Company fully complied with all provisions of the UK Corporate Governance Code 2024 (the Code), except for Provision 29 which becomes effective in 2026. Page 51 illustrates how the Governance section has been structured around the Principles contained in the Code.

FOCUS AREAS 2025

As the Board of Gem Diamonds, it is our responsibility to ensure that the Company is governed in the very best interests of all its stakeholders. The key activities of the Board and Committees during 2025 are detailed on pages 56 to 58.

PRINCIPAL DECISIONS 2025

Refer to the Committee reports on pages 63 to 94, which give more detail regarding the major decisions taken and recommendations made by Board Committees as part of their mandate to support the Board.

GOVERNANCE

The Group adopted the provisions (other than Provision 29 which becomes effective from 1 January 2026) set out in the UK Corporate Governance Code 2024, which became effective from 1 January 2025. Gem Diamonds consistently applied the principles of good governance contained in the Code and voluntary disclosures in relation to the Miscellaneous Reporting Regulations during the year.

TRANSPARENT REPORTING

The Board and reporting team have applied their minds to ensure the Annual Report and Accounts 2025 are transparent and provide meaningful disclosures on its activities and the way it manages the business. The Board welcomes any feedback or requests for further information.

FUTURE FOCUS AREAS 2026

The Board will concentrate on ensuring the BR Programme's continued delivery and will monitor market conditions to identify opportunities for earlier investment in the waste cutback, enabling access to the higher-value Satellite Pipe ore.

The negotiation and renewal of the RCFs that expire in December 2026 will require significant oversight by the Board to ensure the financial status of the Group is managed prudently during a period when production will be sourced only from the lower-value Main Pipe ore.

The Board will continue to focus on the health, safety and well-being of its workforce and communities, and to maintain constructive, open and transparent dialogue with representatives of the Lesotho Government. The Board will also closely track the targeted reduction in the Group's carbon footprint.

The Audit Committee will focus on preparing for Provision 29 of the Code, relating to risk management and the Group's internal control framework, which will become effective in 2026.

Close attention will be paid to succession planning and skills retention of the Board as individual members approach the end of their tenures.

Details of the Board's internal performance review, the performance of the Board Committees and individual Directors are available on page 60. There were no material outcomes from the 2025 performance review to be actioned in 2026.

FURTHER ENGAGEMENT

My fellow Directors and I will be available at the 2026 AGM on 3 June 2026 to respond to any questions shareholders may have on this report or on any of the Committees' activities. I look forward to engaging with those shareholders who are able to attend.

We welcome discussions with shareholders regarding our governance arrangements. You are welcome to contact me via our Company Secretary at ir@gemdiamonds.com.

HOW WE PERFORM OUR DUTIES

The main methods used by the Directors to perform their duties include:

Strategy

The Board oversees, analyses and approves the annual strategy review, which considers the concerns of key stakeholders and developments in regulations, governance requirements, current market conditions and the short, medium and long-term business outlook (refer to pages 15 to 17).

Risk management

The Board oversees and has ultimate responsibility for the Group's risk management processes, ensuring that key risks are properly identified, assessed, mitigated and monitored (refer to pages 18 to 23).

Sustainability

The Board oversees that appropriate systems and policies are in place to identify and responsibly manage sustainability-related matters (refer to page 39 and the Sustainability Report 2025, available on the Group's website at www.gemdiamonds.com).

External assurance

Provided by audits and certification in accordance with international management standards.

Organisational culture

The Board sets the ethical tone for the Group and ensures that the Group's organisational culture aligns with our purpose and values (refer to page 2).

Stakeholder engagement

The Board tracks stakeholder engagement to ensure the Group is informed of key stakeholders' main concerns and interests (refer to pages 11 to 14).

Harry Kenyon-Slaney
Chairperson
17 March 2026

GOVERNANCE FRAMEWORK

The Board

The Board is responsible for the overall conduct of the Group's business, with its primary focus on:

- Determining the Group's vision, purpose and values to guide and shape its current operations and future development
- Establishing the overall strategy and satisfying itself that this is aligned with the Group's culture
- Ensuring that employee policies and practices are consistent with the Group's values and support its long-term success, and regularly assessing and monitoring the Group's culture
- Establishing procedures to manage risk and oversee the Group's internal control framework
- Exercising accountability to shareholders and being responsible to relevant key stakeholders
- Ensuring adequate succession planning
- Approving changes to the Group's capital and corporate structure
- Determining the Remuneration Policy
- Monitoring the effectiveness of and reporting on corporate governance

Strategy

page 15

Principal risks and uncertainties

page 18

S172 statement

page 10

Delegation of certain matters to Board subcommittees

There are six formally constituted Committees of the Board, each of which has specific terms of reference.

Audit Committee (page 70)

Reviewing and monitoring:

- The integrity of the financial and narrative statements and other financial information provided to shareholders
- The Group's internal control framework and risk management
- The internal and external auditor and audit process
- The processes for compliance with laws, regulations and ethical codes of practice

Nominations Committee (page 63)

- Lead and ensure a formal, rigorous and transparent procedure for the appointment of new Directors to the Board
- Ensure Board composition is regularly reviewed and refreshed
- Oversee the development of a diverse workforce and pipeline for succession
- Liaise with the Remuneration Committee in respect of any remuneration package to be offered to any new appointee to the Board

Sustainability Committee (page 66)

- Promote a culture of zero harm and responsible care
- Monitor environmental impact and resource consumption
- Review and monitor the Group's approach, policies and measures on health, safety, corporate social responsibility, climate change and the environment

Remuneration Committee (page 74)

- Ensure remuneration policies and practices are designed to support strategy, promote long-term sustainable success, and reward fairly and responsibly, with a clear link to corporate and individual performance, having regard for statutory and regulatory requirements
- Ensure executive remuneration is aligned to purpose, values and attainment of long-term strategy

Standing Committee and Share Scheme Committee

- Facilitate the administration of the Board's delegated authority

Executive Directors and management

The Board delegates the execution of strategy and the day-to-day management of the business to the Executive Directors and management.

DIRECTORATE AND EXECUTIVE MANAGEMENT

NON-EXECUTIVE DIRECTORS

HARRY KENYON-SLANEY (65)

Independent non-Executive Chairperson

BSc Geology (Southampton University); International Executive Programme (INSEAD France)

ROSALIND KAINYAH (68)

Senior Independent non-Executive Director

BA (Hons) (University of Ghana); LLB (Hons) (University of London); LLM (University College, University of London); Member of the Bar of England & Wales (Gray's Inn)

MIKE BROWN (65)

Independent non-Executive Director

BSc Engineering (University of the Witwatersrand); PR Eng (ECSA); Strategic Executive Programme (London Business School); Member of the Institute of Directors of SA (IoDSA)

JANET BLAS (44)

Independent non-Executive Director

BSc Accountancy (University of Santo Tomas (UST)); Certified Public Accountant

Following Mazvi Maharasoa's resignation on 31 December 2025, Rosalind Kainyah was appointed to the Audit Committee.

Committee icons

Nominations | Audit | Sustainability | Remuneration | Chairperson

EXECUTIVE DIRECTORS

CLIFFORD ELPHICK (65)

Chief Executive Officer

BCom (University of Cape Town); BCompt Hons (University of South Africa)

MICHAEL MICHAEL (55)

Chief Financial Officer

BCom Hons (Rand Afrikaans University); CA(SA)

EXECUTIVE MANAGEMENT

BRANDON DE BRUIN (54)

Chief Operating Officer

BCom; LLB (University of the Witwatersrand); Attorney (South Africa) and Solicitor (England and Wales)

KIKI CONSTANTOPOULOS (46)

Group Financial Controller and Company Secretary

BCom Hons (University of the Witwatersrand); CA(SA)

MINELLE ZECH (51)

Group Human Resources Executive

BCom HR (Potchefstroom University)

CORPORATE GOVERNANCE STATEMENT

HOW THIS SECTION IS STRUCTURED

The Governance section aligns with the structure and Principles (A to R) of the UK Corporate Governance Code 2024 (the Code) and illustrates how we have applied the Code Principles and complied with the provisions.

1	**Board leadership and Group purpose** **Pages 51 to 54**
A	Effective Board
B	Purposes, values and culture
C	Governance framework and Board resources
D	Stakeholder engagement
E	Employee policies and practices
2	**Division of responsibilities** **Pages 54 to 58**
F	Board roles
G	Independence
H	External commitments and conflicts of interest
I	Key activities of the Board in 2025
3	**Composition, succession and performance review** **Pages 58 to 60**
J	Changes to the Board
K	Board skills, experience and knowledge
L	Annual Board performance review
4	**Audit, risk and internal control** **Pages 60 to 61**
M	Financial reporting External auditor Internal audit
N	Review of the Annual Report and Accounts 2025
O	Internal financial controls Risk management
5	**Remuneration** **Pages 61 to 62**
P	Linking remuneration with purpose and strategy
Q	Remuneration Policy review
R	Performance outcomes in 2025 Strategic targets

BOARD LEADERSHIP AND GROUP PURPOSE

Effective Board

The Board comprises Directors with a broad range of appropriate expertise, knowledge and insights, including extensive mining industry experience (refer to page 161). The Board's focus areas (refer to page 47) support the guidance of the Code by fostering the long-term sustainability of the Group, creating and preserving stakeholder value and contributing to wider society.

The Board oversees, analyses and approves the annual strategy and business plan prepared by Executive Management. This year's strategy review took place in June 2025 and assessed the ongoing relevance of the strategy against the current local and global context, the potential impact of current and emerging risks (refer to page 18), and the appropriateness of the current business model (refer to page 5) to achieve our strategic objectives. The business plan review for the three-year period commencing 2026 took place in November 2025.

Key areas discussed by the Board during the strategy review and business plan review included:

- The share price performance and engagement with shareholders.
- Alignment of the strategic priorities with the Group's purpose, vision, values and culture.
- The strategy's contribution to achieving the Group's vision in 2025, including the Group's meaningful, sustainable contributions to the countries in which it operates.
- Updates on the performance of the diamond market, Gem Diamonds' position in the diamond industry and the impact of synthetic diamonds on the industry.
- Optimising operations through a review of operational structures, capital allocation, mine planning, cost containment, enhancing operational efficiencies and strategic partnerships.
- External growth opportunities through the acquisition of other diamond orebodies or diversification into other commodities.
- The optimisation of the life of mine and future cutbacks of the Letšeng orebody.
- Assessing various sensitivity scenarios on covenant requirements under the RCFs.
- Approaching the Lesotho Ministry of Natural Resources for royalty payment relief measures.

The Board is supported by the Board Committees, which prioritise specific areas of the business (refer to page 49) and provide feedback to the Board through the respective chairs. This structure ensures that the Board is kept abreast of all emerging issues and up to date on the matters delegated to the respective Committees in order to carry out its responsibilities effectively.

Purpose, values and culture

Several metrics are utilised to monitor workplace culture, providing information on the Group's collective experience and behavioural trends to inform future focus areas. In 2025, the Board and senior management continued to promote the Group's sustainable success by reinforcing the purpose, values and goals.

The Board monitored strategic metrics to track culture, including:

- Training data.
- Diversity of the workforce and an appropriate diverse pipeline for succession planning.
- Recruitment, reward and promotion decisions.
- Whistleblowing, grievance and "speak-up" data.
- Board interaction with senior management and the workforce.
- Health and safety data.

Governance framework and Board resources

The Group's corporate governance framework and processes provide effective oversight of the business to promote long-term value creation and benefit for all stakeholders. Strategy development and execution are supported by:

- Clear lines of accountability and responsibility.
- Linking the strategic priorities to KPIs that can be tracked to monitor delivery on the strategy.
- Regular feedback and sharing of information to inform timely decision-making.
- Engaging with key stakeholders to ensure their concerns and interests are included where relevant (refer to page 11).
- Maintaining an effective risk management framework (refer to page 18) that is aligned with the Group's strategy and performance objectives and supported by comprehensive internal controls and regular assurance.
- Independent insight and knowledge from non-Executive Directors.

Clear information flows are in place between the Board and Executive Management, and ample time is provided at Board meetings to focus on strategy and key decisions. The information that the Board receives allows for an appropriate level of detail to inform the discussions without being excessive. Where relevant, the person responsible for the report attends the Board meeting to provide further information and give Directors the opportunity to gain deeper insights into the matter and challenge the outcomes. Presentations by external experts in relevant areas expose Directors and Executive Management to new perspectives.

Independent advice

The Directors have access to Executive Management and the advice and services of the Company Secretary. The Company Secretary is accountable to the Board for compliance with all governance matters and assists with professional development as required.

All Directors, either independently or collectively, may take independent professional advice at the expense of the Company in the conduct of their duties, subject to prior consultation with and approval by the Chairperson or the Senior Independent non-Executive Director.

Company Secretary

The Company Secretary keeps the Board abreast of all compliance and best practice matters.

Protection

In line with the Company's Articles of Association, the Company has, and continues to maintain, indemnities granted by the Company to the Directors of the Company and the Company's associated companies, to the extent permitted by and consistent with BVI law, the UK Companies Act, 2006 and rules made by the UK Listing Authority. Neither the insurance nor the indemnity provides cover in the case where a Director or Group employee has acted fraudulently or dishonestly.

Stakeholder engagement

The Board recognises the importance of effective and proactive engagement with stakeholders. Pages 11 to 14 contain a detailed analysis of stakeholder engagement during 2025.

Annual General Meeting

The 2025 AGM was held on 4 June 2025. The meeting addressed the formal resolutions contained in the notice of meeting, and shareholders were invited to submit questions in advance. Voting on all resolutions was conducted by poll vote. The results of the resolutions were announced through the Regulatory News Services and on the Gem Diamonds website.

In accordance with the Code, if any resolution put to shareholders receives more than 20% of votes against it, the Board should seek to actively engage with shareholders to understand their concerns and publish a report on the actions taken and any next steps within six months of the meeting. There were no resolutions which received more than 20% of votes against them. Refer to page 11 for further details.

The 2026 AGM will be held on Wednesday, 3 June 2026. Details of the resolutions to be proposed at the AGM will be included in the Notice of AGM, which will be published on the Gem Diamonds website at www.gemdiamonds.com. It will be sent to shareholders who requested to receive paper copies a minimum of 20 business days before the meeting. Shareholders who receive electronic communications can access the Annual Report and Accounts 2025 and the AGM documentation through the website at www.gemdiamonds.com.

Employee policies and practices

Employee policies and involvement

The Group prioritises the health, safety and effective performance of employees and maintains positive employee relations. The Group encourages a direct relationship with open communication between employees and management. Mazvi Maharasoa, a non-Executive Director, was the Board's representative during the year who engaged with the broader workforce and provided direct feedback to the Board on key concerns raised. The Employee Engagement Committee was established in 2022 and has since been chaired by Mazvi. Two formal meetings were held with employee representatives in 2025, one of which was attended by Rosalind Kainyah in her capacity as Chairperson of the Remuneration Committee, to discuss how executive remuneration aligns with the wider Group pay policy. Following Mazvi's resignation from the Board in December 2025, Mike Brown has now been appointed as the Board's new representative in this role.

Matters raised during these meetings are addressed at Board and management level, as appropriate. Employees are informed about the Group's performance and objectives through direct and ongoing communication with management, as well as the Group's website, published information, the circulation of press cuttings and Group announcements. Refer to page 12 for further details.

Equal opportunity is a fundamental principle of Gem Diamonds, and the Group is committed to achieving equality regardless of gender, religion, race or marital status. Applications from people with disabilities are welcomed for positions they can adequately fill, having regard for their abilities and aptitudes. Where existing employees become disabled, it is the Group's policy, where practical, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion for disabled employees wherever possible.

The Group aims to attract and retain excellent management and employees by creating an environment that incentivises outstanding performance. Guidelines and frameworks covering remuneration benefits, performance management, career development, succession planning, recruitment, expatriate employment and the alignment of human resources management and policies are in place and aligned with international best practice. Each operating unit manages its human resources requirements locally within the Group's guidelines and frameworks.

The Modern Slavery Statement, in accordance with the Slavery Act, is updated and published on the Group website annually and can be viewed at www.gemdiamonds.com.

Bribery Act

The Group has a zero-tolerance approach to acts of bribery and corruption involving any of its employees, third-party representatives or associates. We uphold and comply with the requirements of the UK Bribery Act. The Group's terms of business require all clients and third parties with whom business is transacted to adopt the same zero-tolerance approach to bribery and corruption as implemented by the Board. Training on anti-bribery and corruption is conducted through online and interactive applications. The Group anti-bribery and corruption policy was reviewed during the year, with no changes necessary. The Board is also acutely aware of the recently established criminal offence (enacted by the Economic Crime and Corporate Transparency Act 2023 in the UK) for large organisations that fail to prevent fraud by employees, agents or subsidiaries intended to benefit the company, and is confident that its anti-bribery and corruption policy adequately addresses this risk.

Refer to the Audit Committee report on page 70.

Whistleblowing programme

Independently operated and confidential toll-free phone hotlines are in place in each country where the Group operates. Online submissions can also be made through www.gemdiamonds.ethicpoints.com. Individuals can report any breach of the Group's business principles through these channels, including but not limited to bribery, breaches of ethics and fraud.

All whistleblowing incidents reported are referred by the Group Internal Auditor or Company Secretary to the relevant operations, where they are fully investigated. The results of these investigations are reported to the Boards of local operations and the Audit Committee. Group Internal Audit periodically reviews the design and effectiveness of the hotline and reports the results to the Audit Committee.

One whistleblowing matter was carried over from previous years and one new report was received during the year. No matters remained open at the end of the year. The Board is satisfied that the whistleblowing programme is being used effectively by concerned individuals and that all reports raised are properly investigated and reported.

Data protection

The Group's privacy policy can be found on its website at www.gemdiamonds.com. Any correspondence relating to data protection and privacy queries can be submitted via the dedicated email address dataprotection@gemdiamonds.com, which is reviewed by the CFO.

No correspondence was received during the year.

DIVISION OF RESPONSIBILITIES

Board roles

The governance framework on page 49 sets out the primary role of the Board.

The Board meets regularly to cover strategic matters such as operational and financial performance, risk management and other critical business concerns, and has a formal schedule of matters reserved for its deliberation. The agenda for each Board meeting includes discussion and decision-making, and sufficient time and appropriate resources are allocated for these matters.

While all Directors have equal responsibility in terms of the law for managing the Group's affairs, Executive Management is responsible for operating the business within the parameters set by the Board. This includes producing clear, accurate and timely information and reports to equip the Board to monitor and assess the Group's performance.

Financial and operational performance are reviewed at each Board meeting, and Directors receive regular updates on the Group's performance across a range of metrics. Regular reports presented to the Board include health and safety reports; CSI and stakeholder matters reports; climate-related risk reports; risk management reports; residue storage facility integrity reports; operations reviews; sales and marketing reports; half-year and full-year financial results; employee surveys; and investor relations updates. Executive Management draws on the expertise and experience of the non-Executive Directors.

Directors are encouraged to express their views freely, and where they have concerns about the running of the Group or a proposed course of action, may ask that these be recorded in the minutes where appropriate. No such concerns were raised during 2025.

Chairperson and Chief Executive Officer

The respective responsibilities of the Chairperson and the Chief Executive Officer are clearly defined and separate, ensuring a clear division of responsibilities between the leadership of the Board and the executive leadership of the Group. The Chairperson is responsible for creating the conditions for the effective working of the Board. The CEO is responsible for the leadership, operations and management of the Group in line with the strategy and business plan agreed by the Board. Their individual responsibilities, together with the responsibilities of the Senior Independent Director and non-Executive Directors, align with the requirements of the Code and are detailed below.

Role of Chairperson Harry Kenyon-Slaney	Role of Chief Executive Officer Clifford Elphick
• Provides effective leadership to the Board, ensures it operates smoothly and efficiently and sets the highest standards of corporate governance • Provides strategic guidance to Executive Management • Sets the agenda, style and tone of Board discussions, ensures adequate time is available for discussion of all agenda items, and encourages input from all members of the Board • As Chairperson of the Nominations Committee, ensures the Board comprises individuals with appropriate skill sets, experience, knowledge and diversity, and that succession plans are in place for the Board and senior management • Ensures the Company maintains effective communication with shareholders and that the Board understands their views and concerns • Works with the CEO to ensure the Board receives accurate and timely information on the performance of the Group • Leads the review of the performance of the Board, its Committees and individual Directors, including identifying development or training needs and giving timely individual performance feedback • Encourages a culture of openness and discussion to foster a high-performing, collegial team of Directors • Ensures that strategic issues are regularly reviewed, clearly understood and underpin the work of the Board • Facilitates the relationship between the Board and the CEO • Chairs the annual strategy review meetings	• Develops a business strategy for the Group to be approved by the Board • Produces business plans for the Group to be approved by the Board • Oversees management of the executive resource and succession planning processes • Together with the Board, ensures compliance with all relevant laws and regulations • Makes recommendations to the Board on the appropriate delegation of authority within the Group • Keeps the Board informed about the performance of the Group and brings to the Board's attention all matters that materially affect, or are capable of materially affecting, the performance of the Group and the achievement of its strategy • Develops, for the Board's approval, appropriate values and standards to guide all activities undertaken by the Group • Provides clear and visible leadership in responsible business conduct

Role of Senior Independent non-Executive Director Rosalind Kainyah	Role of non-Executive Directors
• Acts as a sounding board and provides support to the Chairperson • Serves as an intermediary between the Chairperson and other Directors as necessary • Makes herself available to shareholders if concerns raised with the Executive Management team and/or the Chairperson have not been satisfactorily resolved • Leads the non-Executive Directors in the performance review of the Chairperson • Ensures there is a clear division of responsibilities between the Chairperson and the CEO • Plays a leading role in the succession planning for the Chairperson • Current Chairperson of the Remuneration Committee	• Scrutinise the performance of Executive Management in achieving agreed goals and objectives and monitor the reporting of performance • Review the integrity of financial information and determine whether internal controls and systems of risk management are robust • Determine the Company's policy for executive remuneration, as well as the remuneration packages for the Chairperson and Executive Directors, through the Remuneration Committee • Ensure a satisfactory dialogue with shareholders on strategy, remuneration policy and other relevant matters • Strengthen links between the Board and the workforce by designating a non-Executive Director who, in conjunction with management, develops and implements workforce engagement initiatives and reports to the Board on relevant matters or issues of concern highlighted by the workforce • Provide a wide range of skills and independence, including independent judgement on issues of strategy, performance and risk management • Chairpersons of the Audit and Sustainability Committees

For more information on the roles of Board Committees, refer to www.gemdiamonds.com.

Independence

Non-Executive Directors are required to be independent in character and judgement. In applying the independence test, the Board considers relationships with Executive Management, major shareholders, subsidiary and associated companies and other parties with whom the Group transacts business against predetermined materiality thresholds.

The Board considers all the non-Executive Directors to be independent in accordance with the Code.

The letters of appointment for the non-Executive Directors and the contracts of the Executive Directors are available for inspection through requests made directly to the Company Secretary through ir@gemdiamonds.com.

External commitments and conflicts of interest

External commitments

External commitments are detailed in the Directors' CVs on page 161.

Conflicts of interest

The UK Companies Act (the Act) requires Directors to avoid any situation where they may have a direct or indirect interest that conflicts, or may conflict, with the Group's interests, unless approved by the non-interested Directors. In accordance with this Act, the Group operates a procedure, which was reviewed by the Board in March 2026, with no changes, to ensure the disclosure of conflicts and, if appropriate, the consideration and authorisation of them by non-conflicted Directors. The Board maintains a register of Directors' interests that it reviews annually (most recently in March 2026). The Group voluntarily complies with this requirement.

Dealings in shares and the UK market abuse regime

Gem Diamonds' share dealing policy and reporting procedures are in line with the UK Market Abuse Regulations implemented in July 2016 and updated last in November 2024.

Related-party transactions

Other than those disclosed in Note 26 of the financial statements, the Company did not have any transactions with, or make any loans to, related parties in which any Director had any interest during the year.

Key activities of the Board and Committees in 2025

The Board's key activities for 2025 are linked to our three strategic priorities to deliver maximum value for all stakeholders:

Extracting Maximum Value from Our Operations	Working Responsibly and Maintaining Our Social Licence	Preparing for Our Future

These key activities relate to various focus areas:

Operational	• Approved Letšeng's revised long-term mine plan and the implications of the delayed access to the next cut in the Satellite Pipe • Monitored the implementation of the Group's cost saving and cash preservation initiative, the Business Resilience (BR) Programme, as detailed on page 26 • Oversaw the organisational safety culture strategy at Letšeng • Reviewed quarterly management reports on operational performance • Reviewed and approved planned and deferred capital expenditure • Familiarised with the TNFD and IFRS S1 and S2 recommendations and reviewed the roadmap to adoption • Oversaw responsible residue facility management and alignment with the ICMM's GISTM • Monitored progress on the decarbonisation targets and the ongoing integration of the climate change-related strategy • Oversaw the environmental conservation and stewardship performance • Reviewed and approved the 2026 business plan
Strategy and financing	• Held the annual strategy review in June 2025, setting short-term priorities for management under current diamond industry conditions and reviewing longer-term strategic opportunities • Approved the BR Programme in July, incorporating a revised mine plan, and considered the impact on stakeholders • Reviewed the refinancing strategy in light of the expiry of the RCFs within the going concern period • Assessed various sensitivity scenarios on covenant requirements under the RCFs • Approved the relinquishment of the Ghaghoo mining licence and the handover of the mine site to the Botswana Government • Endorsed the reduced Board structure and ongoing rationalisation thereof

Risk management and internal control	• Reviewed risk management processes and the updated risk register, including emerging risks • Reviewed updates from the Audit Committee on the internal control and assurance functions • Reviewed regular updates from the Sustainability Committee on the identification and management of risks relating to health, safety, environment, community investment and relationship, residue and water storage facilities and climate change	
Corporate and performance reporting	• Regularly reviewed financial performance and position • Monitored cash flow forecasts and utilisation of facilities • Received updates from the Remuneration Committee on key market trends • Approved quarterly updates, interim and final results and relevant announcements • Approved the 2024 Annual Report and Accounts and Sustainability Report, and the 2025 Half-year Report • Reviewed the impairment assumptions, going concern and viability statements of the Group	
Governance	• Adopted the UK Corporate Governance Code 2024, other than Provision 29 which the Company will apply for the 2026 financial year • Approved the appointment of Janet Blas to the Board and as Chair of the Audit Committee with effect from 1 April 2025 • Approved the appointment of Rosalind Kainyah as Chair of the Remuneration Committee and Senior Independent Director with effect from 1 April 2025 • Conducted an internal Board performance review facilitated by the Company Secretary • Reviewed and updated Committee terms of reference to align with the Code and evaluated Committee compositions to align with the reduced Board structure • Reviewed and approved updates to key policies • Oversaw succession plans for the Board and Executive Management as individual members approach the end of their tenures • Reviewed regular governance updates from the Company Secretary • Reviewed and updated the matters reserved for the Board • Reviewed Directors' independence and conflicts of interest • Monitored the maintenance of the separation of roles between the Chairperson and CEO	
Stakeholder engagement	• Oversaw the CSI strategy development and performance • Measured the Group's culture through a number of metrics, including the Employee Engagement Committee chaired by a designated non-Executive Director • Engaged with significant shareholders throughout the year, with specific emphasis on share price performance and actions to deliver future share price growth	

Meeting attendance

Five Board meetings were held in 2025, one of which was a special Board meeting to approve the implementation of the Business Resilience Programme. The terms of reference for the Audit, Nominations, Sustainability and Remuneration Committees, together with the matters reserved for the Board, can be viewed on the Group's website at www.gemdiamonds.com.

If Board approval is required between Board meetings, Board members are emailed the details, including supporting information, for decision-making. The decision of each Board member is communicated, recorded and ratified as necessary at the following Board meeting. The table below shows the attendance of the members of the Board at Committee meetings.

Director	Board: 5 held	Audit: 3 held	Remuneration: 2 held	Nominations: 2 held	Sustainability: 2 held	Strategy: 1 held
Executive Board members						
C Elphick	5/5	N/A	N/A	N/A	N/A	1/1
M Michael	5/5	N/A	N/A	N/A	N/A	1/1
Non-Executive Board members						
H Kenyon-Slaney	5/5	N/A	2/2	2/2	N/A	1/1
J Blas (appointed 1 April 2025)	4/5	2/3	1/2	N/A	N/A	1/1
M Brown	5/5	3/3	N/A	2/2	2/2	1/1
M Maharasoa	5/5	3/3	N/A	N/A	2/2	1/1
R Kainyah	5/5	N/A	2/2	2/2	2/2	1/1
M Lynch-Bell (resigned 31 March 2025)	1/5	1/3	1/2	N/A	N/A	N/A

Non-Executive Directors' meetings

The non-Executive Directors meet independently of the Executive Directors, in accordance with the practice adopted by many listed companies.

COMPOSITION, SUCCESSION AND PERFORMANCE

Board Selection and Appointment Policy

The Board's formal Selection and Appointment Policy ensures that the procedure for appointing new Directors is formal, rigorous and transparent, and that appointments are made on merit against objective criteria. The Nominations Committee further considers diversity (of gender, social and ethnic background), cognitive and personal strengths and specialist skill sets when reviewing appointments. As announced in March 2025, Janet Blas was appointed to the Board effective 1 April 2025, and at the same time, Rosalind Kainyah was elected as the Senior Independent Director (SID). Mazvi Maharasoa resigned from the Board effective 31 December 2025 to pursue other opportunities.

Further details are included in the Nominations Committee report on page 63.

Re-election

The Nominations Committee's report is set out on page 63. The Articles of Association (82) provide that a third of Directors retire annually by rotation and, if eligible, offer themselves for re-election. In accordance with the Code, however, all the Directors retire at the AGM and, if eligible, offer themselves for re-election. Details of the Directors' service contracts are included on pages 80 and 82. Harry Kenyon-Slaney will not be offering himself up for re-election at the 2026 AGM as his nine-year tenure comes to an end.

The Nominations Committee considered and concluded that the Board has demonstrated commitment to its role. The Committee is also satisfied that the collective skills, experience, background and knowledge of the Directors enable the Board and its Committees to conduct their respective duties and responsibilities effectively.

Board expertise, experience and knowledge

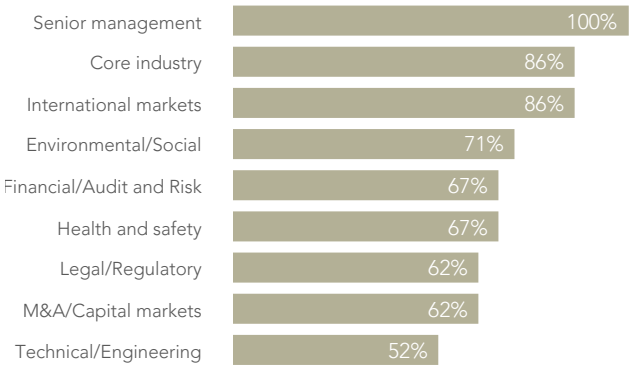
The Board undergoes an annual review of the composition and chairmanship of its primary committees, namely the Audit, Nominations, Sustainability and Remuneration Committees. The Company adheres to the Code's requirement that there should be a balance of Executive and non-Executive Directors so that no individual or group can dominate the Board's decision-making.

As a mining company, the efficiency of the day-to-day operations, in both the medium and long term, is essential to achieving shareholder value. Knowledge of the diamond industry is critical to developing new business opportunities and overseeing the Group's sales and marketing strategies. Knowledge of financial markets is also necessary to fulfil the Group's strategy.

The biographies, which can be found on page 161, provide more information on each Director's competencies. All Directors set aside sufficient time to fulfil their responsibilities to the Group effectively.

The non-Executive Directors have varied experience, competencies and unique perspectives to bring to bear on matters of strategy, performance and resources that are critical to the Group's ongoing success.

Board skills and experience (%)



Diversity

The Board recognises the importance of increasing diversity, including gender and ethnic diversity, in the boardroom.

The Group supports diversity at all levels. The Diversity, Equity and Inclusion (DE&I) Policy covers both Board diversity and the approach across the Group. The objectives of the DE&I Policy are to create an inclusive organisation that is dedicated to encouraging a supportive and inclusive culture among the whole workforce and committed to the provision of equal opportunities to all through recruitment, development and promotion of employees and the proactive combating and elimination of any form of discrimination. The policy also endorses the principle that the workforce at each location should reflect, as far as is reasonably possible, the community within which it operates. The policy is reviewed annually, and management monitors implementation of the policy through the review of any related whistleblowing matters as well as any employee grievances submitted through Human Resources channels.

Over time, the Board has improved its diversity from a position of no female or ethnic minority members in 2018 to 43% female and ethnic minority members on the Board in 2025. The percentage of females in senior management across the Group increased to 50% for 2025 (2024: 43%). 99% of the total Group workforce are Lesotho nationals, and 23% (2024: 21%) of the total workforce is female. Female representation remains a key priority, and the first phase of the DE&I roadmap was implemented in 2025. Information on gender-based employment can be found in our Sustainability Report 2025, available at www.gemdiamonds.com.

The Board consisted of seven members in 2025. During the year, the appointment of Janet Blas as the new non-Executive Director increased female and ethnic diversity on the Board to 43%. Rosalind Kainyah occupies one of the senior positions on the Board following her appointment as SID in 2025, and she also assumed the role of Chair of the Remuneration Committee.

Data to obtain diversity statistics is collated using Human Resources and Payroll reporting systems. Individuals are required to submit data on their gender and ethnic status as part of onboarding processes within the Group. Currently, questions to obtain gender and ethnicity status are straightforward and open-ended, simply requiring information on gender and race.

Board and senior management – gender

	Number of Board members	Percentage of the Board %	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of senior management	Percentage of senior management %
Men	4	57	3	3	50
Women	3	43	1	3	50
Not specified/prefer not to say	–	–	–	–	–

Board and senior management – ethnicity

	Number of Board members	Percentage of the Board %	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of senior management	Percentage of senior management %
White British or other white (including minority-white groups)	4	57	3	4	67
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	14	–	–	–
Black/African/ Caribbean/Black British	2	29	1	2	33
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Succession planning at Board and senior management level includes a review of skills, experience and diversity, and consideration is given to all these areas when considering future appointments. Succession planning is a priority across the Group, with a focus on the development of women and ethnic minorities into leading roles to drive a diverse pipeline of talent.

Further detail on the Group framework for succession planning can be found in the Nominations Committee report on page 63.

Training and induction

A formal and bespoke induction is provided to new Directors on joining the Board. This includes meetings with management and access to external auditors, and covers the Board Committees they join. In addition, ongoing support and resources are extended to Directors to refresh their skills, knowledge and familiarity with the Group. Professional development and training are provided through the following:

- Regular updates on changes (actual and proposed) in laws and regulations affecting the Group or its business.
- Planning, including site visits, to ensure Directors are familiar with the Group's operations, including its commitment to and application of the Group's corporate and social responsibility policies.
- Creating opportunities for professional and skills training, such as Committee chairmanship.
- Appropriate Board presentations.

Site visits

Visiting the Group's operations and interacting with senior management and employees is an integral part of improving Directors' ongoing knowledge of the business. In February 2025, the Board undertook a Letšeng site visit that was attended by three of the non-Executive Directors. In addition, Janet Blas, Mike Brown and Mazvi Maharasoa visited Letšeng in May as part of Janet's induction. Mike and Mazvi visited the mine again in August and November, respectively. In February 2026, Harry Kenyon-Slaney again visited Letšeng to bid the mine farewell. Executive Directors Clifford Elphick and Michael Michael visited the Letšeng mine and Maseru office in Lesotho a number of times during the year.

Annual Board performance review

As per the Code, the Board must undertake a formal and rigorous annual review of its own performance and that of its Committees and individual Directors. The recommendations of the 2024 Board performance review were adequately addressed during the year. The appointment of Janet Blas to the Board addressed the age and gender diversity concerns. Furthermore, the now reduced Board size addresses the recommendation to right-size the Board to fit the current structure of the business, while maintaining adequate governance requirements.

The Board deferred conducting an external review due to its current restructuring and cost reduction initiatives. In Q4 2025, the Company Secretary conducted an internal performance review that indicated that the Board remains effective.

The review was carried out by means of an online survey completed by each of the Directors. The findings were consolidated into a report that was circulated to all Directors at the November Board meeting. The overall findings from the performance review were positive, with no material matters identified for action.

AUDIT, RISK AND INTERNAL CONTROL

Financial reporting

The Board is conscious of its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects, and is satisfied that the Strategic Report (starting on page 2) meets this obligation. The Responsibility Statement of the Directors in respect of the Annual Report and Accounts 2025 is set out on page 1.

Financial reporting to the Board is regularly modified and improved to cater for evolving circumstances. The Group's comprehensive planning and financial reporting procedures include detailed operational business plans for the coming year, a three-year rolling plan, and sustainability matters including climate-related risks and opportunities. The Board reviews and approves the Group's annual business plan, which is prepared in cooperation with all Group functions based on specified economic and sustainability assumptions. Performance is monitored and relevant action taken throughout the year through monthly reporting of KPIs and updated forecasts for the year, together with information on key risk areas.

In addition, routine management reports, including results to date and updated forecasts for the year, are prepared and presented to the Board. Detailed consolidated management accounts, as well as an executive summary, are circulated prior to each scheduled Board meeting. Between Board meetings, summary update reports covering matters such as operational performance, sustainability, sales results, cash flow forecasts and progress on strategic matters are circulated to Board members and Executive Management.

External auditor

A principle of the Code is that the Board establish formal and transparent arrangements for considering the application of financial reporting and internal control principles and for maintaining an appropriate relationship with the Group's external auditor. These responsibilities are delegated to and discharged by the Audit Committee.

RSM UK Audit LLP (RSM) attended all the Audit Committee meetings during the year. The Audit Committee assessed the effectiveness of the 2024 audit process in 2025. The lead audit partner is based in London, United Kingdom. Further information regarding the audit is detailed in the Audit Committee report on page 70.

As required under section 418 of the Companies Act, 2006, to which the Directors have voluntarily elected to conform, each Director confirms that to the best of their knowledge and belief, there is no information relevant to the preparation of the Auditor's Report of which the Company's auditor is unaware, and the Directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A resolution to reappoint RSM as the Company's auditor and to authorise the Board to determine the auditor's remuneration will be proposed at the 2026 AGM.

Internal audit

The Group Internal Audit function, as an independent assurance provider, is a fundamental component of the overall process by which the Audit Committee and the Board obtain the required assurance that risks are being effectively managed and controlled and the Group's control environment is adequate and effective.

Our in-house Internal Audit function is supplemented by external industry experts when required. The Group Internal Audit function reports directly to the Audit Committee and is responsible for co-ordinating the Group's risk-based audit approach and evaluating its effectiveness. It contributes to the improvement of the risk management process, control environment and governance systems. Various ad hoc assignments are also performed during the year at the request of management.

The risk-based audit plan, approved by the Audit Committee, covers all operating units, focusing on the Group's principal risks. It involves discussions with management on the risks identified in the subsidiaries' and Group's risk registers, emerging risks, operational changes and capital projects. Findings, agreed actions and the implementation thereof are reported to management and the Audit Committee.

Review of the Annual Report and Accounts and Half-year Report

The Board, supported by the Audit Committee, is responsible for ensuring the integrity and completeness of the Group's Annual Report and Accounts and Half-year Report. The Board reviews the reports and applies its collective mind to their preparation and presentation to ensure they provide a fair, transparent, balanced, understandable and appropriate representation of the Group's performance, strategy and material risks.

Internal financial controls

The Board is responsible for the Group's overall approach to risk management and its internal control framework, which is embedded in all key operations. In accordance with the Guidance on Audit, Risk and Internal Control published by the FRC as part of the Corporate Governance Code Guidance in January 2024, updated in November 2025, the Board has defined the processes adopted for its ongoing monitoring and assessment and relies on reviews undertaken by the Audit Committee throughout the year. In addition, regular management reporting and a balanced assessment of key risks and controls are important components of Board assurance.

The internal control framework aims to manage the risks that significantly threaten the Group's achievement of its business and strategic objectives, with a view to enhancing the value of shareholders' investments and safeguarding assets. The framework is designed to manage rather than eliminate risk, to achieve business objectives, and to provide reasonable but not absolute assurance that the Group's business objectives will be achieved within the Board-approved risk tolerance levels. The system of internal control includes controls over compliance with regulatory and legal requirements.

In 2025, the Directors again reviewed the effectiveness of the system of internal control. For the review, the Audit Committee considered reports dealing with Internal Audit plans and outcomes, as well as risk logs and management representations. A full report of the work carried out by the Audit Committee on behalf of the Board is set out in the Audit Committee report on page 70. The Directors are aware of some enhancements in this area within Provision 29 of the UK Corporate Governance Code 2024, and will implement these as they become effective.

Investment appraisal

Capital expenditure is managed through a budgetary process and authorisation levels. For expenditure beyond specific levels, detailed written proposals are submitted to the Board. The approval procedure for investments includes funding options and a detailed calculation of return based on current assumptions that are consistent with those included in management reports.

Commercial, legal and financial due diligence are carried out, using external consultants as appropriate, with respect to acquisitions and disposals.

Post-investment reviews are conducted once projects are completed, and for material projects, Steering Committees are established to monitor progress against the approved plan. Details regarding the Group's capital expenditure decisions during 2025 are available in the CFO's Review on page 29.

Risk management

Risks are monitored continually and formally reviewed twice a year. A comprehensive report on the Group's principal and emerging risks and how these are managed and/or mitigated can be found on pages 18 to 23 of the Strategic Report.

The Group's operations perform regular risk assessment reviews and maintain risk registers. Objectives in the business plan are aligned with risks, and a summary of the key risks, related internal controls, accountabilities and further mitigating actions is tabled and approved by the Board. The Sustainability Committee provides assurance that sustainability-related risks, including health, safety, environmental and climate-related risks, are monitored and managed appropriately. The Audit Committee and the Board, where appropriate, are kept informed on progress against the plans and any significant changes in order to review the risk profile. This enables the relevant management and non-Executive Directors to holistically review the risk, mitigate it and implement controls as necessary.

The Board, through the Audit Committee, reviews risks and risk management at the Audit Committee meetings to fully explore risks and test management's scenarios and plans. During these meetings, the Audit Committee reviews the risk register, interrogates the most critical risks in detail and challenges mitigation plans with management.

REMUNERATION

Linking remuneration with purpose and strategy

The Remuneration Policy links executive remuneration to the underlying health and performance of the Group through relevant social and environmental indicators of performance. The financial and non-financial KPIs used to measure performance align with our strategy, which in turn supports the Group's purpose to produce the best diamonds, in the best way, leaving a lasting legacy.

Remuneration Policy review

Directors' remuneration

While the Board is ultimately responsible for Directors' remuneration, the Remuneration Committee, consisting of independent non-Executive Directors, determines the remuneration and conditions of employment of Executive Directors and the Chairperson. The current Remuneration Policy was adopted at the 2025 AGM. The details of the Directors' Remuneration Policy and all Directors' remuneration are provided in the report on remuneration on pages 74 to 94.

Performance outcomes in 2025

No adjustments were made to the performance conditions set at the beginning of the year, and the formulaic Gem Diamonds Incentive Plan (GDIP) outcome for the business scorecard was 43.8% of the maximum of 85%. During its meeting to review the GDIP outcome, the Remuneration Committee approved management's proposal to forego the cash element of the GDIP and further considered the shareholder experience over 2025. Based on this consideration, the Committee agreed that the share price to be used to determine the number of shares under the deferred GDIP award, which is to be granted in 2026 after the release of the 2025 annual results, would be 25 GB pence rather than the prevailing share price of c.3 GB pence. This will have the effect of reducing the number of shares granted by c.85%.

The GDIP business scorecard is shown on page 78.

Strategic targets

The 2025 GDIP rewards performance in the ratio of 15% on personal factors and 85% on business performance. This 85% business weighting aligns with the strategic focus areas:

- Preparing for Our Future (10%)
- Extracting Maximum Value from Our Operations (55%)
- Working Responsibly and Maintaining Our Social Licence (20%)

More information on the GDIP scorecard is available on page 78.

NOMINATIONS COMMITTEE

Harry Kenyon-Slaney

Non-Executive Chairperson

The role of the Committee is to:

- Lead and ensure a formal, rigorous and transparent procedure for the appointment of new Directors to the Board.
- Assist the Board in ensuring its composition is regularly reviewed and refreshed, considering the length of service of the Board as a whole, so it is effective and able to operate in the best interests of shareholders.
- Ensure plans are in place for orderly succession to positions on the Board and Executive Management.
- Oversee the development of a diverse pipeline for succession.
- Work and liaise with other Board Committees, including the Remuneration Committee, as appropriate, with respect to any remuneration package to be offered to any new appointment of the Board.

Membership as at 31 December 2025:

- H Kenyon-Slaney
- M Lynch-Bell (until 31 March 2025)
- M Brown
- R Kainyah (from 1 April 2025)

Other attendees:

- C Elphick
- M Zech
- Company Secretary

The Nominations Committee comprises three independent non-Executive Directors. The Committee's terms of reference provides for a formal and transparent procedure for the Committee to follow in executing its responsibilities. The terms of reference is reviewed annually, and subsequently reviewed and approved by the Board to ensure it continues to be fit for purpose and in line with best practice and governance principles. The last review was performed in November 2025 to ensure it was compliant with the changes to the Code.

The Committee continued to assess the Board's composition, evaluate the composition of the various Committees, and monitor developments in corporate governance to ensure the Group remains at the forefront of good governance practices.

2025 value-adding activities	Link to strategic pillar
Board composition	
The composition, skills and independence of the Board remained key topics for the Committee during the year. The objective of the Committee is to ensure the Board retains a balanced composition and that all members have the necessary skills and experience to contribute actively to the ongoing success of the business. In line with the UK Corporate Governance Code 2024, the Committee assessed the independence of all non-Executive Directors. This involved a review of both the external appointments held by each Director and of any potential or actual conflicts of interest recorded. The Committee noted the external appointments held by Board members, which were considered to be in accordance with the parameters of the Code and to have no effect on their current duties to the Board. Previously, Mazvi Maharasoa was considered to not be independent due to her previous employment with the Company. Following a review in 2025 as part of the annual independence assessment of all non-Executive Directors, the Committee and Board were satisfied that Mazvi was considered independent in terms of the Code as her previous employment with the Group exceeded five years. All Board members were recommended for re-election and were re-elected by shareholders at the 2025 AGM. Mazvi resigned from the Board effective 31 December 2025 to pursue other opportunities. The Committee considered the resulting Board composition and determined that it supports a strategic Board optimisation and will continue to be appropriate for the size of the Company and in compliance with the Code.	
Succession planning	
The Committee maintains a proactive approach to succession planning and regularly reviews succession planning across the organisation through a succession framework. This ensures candidates have been identified to fill key roles in both planned and emergency situations and that appropriate development plans are in place. The competencies and experience required in the boardroom were regularly assessed as part of the succession planning process, and the Committee will continue to review the need to secure any particular or specific skills. During the year, the Committee oversaw the appointment of Janet Blas as the new non-Executive Director following Michael Lynch-Bell's retirement at the end of March 2025 and the appointment of Rosalind Kainyah to the position of SID. The Committee further considered the upcoming retirement of the Chairman of the Board at the end of his nine-year tenure in June 2026 and the various possibilities for his successor. It also extended the CEO's contract on a 12-month rolling basis beyond the retirement age of 65 to retain critical, highly specialised industry expertise and institutional knowledge that are central to the organisation's strategic continuity and long-term value. This extension ensures stability and sustained leadership during a period when such skills are scarce and not readily replaceable. The Committee's succession planning review extends from senior management to the next level of management, considering emerging talent and key roles with a particular focus on maintaining momentum on diversity. Development plans for potential successors were progressed during the year.	
Diversity	
The Company is as committed to diversity in the boardroom as it is to equal opportunities at all levels within the organisation, and the Committee continued to support this objective during the year. Appointments and succession planning focused on promoting gender and ethnic diversity and ensuring that a wide range of experience, backgrounds, perspectives and skills are available to facilitate effective decision-making. During the year, the Committee reviewed the implementation of the first phase of the Group's DE&I roadmap for 2025, in particular, the initiatives related to attracting and retaining diverse applicants. The Committee also reviewed the Group's DE&I Policy and determined that it remains fit for purpose. Further detail on the Group's diversity, equality and inclusion approach can be found on page 59.	
Board performance	
The Committee considered the 2024 Board performance review outcomes, and the recommendations specific to the Committee were addressed during the year. An internal performance review was conducted in November 2025 by the Company Secretary. The details are discussed on page 60. The Board performance process reviews the current skills and experience of members of the Board, as well as its composition and structure. This process enables the Committee to identify what knowledge and competencies are needed for the business in the future and thereby supports the search process for future Board members. It further provides assurance that the measured skills remain fit for purpose and support the Group strategy.	

2025 value-adding activities	Link to strategic pillar
Committee membership	
The Committee continued to evaluate the composition of the various Board Committees to ensure they have the requisite skills and experience to perform effectively. Following the appointment of Janet Blas and Rosalind Kainyah to the Chairs of the Audit and Remuneration Committees, respectively, it found that the Committees were appropriately constituted and no further changes to membership were proposed. Minor changes were implemented from 1 January 2026 following the resignation of Mazvi Maharasoa, with Rosalind Kainyah joining the Audit Committee, and the Sustainability Committee reducing to two members in line with its terms of reference. All Board Committees are compliant with the provisions of the Code.	
Future focus areas	
In 2026, the Committee will: • Maintain its focus on ensuring the Board's composition is strong and diverse, providing support and advice to enable management to steer the Group in an increasingly volatile and challenging environment while always promoting exemplary governance practices in the boardroom. • Continue to monitor the alignment of talent and succession planning throughout the organisation with the needs of the business and the Group's long-term strategy. Development plans for potential successors will continue to be progressed during the coming year. • Manage the appointment of a new Chairperson and subsequent restructure of subcommittees. • Review its succession plans to address Board composition and diversity targets. • Conduct a Board performance review and continue to hone Board skills, experience and operational effectiveness to ensure a high level of performance in Board activities in the best interests of all stakeholders. • Ensure the Board and senior executive team have the appropriate ESG skill sets and development mechanisms in place to understand ESG risks and their impact on long-term value creation.	

Extracting Maximum Value from Our Operations	Working Responsibly and Maintaining Our Social Licence	Preparing for Our Future

SUSTAINABILITY COMMITTEE

Mike Brown

Non-Executive Director

The role of the Committee is to assist the Board in fulfilling its sustainability-related governance and oversight responsibilities, including:

- Reviewing and monitoring the Group's approach, policies and measures on sustainability matters.
- Promoting a culture of zero harm and responsible care through effective risk management to maintain a safe and healthy work environment that prioritises the workforce and PACs.
- Minimising environmental impact and monitoring resource-use efficiency improvements.
- Promoting corporate social responsibility with a sustainable positive impact.
- Reviewing approved metrics and targets related to climate change, decarbonisation and energy consumption, and monitoring performance against objectives.
- Monitoring the Group's progress towards sustainable development.

Membership as at 31 December 2025:

- M Brown
- H Kenyon-Slaney
- R Kainyah
- M Maharasoa

Attendees:

- B de Bruin
- Company Secretary

The Committee met twice during the year and received detailed reports from management to enable it to discharge its responsibilities effectively. Mike Brown visited Letšeng on three occasions during the year. These visits specifically focused on:

- Performance against the implemented safety culture maturity programme.
- Management and status of coarse and fine residue storage facilities and the freshwater dam.
- Progress in decarbonisation efforts and energy efficiency initiatives.
- CSI project performance.
- Water stewardship and the performance of the bioremediation plant.
- Mining activities, pit safety and the performance of the treatment plants and recovery area.

2025 value-adding activities	Link to strategic pillar
Creating a safe and healthy working environment	
The Committee continued to prioritise critical health and safety matters across the Group, with particular focus on: • Responsible management and independent oversight of the residue storage facilities and freshwater dam. • Transportation and equipment safety. • Pit safety management. • Organisational safety culture maturity and the embedding of Visible Felt Leadership. • Injury frequency rates, including analysis of trends in the AIFR and LTIs. • Incident investigations and corrective action implementation. • Community emergency response plans. The Committee reviewed detailed health and safety reports, including safety trends, injury frequency rates and significant incident investigations. The Committee received updates on the organisational safety culture maturity programme and continued implementation of the Visible Felt Leadership strategy to strengthen frontline accountability and proactive risk management. Particular attention was given to transportation-related risks, equipment interactions and pit safety controls. The Group achieved its lowest recorded AIFR (0.41) for the third year running. The Committee received regular assurance on the effective monitoring and management of Letšeng's residue storage facilities and freshwater dam throughout the year, and monitored the progress made on conformance of the residue storage facilities with the ICMM's GISTM. There have been no incidents of compromised residue storage facilities or dam integrity to date. The Group successfully achieved recertification of ISO 45001 (occupational health and safety management systems) for the eighth consecutive year, reinforcing its commitment to international best practice standards. The Committee received feedback on audits conducted to provide assurance on safe and responsible operating practices and to identify opportunities for improvement of the health and safety management system. These audits included: • Health, safety and environment (HSE) legal compliance. • ISO 45001 occupational health and safety management. • Vehicle and equipment lease area access. • Residue storage and freshwater facilities. • Downstream dam management control audit.	
Promoting corporate social responsibility	
Corporate social responsibility remains a strategic priority for the Group, and the Committee oversaw the delivery of the 2025 CSI strategy. The CSI strategy specifically focused on the long-term sustainability of existing small and medium enterprise development, education and the provision of basic infrastructure to PACs. Water provisioning infrastructure projects for surrounding communities remained a key focus area during the year, contributing to improved access to potable water and strengthening community resilience. The Committee monitored local procurement performance and community investment initiatives to ensure that socio-economic benefits are meaningfully shared with host communities. The Committee is pleased to report that no major or significant stakeholder incidents were recorded during the year. The Committee focused on the following matters during 2025: • Implementation of the planned 2025 CSI projects. • Integration of the adopted UN SDGs into the five-year CSI strategy. • Community engagement and stakeholder management. • Construction of water provision infrastructure for surrounding villages. • Provision of scholarships to Basotho students. • Local procurement.	

2025 value-adding activities	Link to strategic pillar

Responsible environmental stewardship

The Committee maintained oversight of material environmental matters and performance against the Group's environmental KPIs, with particular focus on:

- Environmental footprints, including carbon, water and energy consumption trends.
- Energy consumption efficiency and decarbonisation progress.
- Regional environmental risk management.
- Stakeholder engagement regarding material environmental matters.
- Efficient water management and stewardship.
- Operational performance of the newly constructed bioremediation plant.
- Concurrent and life of mine rehabilitation strategy.
- Completion of the Ghaghoo remediation strategy agreed with the Government of Botswana.
- Biodiversity conservation and offset strategy.
- Compliance with adopted best practice standards.

The Committee reviewed the Group's carbon, energy and water footprints and assessed performance against approved objectives. Energy consumption trends and associated emissions were closely monitored in the context of the Group's decarbonisation pathway and evolving carbon regulatory landscapes. Water stewardship remained a key priority, including oversight of water quality monitoring, responsible abstraction, efficient use and discharge management. The operational performance of the bioremediation plant was reviewed. Rehabilitation provisioning and the implementation of concurrent rehabilitation at Letšeng remained an area of focus to ensure alignment with life of mine planning and regulatory requirements.

During the year, the Committee oversaw the formal relinquishment of the Ghaghoo Diamond Mine to the Government of Botswana. The Committee received detailed updates on remediation measures implemented at the mine site prior to relinquishment, ensuring that closure obligations were responsibly discharged and that environmental and social commitments were met in accordance with the conditions agreed with the Government of Botswana to preserve the mine for potential future opportunities, regulatory requirements and good international practice.

The Committee also received external non-financial audit reports on the management of environmental parameters and the resulting impact on the environment to benchmark the Group's performance and identify improvement opportunities. These reports included:

- The Group carbon, energy and water footprints.
- ISO 14001 environmental systems audit.
- The SEMP compliance audit report.

The Group successfully achieved recertification of ISO 14001 during the year, providing independent assurance on the robustness of its environmental management systems.

Sustainability strategy and reporting

The Committee continued to oversee implementation of the Group's sustainability strategy and alignment with international frameworks, including:

- Performance against the Group's sustainability KPIs.
- Progress against the Group's decarbonisation targets.
- Implementation of the 2024 – 2026 UN SDG framework.
- Monitoring and preparation for emerging sustainability governance and reporting requirements, including the Taskforce on Nature-related Financial Disclosures (TNFD) and the IFRS Sustainability Disclosure Standards S1 and S2.

The Committee reviewed and approved the Group's sustainability-related policies and reviewed reports on emerging sustainability trends and risks with the potential to impact the Group's ability to achieve its objectives, including:

- Load shedding and energy availability.
- Regional carbon tax developments.
- Upcoming TNFD and IFRS S1 and S2 reporting requirements.

2025 value-adding activities	Link to strategic pillar
Future focus areas	
Having successfully reached the Group's 2030 decarbonisation target ahead of schedule, the Committee will focus in 2026 on maintaining this performance, embedding efficiencies achieved and safeguarding the long-term resilience of the Group's energy and emissions profile. The Committee's core focus areas for 2026 include: • Sustaining decarbonisation performance and maintaining emissions intensity in line with the achieved 2030 target, while advancing energy efficiency initiatives and alternative energy opportunities to strengthen energy security and cost resilience. • Further embedding the organisational safety culture maturity strategy, reinforcing Visible Felt Leadership and strengthening proactive risk management in pursuit of zero harm. • Ongoing monitoring of bioremediation plant performance and overall responsible water stewardship. • Enhancing resource-use efficiency, with particular focus on water and energy optimisation across operations. • Deepening integration of the eight adopted UN SDG objectives within operational, environmental and community programmes. • Delivering the 2025 corporate sustainability KPIs. • Overseeing the continued implementation of the CSI strategy, including community engagement initiatives, local procurement and socio-economic development programmes in host communities. • Advancing alignment with evolving global sustainability governance standards, including the continued integration of the recommendations of the TNFD and IFRS S1 and S2 into the Group's reporting and risk management frameworks. Through these focus areas, the Committee will continue to support the Board in maintaining strong sustainability governance, enhancing operational resilience and delivering long-term shared value for stakeholders.	

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AUDIT COMMITTEE

Janet Blas
Chairperson
Non-Executive Director

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- The integrity of the financial and narrative statements and other financial information, including climate-related financial disclosures, provided to shareholders.
- The Group's system of internal controls and risk management.
- The internal and external audit process and auditors.
- The processes for compliance with laws, regulations and ethical codes of practice.

Membership as at 31 December 2025:

- M Lynch-Bell (until 31 March 2025)
- J Blas (from 1 April 2025)
- M Brown
- M Maharasoa

Other attendees:

- H Kenyon-Slaney
- C Elphick
- R Kainyah
- M Michael
- B de Bruin
- K Constantopoulos (Company Secretary)
- External and internal auditor

2025 value-adding activities	Link to strategic pillar
External auditor and audit effectiveness	
The Committee's assessment of the 2024 external audit by RSM UK Audit LLP confirmed that the audit was effective, objective, and conducted in accordance with current ethical standards. The Committee approved the auditor's fee for 2024 and reviewed the proposed fee for 2025. In advance of the 2025 audit, the Committee reviewed and assessed the appropriateness of the external auditor's plan, audit strategy, scoping, materiality and audit risks. The significant areas of audit focus identified by the external auditor to be addressed during the course of the audit were (i) impairment of goodwill and property, plant and equipment; (ii) going concern and RCF utilisation and renewals; (iii) management override of controls; (iv) application of IFRS 15 to partnership arrangements; (v) inventory existence and valuation; (vi) discontinued operations (IFRS 15); (vii) tax provisions and disclosures; (viii) deferred waste stripping asset (IFRIC 20); (ix) rehabilitation provisions; and (x) legal and regulatory compliance. The key audit matters identified for the year were the impairment of goodwill and property, plant and equipment; and going concern, as mentioned in the Independent Auditor's Report on page 100. The Committee was satisfied that all material audit risks were covered within the auditor's scope. The Committee assessed the reasonableness of the materiality level of US$0.8 million and considered it as appropriate to identify relevant audit risks. The Committee challenged the assumptions and judgements used by management in the impairment assessment that resulted in an impairment charge of US$77.5 million. The Committee was satisfied with the robust process followed by management and the auditor and was satisfied that no further work was necessary. Following the audit, RSM UK Audit LLP presented its findings to the Committee, which met with the audit partner without members of management being present. The audit partner also met separately with the Committee Chairperson to discuss key audit findings, judgements and estimates. This provided an opportunity to assess the audit work performed, understand how management's assessments had been challenged and assess the quality of conclusions drawn. The Committee also made enquiries of senior management to obtain its feedback on the audit process and considered this feedback in its assessment. In line with the Code and the duty of the Committee to assess the effectiveness of the audit process, a detailed survey was conducted to evaluate RSM's inaugural 2024 audit, focusing on audit strategy, risk assessment, independence, materiality, and the Group auditor's involvement in the subsidiary component audits. The survey responses highlighted minor areas for improvement, particularly in the collaboration between the Group auditor and the component audit teams. The Committee noted that these issues have been addressed for future audits.	
Auditor appointment and independence	
The Committee was satisfied with the performance of RSM UK Audit LLP and recommended its reappointment to the Board for the 2026 financial year end results. The provision of any non-audit service requires Committee pre-approval and is subject to careful consideration, focused on the extent to which provision of such non-audit services may impact the independence or perceived independence of the auditor. No non-audit services were performed by the auditor during the year.	
Anti-bribery and corruption and failure to prevent fraud	
As part of its regular oversight, and in response to the introduction of the new fraud offence relating to the failure of an organisation to prevent employees, agents or subsidiaries from committing fraud to benefit the business, which was introduced by the Economic Crime and Corporate Transparency Act, effective 1 September 2025, the Committee reviewed the organisation's anti-bribery, corruption, fraud, and whistleblowing policies and procedures. The Committee is satisfied that the current framework, supported by regular staff training and robust reporting mechanisms, positions the organisation to prevent, detect, and respond to incidents of fraud effectively. The Committee remains committed to ongoing monitoring and periodic review of these controls to ensure their continued effectiveness and compliance with evolving regulatory expectations. There were no known or identified incidents of bribery during the year.	
Acting on whistleblowing	
The Committee reviewed and monitored the actions and progress of all whistleblowing reports that arose. The whistleblowing line is an important tool to promote transparency and identify potential areas of irregularity within the Group. During the year, one report was received through the whistleblowing line and two reports were closed. No reports remained under investigation at year end. The Group's Fraud and Whistleblowing Policy was approved with minor administrative changes during the year. No instances of fraud were reported through the whistleblowing line.	

2025 value-adding activities	Link to strategic pillar
Monitoring internal audit	
The Committee reviewed the principal matters reported by the Group Internal Auditor, which were identified through a strategic, risk-based audit plan designed to address both current and emerging risks facing the organisation. The Committee closely monitored management's responsiveness to audit findings and recommendations, ensuring that corrective actions were implemented and tracked through regular follow-up reporting. During the year, the Committee reviewed and approved the 2026 Internal Audit plan, subject to any changes as a result of Provision 29 of the Code, confirming its alignment with the Group's evolving risk profile. The Internal Audit Charter and Risk Management Framework as approved in the previous year remained appropriate and effective. To assess the effectiveness of the Group Internal Audit function, the Committee conducted a survey involving key stakeholders, including management and Committee members. The survey evaluated audit quality, independence, communication, and value-add. Based on the results, the Committee concluded that Group Internal Audit remains effective and that its current structure is appropriate for the size and complexity of the Group. The Committee remains committed to supporting the ongoing development of the Internal Audit function to ensure it continues to meet the Group's needs.	
Annual review	
The Committee updated its terms of reference in March 2025 to ensure these encompassed the updated provisions of the new Corporate Governance Code 2024, becoming effective in 2025 and 2026. The Board performance review undertaken included a review of the Audit Committee's performance within its remit and concluded that the Committee was effective in carrying out its duties.	
Risk management and internal controls	
The Committee maintained its oversight of the Group's principal and emerging risks during the year. The detailed principal and emerging risks are discussed further on pages 18 to 23. The Group's Enterprise Risk Management Framework, which was updated and approved in the previous year, remained relevant with no further updates in the current year and is being effectively adhered to. The Committee considered the internal controls in place throughout the year to be effective.	

2025 value-adding activities	Link to strategic pillar

Financial disclosure

The Committee ensured that the Group's Annual Report and Accounts 2025 and Half-year Report 2025 were fair, balanced and understandable by challenging and debating the judgements made by management and ensuring that the information necessary for shareholders to assess the Group's performance, business model and strategy was provided. RSM UK Audit LLP audited the Financial Statements included from pages 99 to 156 for the year ended 31 December 2025 and issued an unmodified audit opinion in this regard.

The significant issues reviewed by the Committee relating to the 2025 results were:

- The Committee focused extensively on the Group's going concern status and the preparation of the Viability Statement, which extends to a three-year period ending in December 2028. The assessment was influenced by the ongoing challenging market conditions impacting diamond prices and the ongoing weaker US dollar against the Group's local currencies. The Group's liquidity was bolstered by the benefits of the BR Programme implemented in H2 2025, which continues to deliver positively to cash flows. The Committee noted that the viability of the Group is dependent upon the successful renewal of the Group's revolving credit facilities, which are due to expire in December 2026, in the absence of any other mitigating actions implemented. In particular, the Committee reviewed downside scenarios and sensitivity analyses over key variables including diamond prices, costs, foreign exchange rates and further waste mining deferment. For further detail on the sensitivities applied and mitigating actions considered, refer to Note 1.2.2, Going concern on page 116 and the Viability Statement on page 24. As part of its review, the Committee challenged the assumptions, sensitivities and mitigating actions proposed by management in the going concern assessment and Viability Statement. Having done this, the Committee concluded that while a material uncertainty linked to the successful renewal of the facilities in the going concern period exists, the going concern basis is appropriate for the preparation of the Financial Statements. The Committee assessed the disclosures in the 2025 Annual Report and Accounts in respect of going concern, viability and covenant compliance and concluded that they were appropriate.
- The Committee reviewed the impairment assessment for Letšeng. Both external factors (including continued downward pressure on diamond prices and exchange rates) and internal factors (notably cost inflation and updated life of mine plans) required careful consideration. Following management's analysis, an impairment charge of US$77.5 million was recognised. The Committee challenged the critical estimates and assumptions applied in the models, particularly those relating to diamond price recovery and discount rates. After these discussions, the Committee endorsed the impairment charges reflected in the Financial Statements and was satisfied that the related disclosures comply with reporting standards.
- The Committee further reviewed the assumptions relating to the classification of tax uncertainties and the treatment and disclosure thereof, and the assumptions relating to the existence and valuation associated with inventory ore stockpiles and consumables.

Future focus areas

Specific focus areas for 2026 are to:

- Ensure the Group is adequately prepared to address Provision 29 of the UK Corporate Governance Code 2024, which will require the Board to provide various assurances regarding the effectiveness of the Company's material financial and operational controls in its 2026 Annual Report and Accounts.
- Continue to assess and monitor principal and emerging risks and their impact on the business.
- Monitor the effective date and oversee the adoption of the TNFD and IFRS S1 and S2 recommendations.

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REMUNERATION COMMITTEE

Rosalind Kainyah
Chairperson
Independent non-Executive Director

STRUCTURE

Annual Statement, which includes an "at a glance" of remuneration decisions	Page 74
Directors' Remuneration Policy	Page 77
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ANNUAL STATEMENT

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Committee's Directors' Remuneration Report for 2025. The report is presented in three sections: this Annual Statement, the Directors' Remuneration Policy (page 77) and the Annual Report on Remuneration (page 83).

Linking Executive Directors' remuneration with our purpose and strategy

Executive remuneration is focused on the underlying health and performance of the Group and considers key drivers such as financial performance, social licence to operate and the delivery of long-term strategic objectives. Performance metrics consist of both financial and non-financial KPIs linked to our strategy, which in turn supports the Group's purpose to produce the best diamonds, in the best way, leaving a lasting legacy. This purpose is relevant for our employees, the communities in which we operate and shareholders alike. Each strategic pillar is linked to an element of remuneration as set out on pages 77 to 82 of the Directors' Remuneration Policy.

Remuneration decisions taken during 2025

Context

Against a backdrop of continued economic uncertainty, volatile market conditions and sustained pressure on diamond prices, the Committee remained focused on ensuring that Directors' remuneration is fair, responsible and aligned with the Group's long-term sustainability objectives. In doing so, the Committee carefully balances current financial constraints with the need to attract and retain the leadership required to guide the business through challenging conditions. The remuneration framework continues to emphasise long-term performance and responsible stewardship, supporting sustainable growth and the delivery of enduring value for stakeholders.

The Group ended the year with a cash balance of US$3.8 million and drawn down facilities of US$23.9 million, resulting in a net debt position of US$20.1 million, compared to US$7.3 million in the prior year. Underlying EBITDA decreased by 87% to US$3.9 million from US$29.7 million in 2024, driven by lower revenue due to a decrease in the number of carats sold, lower diamond prices and a larger contribution of lower-value Main Pipe material. This was set off by cost reductions following the implementation of the BR Programme (refer to page 26) and royalty relief in H2 2025.

Letšeng maintained an excellent safety performance in 2025, with its all-injury frequency rate at a record low of 0.41. The Group's carbon emission reduction initiatives progressed well, and the Group reached its decarbonisation target of a 30% reduction in Scope 1 and 2 emissions ahead of 2030. The decrease was driven mainly by a reduction in waste mining volumes, but the Group will focus on maintaining this absolute reduction despite the scheduled increase in waste mining volumes from 2027. Full details are set out in the Climate Change Report on page 41.

In this context, the Committee's key decisions made during the year related to the following areas:

Temporary salary reductions

In 2025, the Remuneration Committee approved management's proposal to implement temporary reductions to the base salaries of the Board and senior management for the period 1 August 2025 to 31 December 2025, as part of the BR Programme.

The Committee considered the Company's financial position and the interests of shareholders and the wider workforce in determining that a temporary adjustment to fixed pay was appropriate. The reductions were applied on a consistent and proportionate basis across the Board and senior management and were time-bound in nature.

The Committee was satisfied that the approach demonstrated appropriate leadership alignment during a period of cost constraint, while preserving the integrity of the Company's approved Remuneration Policy. No structural changes were made to the remuneration framework.

Remuneration Policy review

The current Remuneration Policy was adopted at the AGM in 2024 and became effective from this date. During 2025 and early 2026, the Committee reviewed the effectiveness of the current policy to ensure it remains appropriate for the Group over the coming years. The Committee concluded that the current policy remains fit for purpose.

Gem Diamonds Incentive Plan (GDIP)

The GDIP is based on a range of financial, operational and personal objectives that support the delivery of the Group's key strategic priorities, with 85% linked to business performance and 15% to personal performance.

In 2025, the CEO and CFO were subsequently awarded 989 986 and 698 856 nil-cost share options, respectively, under the deferred portion of the 2024 GDIP, as reflected on page 91.

The resulting formulaic GDIP outcome for the 2025 business scorecard was 43.8% of maximum (which accounted for 85% of the GDIP); the personal performance outcomes (accounting for 15% of the GDIP) averaged 13.5% across the Executive Directors. The Committee concluded that the 2025 GDIP outcome would be 57.3% for the CEO and 57.3% for the CFO. The Committee approved management's proposal to forego the cash element of the GDIP and approved the issue of the nil-cost share options under the deferred portion of the 2025 GDIP. The share price to be used to determine the number of shares to be granted in 2026 under the deferred GDIP award will be 25 GB pence rather than the prevailing share price of c.3 GB pence at the time of the meeting. This will have the effect of reducing the number of shares to be granted in 2026 by c.85%.

CEO pay ratio

We have not included a CEO pay ratio in this report, as the Company has no employees based in the UK and any resulting ratios would not be meaningful.

Implementation of the Remuneration Policy in 2026

The Executive Directors' salaries were reviewed in February 2026, considering relevant benchmarks and in-country inflation. The review was in line with the general practice of considering the wider employee group when applying inflation as a base for salary increases across the Group. Based on all considerations, including current market conditions, the Remuneration Committee approved management's proposal that base salaries should not be increased for 2026.

The Committee is also aware of the role it can play in supporting our employees in the current economic environment. It does this by offering a range of benefits and programmes across the Group to support employees' health, well-being and work-life balance.

For 2026, the GDIP will remain unchanged with a maximum annual award opportunity of 180% of salary. Group performance will continue to be measured with reference to a business scorecard linked to the Group's three strategic focus areas: Extracting Maximum Value from Our Operations; Working Responsibly and Maintaining Our Social Licence; and Preparing for Our Future. Group performance will be weighted 85% of maximum, with the remaining 15% linked to personal performance.

The Committee is mindful of the impact our operations have on the environment, and a Working Responsibly and Maintaining Our Social Licence element has been included in the GDIP since it was first implemented in 2021. For 2026, this will remain as in 2025 to include reducing our environmental impact, diversity initiatives and various health and safety metrics. The Committee reviews the metrics on an annual basis and will consider the options to include others, provided they align with our strategy at the time.

The incentive will be paid 55% in cash and 45% will be awarded through the issue of nil-cost options vesting in one-third annual tranches after one, two and three years, subject to continued employment and good/bad leaver provisions over this period. Vested awards will also be subject to a two-year post-vesting holding period, during which time Executive Directors may not sell shares except to cover taxes associated with the exercising of share options. Malus and clawback provisions will apply during the performance period and for a period of two years following payment.

Engagement

As we look towards the future, the Remuneration Committee remains dedicated to its responsibility of overseeing the fair and equitable compensation of employees. The Committee will continue to adapt its strategies in response to evolving market conditions while remaining vigilant in its efforts to balance the needs of employees with the long-term interests of shareholders.

The Committee looks forward to receiving your support at the 2026 AGM. The Board considers it important that shareholders have the opportunity to raise questions with the Board. Shareholders are invited to send any questions they may have about this report or any of the Committee's activities. Please feel free to make contact through Minelle Zech, the Group Human Resources Executive, at mzech@gemdiamonds.com.

Rosalind Kainyah

Chairperson of the Remuneration Committee

17 March 2026

REMUNERATION AT A GLANCE

Basis of preparation

This report has been prepared in accordance with the principles of the UK Companies Act, 2006, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the UK Market Abuse Regulations. The external auditor of Gem Diamonds has audited certain information within this remuneration report which has been marked as such on pages 89, 92 and 94.

COMPONENT

Basic salary	Benefits	Pension
• Market-competitive base salary to recruit and retain individuals • No prescribed minimum or maximum annual increase	• Cash allowance in lieu of non-cash benefits	• Retirement benefits that are appropriately competitive and aligned with the wider workforce

GDIP

- Participants can receive a maximum of up to 180% of their base salary
- For threshold-level and target-level performance, the incentive earned is up to 20% and 50% of maximum opportunity, respectively
- Group scorecard targets may include one or more of the three key strategic priority areas
- Award to be delivered 55% in cash and 45% in nil-cost share options vesting in one-third annual tranches after one, two and three years, and subject to a two-year post-vesting holding period

100% Remuneration Committee attendance

No malus or clawback provisions triggered in 2025

Wider considerations for employees in 2025

+5.1% approved inflationary increase to comparative employees' basic salaries effective from 1 January 2025 (Executive Directors 2%)

7.5% of salary pension contributions, aligned to the workforce

Similar group performance scorecards for **management incentive schemes** across the Group

Total non-Executive Director fee

£342 255 actual

< £750 000 maximum aggregate per the Articles

SHAREHOLDING

200% of salary shareholding requirement

CEO

Total shareholding 16 355% of salary

CFO

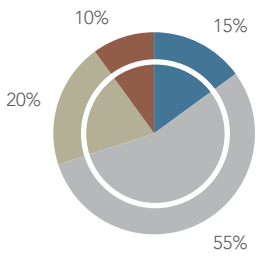
Total shareholding 151% of salary (refer to page 92 for more details)

Pension and benefits:

- Pension contributions for the CEO and CFO are aligned with the wider workforce at 7.5%
- Non-cash benefits are in line with the market at 6% of base salary

GDIP

Profile of scorecard



Individual (15%)

Group (85%)

- Extracting maximum value from our operations
- Working responsibly and maintaining our social licence
- Preparing for our future

REMUNERATION POLICY

The Remuneration Policy as set out in this section of the report was put to a binding shareholder vote at the 2024 AGM and became effective from this date. The Committee considered the relevance of the policy over the course of 2025, and at its February 2026 meeting concluded that it remains fit for purpose. The policy is as disclosed in the 2024 Directors' Remuneration Report save for some non-significant changes as follows:

- references to financial years have been updated where appropriate;
- references to performance measures have been updated for the latest business strategy, as appropriate; and
- pay-for-performance charts have been updated to reflect 2026 salaries.

The Remuneration Policy is designed to provide a level of remuneration that attracts, retains and motivates executives of a suitably high calibre to manage the business, implement the Group's strategy and maximise long-term shareholder value. It is intended that, as far as possible, remuneration policies and practices will conform to best practice in the markets in which the Group operates, will be aligned with shareholder interests and will promote effective management of business risk.

The Committee's policy is to provide base salaries and benefits that are fair and to weight remuneration towards variable pay. Variable pay incentives are linked to the achievement of realistic performance targets relative to the Group's strategy and corporate objectives.

The Committee is satisfied that the proposed policy is clear, simple and appropriately aligned with the Group's strategy, risk appetite and culture, and that the incentives are appropriately capped.

How good governance informs policy design

The table below sets out the application of the Principles of the Code relating to the design of remuneration policies and practices:

Clarity	Targets for annual cash incentives and share awards are aligned to the Group's strategic priorities. This provides clarity to shareholders and other stakeholders on the relationship between the successful delivery of the Group's strategy and remuneration paid.
Simplicity	The Remuneration Policy is designed to be simple and clear while complying with all relevant regulatory requirements and meeting shareholder expectations. It simplifies remuneration elements further by combining the cash and deferred shares components into a single GDIP.
Risk	The Committee is aware of the risks that can result from excessive rewards and believes that the robust target-setting and long history of applying discretion to formulaic outcomes reflect this. Malus and clawback provisions in the Remuneration Policy further mitigate these risks.
Proportionality	The Committee's overriding discretion ensures that remuneration outcomes are aligned with Group performance.
Predictability	The GDIP ensures a simpler but more predictable range of performance outcomes that align with the business model, ensuring predictable pay outcomes that do not reward poor performance.
Culture	As reflected in the Chairperson's statement on page 8, the Committee considers overall pay and conditions for employees across the Group when determining Executive Director outcomes. Personal and Group performance measures include non-financial metrics linked to the Group's purpose and culture.

Policy table for Executive Directors

Salary

Purpose and link to strategy	To offer a market-competitive base salary to recruit and retain individuals of the high calibre necessary to execute the Group's business strategy.
Operation	Base salaries are reviewed annually, with changes effective from 1 April. Salaries are typically set after considering the salary levels in companies of a similar size, complexity and risk profile, the responsibilities of each individual role, progression within the role and individual performance. In setting salaries for Executive Directors, the Committee takes note of the overall approach to salary reviews for the wider employee group.
Opportunity	There is no prescribed minimum or maximum annual increase. It is expected that salary increases for Executive Directors will ordinarily be (in percentage of salary terms) in line with those of the wider employee group in countries of a similar inflationary environment. In certain circumstances (for example, where there is a change in responsibility, role size or complexity, or progression in the role), the Committee has discretion to award higher increases to ensure salary levels remain competitive.
Performance measures	N/A

Benefits

Purpose and link to strategy	To provide competitive benefits considering the market value of the role and benefits offered to the wider UK management population, in line with the Group's strategy to keep remuneration simple and consistent.
Operation	Executive Directors receive a cash allowance in lieu of non-cash benefits.
Opportunity	The benefit value may vary by role to reflect market practice. It is not anticipated that the current cost of benefits (as set out in the Annual Report on Remuneration) will increase materially over the term of this policy, though the Committee retains discretion to approve a higher cost in exceptional circumstances.
Performance measures	N/A

Pension

Purpose and link to strategy	To provide retirement benefits that are appropriately competitive.
Operation	Executive Directors receive a cash allowance in lieu of pension.
Opportunity	Any current and/or new Executive Director will receive pension benefits aligned to that of the wider employee group (currently 7.5% of salary).
Performance measures	N/A

GDIP

Purpose and link to strategy	To drive and reward performance against financial and non-financial KPIs, as well as personal objectives, all of which are directly linked to business strategy.
Operation	The GDIP is reviewed annually by the Committee at the start of the year to ensure the opportunity and performance measures are appropriate and continue to support business strategy. The Committee has discretion to adjust the formulaic outcome of the bonus to more accurately reflect the underlying business and personal performance during the year. Performance is measured over one year, and earned awards are delivered 55% in cash and 45% in nil-cost share options vesting in one-third annual tranches after one, two and three years, subject to continued employment and good/bad leaver provisions over this period. Vested awards are also subject to a two-year post-vesting holding period. Malus and clawback provisions may be applied for a period of two years following payment in exceptional circumstances, including, but not limited to, misstatement, misconduct, error, serious wrongdoing, serious reputational damage and corporate failure.
Opportunity	Participants can receive a maximum of up to 180% of their base salary. For threshold-level and target-level performance, the award earned is up to 20% and 50% of maximum opportunity, respectively.
Performance measures	Performance is determined by the Committee annually by reference to a scorecard of Group targets, as detailed in the Group's business plan and encapsulated in specific KPIs, as well as a discretionary assessment of personal performance. Group scorecard targets may include one or more of the three key strategic priority areas of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future. The Group scorecard will typically account for 85% of performance bonus in any one year. Details of the measures and weightings for the current year are provided in the Annual Report on Remuneration.

Notes to policy table

Legacy arrangements

In approving this policy, authority is given to honour any previous commitments or arrangements entered into with current or former Directors (such as the unwinding of legacy share schemes) at a time when a previous remuneration policy was in force. Authority is also given to honour arrangements agreed with an employee prior to the individual becoming a Director, if in the opinion of the Committee the payment was not in consideration for the individual becoming a Director. Details of any such awards or payments are disclosed in the Annual Report on Remuneration.

Selection of performance measures (GDIP)

Performance measures used in the Group's executive incentive scheme – the GDIP – are selected to ensure incentives reinforce the Group strategy and align executive interests closely with those of shareholders. It is the Committee's opinion that the financial and non-financial measures used in the GDIP support the strategic priorities of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future, and are well-accepted measures for the mining sector.

Performance targets are set to be stretched but achievable, considering a range of reference points including the Group's business plan, its strategic priorities and the economic environment in which the Group operates. The Committee believes it has a robust approach to target setting, and that the maximum outcomes are achievable only for exceptional performance.

Remuneration policy for other employees

Salary reviews are implemented with a consistent approach across the Group and consider the level of responsibility, experience, individual performance, market levels and the Group's ability to pay.

Senior management (below Board level) remuneration is reviewed by the Remuneration Committee. Senior management and management level employees participate in an annual bonus scheme on a similar basis as the Executive Directors, although the weighting on Group performance measures increases with seniority and share awards vary appropriately according to organisational level.

Other employees participate in an annual bonus linked to operational metrics.

Shareholding guidelines

The in-post guideline requires Executive Directors to hold 200% of their salary in beneficially owned shares. Until the guideline has been met, Executive Directors will be required to retain 50% of vested awards under the GDIP or any other share-based incentive.

The post-termination shareholding for Executive Directors requires that the in-post shareholding requirement is maintained for a period of a year following cessation of employment, to be achieved through the continued holding of vested share awards granted after the introduction of the 2021 Remuneration Policy.

A formal policy has been implemented to ensure that in- and post-termination shareholding requirements are managed appropriately.

Pay for performance: scenario analysis for 2026

The table and subsequent graph below illustrate an estimate of the potential future remuneration for the Executive Directors and the potential split between the different elements of pay under four performance scenarios: fixed, at target, maximum and maximum +50% share price appreciation. Potential remuneration is calculated on the incentive opportunities set out in the 2024 Remuneration Policy applied to the salaries effective 1 April 2026.

The maximum GDIP is 180% of the salary.

The fixed scenario includes base salary, pension and benefits only.

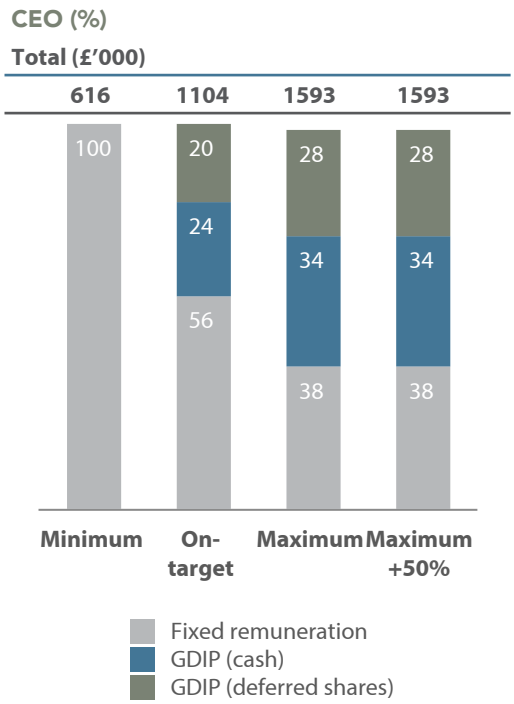
The at-target scenario includes fixed remuneration as above, plus target pay-out of the GDIP.

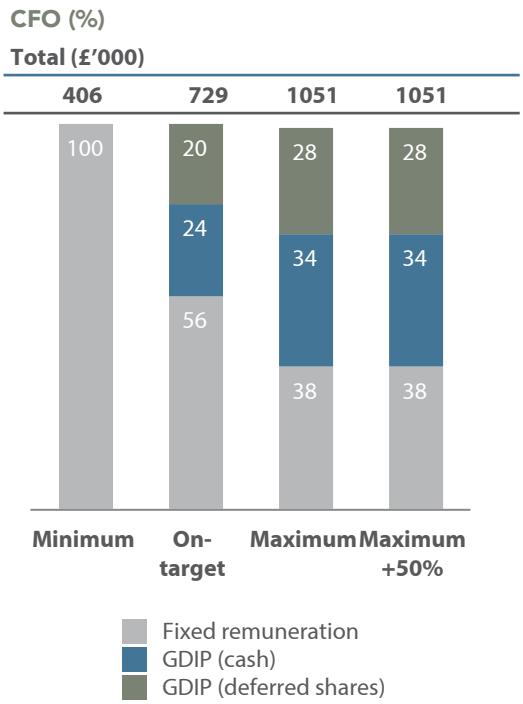
The maximum scenario includes fixed remuneration plus full pay-out and vesting of all incentives.

The maximum +50% scenario is the same as the maximum scenario, as the deferred share element of the GDIP is not subject to performance conditions over the deferral period.

The assumptions are summarised in the table below:

Component	Fixed	At target	Maximum	Maximum +50% share price appreciation
Salary	Base salary for 2026			
Benefits	6.0% of salary			
Pension	7.5% of salary			
GDIP (cash)	0% of maximum	50% of maximum	100% of maximum	100% of maximum
GDIP (deferred shares)	0% of maximum	50% of maximum	100% of maximum	100% of maximum





Approach to remuneration on executive recruitment

The Committee will follow the Remuneration Policy as set out in the policy table when recruiting new Executive Directors. Any arrangement specifically established to recruit an external Executive Director will be capped at the limits described in the policy table on appointment. Where an individual forfeits outstanding incentive payments and/or contractual rights at a previous employer because of their appointment, the Committee may offer additional compensatory payments or awards (buy-out) in such form as it considers appropriate. Any such buy-out compensation would be on a comparable basis to the forfeited benefit, considering factors including the performance conditions attached to these awards, the likelihood of conditions being met, and the remaining vesting period of these awards. The Committee would normally use the remuneration components under the regular policy to make such buy-out awards, but may also exercise its discretion under UK Listings Rule 9.3.2 if an alternative incentive structure were required. Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable, time-limited assistance with relocation in line with local market norms.

In the case of internal promotions, any commitments made prior to promotion and the approval of the Remuneration Policy (except for pension entitlements) will be honoured. Where the new appointee has an initial salary set below market, any shortfall will be managed with phased increases over a period of several years, subject to the individual's performance and development in the role.

Service contracts

The Company's policy is to limit termination payments to pre-established contractual arrangements. If the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. Details of the Executive Directors' service contracts are summarised in the table below.

Director	Contract date	Unexpired	Notice period	Contractual termination payment
CT Elphick	13 February 2007	Rolling contract	12 months	Pay basic salary on summary termination. Benefits are payable only at the Committee's discretion.
M Michael	22 April 2013			

The CEO's contract was extended on a 12-month rolling basis beyond the retirement age of 65 to retain critical, highly specialised industry expertise and institutional knowledge that are central to the organisation's strategic continuity and long-term value. This extension ensures stability and sustained leadership during a period when such skills are scarce and not readily replaceable.

Payments for loss of office under all service contracts

On termination of an Executive Director's contract, payments equal to salary in lieu of notice may be made monthly during the notice period. Benefits are payable only at the Committee's discretion. Payment in lieu of unused annual leave entitlement can be made at the effective salary rate at the point of termination.

Where employment is terminated by the Company and the departing Executive Director has a legal entitlement (under statute or otherwise) to additional amounts, these would need to be met. Should the Company wish to enter into a settlement agreement and the individual seeks independent legal advice, the Committee retains discretion to settle any claims by or on behalf of the Executive Director in return for making an appropriate payment and contributing to the legal fees incurred by the Executive Director in connection with the termination of employment.

In exceptional circumstances, the Committee may approve new contractual arrangements with departing Executive Directors, including (but not limited to) settlement, confidentiality, outplacement services, restrictive covenants and/or consultancy arrangements. These will be used only in circumstances where the Committee believes it is in the best interests of the Company and its shareholders to do so.

The table below provides details of exit payments under different leaver scenarios:

Incentive	Scenario	Time of payment/vesting	Calculation of payment/vesting
GDIP awards, prior to end of performance period	Death, disability, ill health, redundancy, retirement, or any other reasons the Committee may determine (normally not including resignation or where there are concerns as to performance)	Normal payment date, although the Committee has discretion to accelerate (for example, in relation to death)	Performance against targets will normally be assessed by the Committee at the end of the year and any resulting award is normally pro-rated for the proportion of the year worked
	Change of control (whether or not employment is terminated as a result)	Immediately, on change of control	Performance against targets will normally be assessed by the Committee up to the date of change of control and any resulting award is normally pro-rated for time
	All other reasons	Not applicable	No award is paid
GDIP (unvested nil-cost options)	Death, disability, ill health, redundancy, retirement, or any other reasons the Committee may determine (normally not including resignation or where there are concerns as to performance)	Normal vesting date, although the Committee has discretion to accelerate	Unvested awards will normally be pro-rated for time unless the Committee decides otherwise
	Change of control (whether or not employment is terminated as a result)	Immediately, on change of control	Unvested awards will normally be pro-rated for time unless the Committee decides otherwise
	All other reasons	Not applicable	Awards lapse
GDIP (nil-cost options/shares in holding period)	Death, disability, ill health, redundancy, retirement, or any other reasons the Committee may determine (normally not including resignation or where there are concerns as to performance)	Normal vesting date, although the Committee has discretion to accelerate	Not applicable
	Change of control (whether or not employment is terminated as a result)	Immediately, on change of control	Not applicable
	All other reasons	Normal release date, although the Committee has discretion to accelerate	Not applicable

Non-Executive Directors

Non-Executive Directors do not receive benefits from the Company, and they are not eligible to participate in any cash or share-based incentive scheme.

Directors' fees	
Purpose and link to strategy	To attract and retain a high-calibre Chairperson and non-Executive Directors with experience relevant to the Company.
Operation	Fees are reviewed annually, with any changes effective from 1 April. Fees are typically set after considering current market levels, time commitment and responsibilities involved. All non-Executive Directors, including the Chairperson, are each paid an all-inclusive fee. No additional fees are paid for chairing Committees. All fees are payable monthly in cash in arrears. The non-Executive Directors do not participate in any of the Group's incentive plans. No other benefits or remuneration are provided to non-Executive Directors.
Opportunity	There is no prescribed maximum annual increase. It is expected that fee increases will typically be in line with market levels of fee inflation. In certain circumstances (for example, where there is a change in time commitment required or a material misalignment with the market), the Committee has the discretion to adjust fee levels to ensure they remain competitive. The maximum aggregate annual fee for all non-Executive Directors, including the Chairperson, allowed by the Company's Articles of Association, is £750 000.

Director	Contract date	Unexpired term	Notice period	Contractual termination payment
H Kenyon-Slaney	6 June 2017	Rolling appointment	Three months	No provision for payment of compensation
M Brown	1 January 2018			
J Blas	1 April 2025			
M Maharasoa[1]	1 July 2019			
R Kainyah	1 May 2021			

1. *M Maharasoa resigned from the Board effective 31 December 2025.*

Consideration of shareholder views

The Committee considers shareholder views and the guidelines of investor bodies when determining remuneration. The Committee values feedback from shareholders on the Company's Remuneration Policy and commits to consulting shareholders in advance of any significant changes to the policy. Details on the votes received on the 2024 Annual Report on Remuneration (at the 2025 AGM) are provided in the Annual Report on Remuneration.

External directorships

Executive Directors are permitted to accept external directorships with prior approval of the Chairperson. Approval will only be given where the appointment does not present a conflict of interest with the Group's activities and the experience gained will be beneficial to the development of the individual. Where fees are payable in respect of such appointments, these would be retained by the Executive Director. Refer to page 88 for further details.

ANNUAL REPORT ON REMUNERATION

This report provides information regarding the implementation of the Company's approved 2024 Remuneration Policy during the financial year ended 31 December 2025 and how the existing Remuneration Policy will be implemented in 2026. This Annual Report on Remuneration will be subject to an advisory vote at our 2026 AGM on 3 June 2026. The external auditor of Gem Diamonds has audited certain information within this remuneration report, which has been marked as such on pages 89, 92 and 94.

Role, composition and experience of the Committee

The Committee's terms of reference are available on the Company's website and comply with the UK Corporate Governance Code.

Rosalind Kainyah

Chairperson

Independent non-Executive Director

The role of the Committee is to assist the Board in fulfilling its responsibility to shareholders to ensure that:

- Remuneration policy and practices of the Group are designed to support strategy and promote long-term sustainable success, and reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements.
- Executive remuneration is aligned to Group purpose and values and linked to the delivery of the Group's long-term strategy.

Membership as at 31 December 2025:

- M Lynch-Bell (until 31 March 2025)
- R Kainyah
- H Kenyon-Slaney*
- J Blas (from 1 April 2025)

Other attendees:

- C Elphick*
- M Michael*
- M Zech
- Ellason LLP (Independent remuneration consultants)
- Company Secretary

* Except when issues relating to their own remuneration are discussed.

2025 value-adding activities	Link to strategic pillar
Remuneration policies and practice	
Reviewed the Remuneration Policy to ensure it is appropriate to motivate and reward senior executives and align their interests with the Group's purpose and values as well as the interests of shareholders. Ensured incentives include an appropriate balance of financial and non-financial elements for the long-term sustainability of the Group. Reviewed and approved base salaries and total remuneration for the Executive Directors and reviewed fees for non-Executive Directors and remuneration for senior management in line with consideration of recent developments in remuneration market trends and best practice. Approved management's proposal to temporarily reduce Board, Executive and senior management's salaries as part of the BR Programme. Reviewed Directors' contracts and other agreements or documents covering Director remuneration to ensure they include malus and clawback provisions and the circumstances in which they operate.	
Share-based remuneration and bonus arrangements	
Following engagements with the Company's major shareholder, considered the effectiveness of short and long-term incentive structures and their alignment with shareholder expectations. Reviewed the range of non-financial performance metrics in variable remuneration. Determined performance conditions and targets for incentive plans. Considered the effectiveness of current ESG metrics linked to executive pay and whether further human capital management topics are material to the business and should be monitored. Applied its collective mind to the determination of discretionary elements in the GDIP scorecard and the appropriateness of the formulaic output from the incentive calculations, to ensure these accurately reflect performance during the year. Reviewed diversity, equity and inclusion (DE&I) metrics and their link to executive pay.	
Workforce remuneration and related policies	
Confirmed that the Group's compensation programmes consider employees' needs beyond fair and equitable remuneration. Engaged with employees through formalised structures on executive pay and how it supports strategy. Reviewed employee remuneration and related policies and the alignment of incentives and rewards with culture and strategy. Reviewed gender pay data to establish whether pay gaps are present.	
Other matters	
Reviewed the Committee's composition, terms of reference and operation. Reviewed and approved the Directors' Remuneration Report for 2024.	
Future focus areas	
In 2026, the Committee will: • Review and prepare the Directors' Remuneration Policy for shareholder approval at the 2026 AGM. • Ensure the remuneration framework remains aligned with the Group's strategy, performance and market practice. • Oversee the design and performance conditions of executive incentive plans to maintain strong pay-for-performance alignment. • Consider the alignment between executive remuneration outcomes and broader workforce remuneration.	

Extracting Maximum Value from Our Operations	Working Responsibly and Maintaining Our Social Licence	Preparing for Our Future

Consideration of independence

Ellason was appointed by the Committee in January 2021 to provide independent remuneration advice to the Committee and attend Committee meetings. Ellason provides remuneration advice to a large portfolio of clients, including many in the FTSE 350 and FTSE Small Cap, reassuring the Committee that the advice provided is appropriate and relevant. Ellason is a signatory to, and abides by, the Remuneration Consultants Group Code of Conduct. Further details can be found at www.remunerationconsultantsgroup.com.

Ellason does not provide non-remuneration services to the Group, is in no other way connected to the Group, and is therefore considered to be independent. The fees payable to them in relation to work for the Committee in 2025 were US$27 526, excluding VAT.

Summary of shareholder voting

The table below shows the results of the advisory vote on the 2024 Annual Report on Remuneration at the 2025 AGM and the binding vote on the 2024 Remuneration Policy at the 2024 AGM.

		For	Against	Total votes cast	Withheld
2024 Report on Remuneration	Total number of votes	92 753 387	5 053	92 758 440	10 000
	Percentage of votes cast	99.99%	0.01%	–	–
2024 Remuneration Policy	Total number of votes	67 235 441	35 022 771	102 258 212	10 524
	Percentage of votes cast	65.8%	34.2%	–	–

The 2024 Directors' Remuneration Report described the implementation of the Remuneration Policy as approved at the 2024 AGM.

Wider employee considerations

The Committee considers Executive Director remuneration in the context of pay policies and practices across the wider employee group. We value and appreciate the contribution made by our employees and aim to provide them with market-competitive remuneration and benefit packages. Our approach to remuneration for our wider employee group is similar to that of Executive Directors and includes both fixed and performance-based components.

Base salaries are reviewed annually and any increases become effective from either 1 January or 1 March, dependent on operation-specific remuneration policies. The Committee reviews salary increases for the wider employee group and significant changes in practice or policy. The average salary increase awarded to the wider workforce was 5.1% for 2025, which took into account the year-on-year increase in inflation. All employees participate in an annual discretionary bonus scheme that rewards both an employee's contribution to the performance of the Group and their individual performance.

The majority of our employees receive an employer pension contribution equal to 7.5% of salary per annum and may opt to join a medical aid scheme to which the Company contributes 50% up to a capped amount. We also offer a wide range of benefits and programmes throughout the Group to support employees' health, well-being and work-life balance. Benefits and programmes vary from site to site and include employee wellness and/or access to a counsellor, on-site gym and/or recreation centres, travel subsidies, a flexible working environment and paying for professional subscriptions.

We have an open, collaborative and inclusive management structure and engage regularly with our employees on a range of issues. The designated non-Executive Director, Mazvi Maharasoa, conducted formal engagement sessions with workforce committees. During 2025, the Remuneration Committee Chairperson attended one engagement session. This afforded the opportunity for engagement with the workforce as to how executive remuneration supports strategy and aligns with that of the employees. Company culture is monitored and assessed by the Board on a quarterly basis against pre-determined metrics.

Gender pay considerations

We have not included a UK gender pay gap report, as the Company has no employees based in the UK and any resulting ratios would not be meaningful. The Committee reviewed gender pay across the various employee levels in the Group and is satisfied that no material differences exist between genders.

Relative importance of spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (dividends, share buybacks and return of capital) from the financial year ended 31 December 2024 to the financial year ended 31 December 2025.

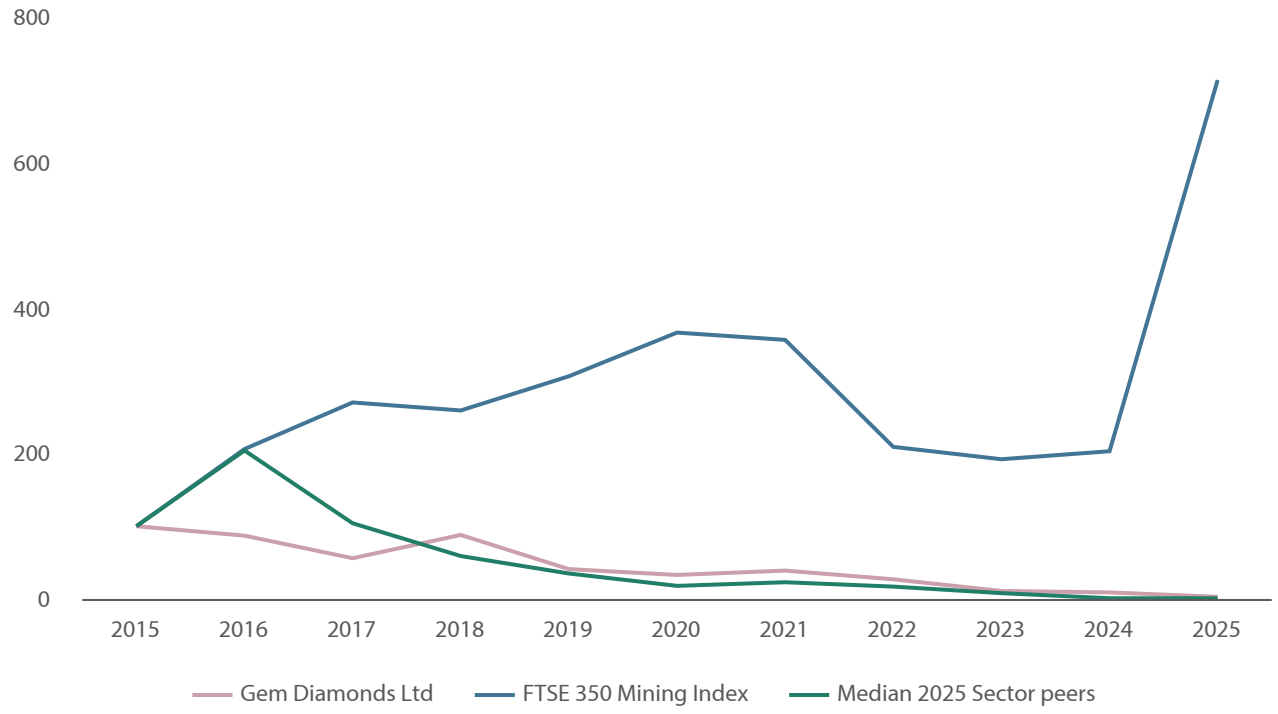
	2025 US$	2024 US$	% change
Distribution to shareholders[1]	**–**	–	–
Employee remuneration[2]	**24 322 429**	23 823 269	2.1%
Return of capital[3]	**–**	–	–

[1] *No dividends were declared from the 2024 or 2025 results.*
[2] *Includes salary, pension and benefits, bonus, accounting charge for the ESOP and employer national insurance contribution. The increase for 2025 is driven mainly by the increase in employee numbers and cost due to the insourcing of the processing function at the end of 2024.*
[3] *Any other significant distributions and payments or other uses of profit or cash flow deemed to assist in understanding the relative importance of spend on pay.*

Pay for performance

The graph below shows the Company's total shareholder return (TSR) performance compared to the performance of the Sector Peers (Lucara, Petra, Mountain Province, Lucapa, Firestone (up to 2020)) and the FTSE 350 Mining Index over the 10-year period to 31 December 2025. The Sector Peer Group has been selected to provide a diamond miner comparator group and the FTSE 350 Mining Index has been selected, as the Group and the constituents of the index are affected by similar commercial and economic factors. The table below the graph details the CEO's single figure of remuneration and actual variable pay outcomes over the same period.

Value of £100 invested on 1 January (Gem Diamonds vs. FTSE 350 Mining Index and Sector Peers (£))



	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
CEO single figure of remuneration (£)	611 314	681 191	995 161	891 643	989 921	1 016 832	1 023 207	677 186	983 979	**573 553** [1]
Annual bonus outcome (% of maximum)	0.0	20.0	83.0	62.6	66.0	39.3	43.9	45.5	57.5	**57.3** [2]
ESOP vesting outcome (% of maximum)	28.3	14.5	21.4	25.9	65.9	60.1	42.7	n/a	n/a	**n/a** [3]

[1] *Share options under the deferred portion of the 2025 GDIP will be awarded in 2026 following the release of the 2025 annual results. The Committee applied its discretion in awarding deferred share options at a price of 25 GB pence rather than the prevailing share price of c.3 GB pence. This will have the effect of reducing the number of shares granted by c.85%. The change in the remuneration from 2024 to 2025 is driven mainly by the salary sacrifice and the decision to forego the cash portion of the GDIP in 2025.*

[2] *The waiver of the cash element of the annual bonus, together with the lower deferred shares as set out in the above note, results in an effective 4% annual bonus outcome against the maximum achievement.*

[3] *Following the implementation of the GDIP in 2021, no share options have been awarded subject to performance conditions and no vesting of awards were subject to performance conditions.*

Percentage change in Director remuneration compared to other employee pay

The table below shows a comparison of the annual change in each individual Director's pay to the annual change in average employee pay for the year ended 31 December 2025. The parent company consists of only Directors, and the Company therefore chose to voluntarily disclose the change in Directors' remuneration compared to a wider employee comparator group, as this will provide a more representative comparison. The comparator group is made up of Letšeng Diamonds employees, who in turn make up 93% of the Group's employees.

		Executive Directors			Non-Executive Directors				
		C Elphick	M Michael	H Kenyon-Slaney	J Blas[4]	M Brown	M Maharasoa	R Kainyah	Comparator group
2025	Base salaries (% change)[1]	**2.0**	**2.0**	**2.0**	**–**	**2.0**	**2.0**	**2.0**	**5.1**
	Benefits (% change)[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Bonuses (% change)[3]	**(57.5)**	**(61.5)**	**–**	**–**	**–**	**–**	**–**	**(1.8)**
2024	Base salaries (% change)	–	–	–	n/a	–	–	–	6.5
	Benefits (% change)	–	–	–	n/a	–	–	–	1.6
	Bonuses (% change)	57.5	61.5	–	n/a	–	–	–	1.8
2023	Base salaries (% change)	4.0	4.0	–	n/a	–	–	–	7.8
	Benefits (% change)	(4.5)	(4.0)	–	n/a	–	–	–	2.5
	Bonuses (% change)	(43.9)	(45.9)	–	n/a	–	–	–	(4.0)
2022	Base salaries (% change)	4.0	4.0	10.0	n/a	4.0	4.0	4.0	4.7
	Benefits (% change)	(1.3)	(1.0)	–	n/a	–	–	–	–
	Bonuses (% change)	4.6	5.6	–	n/a	–	–	–	7.3
2021	Base salaries (% change)	4.1	4.1	4.1	n/a	4.1	4.1	4.1	5.9
	Benefits (% change)	(0.9)	(0.7)	–	n/a	–	–	–	–
	Bonuses (% change)	(27.1)	(27.1)	–	n/a	–	–	–	(19.9)

[1] *The change in base salaries is shown as the approved basic salary increase for 2025.*
[2] *The change in benefits is shown as any approved change in benefits.*
[3] *The change in bonus depicts the change in y-o-y achievement against maximum potential. For 2025, the change in bonus is driven by the decision to award a zero cash bonus for the 2025 performance year.*
[4] *J Blas was appointed to the Board on 1 April 2025.*

Executive Directors' external appointments

Apart from interests in private entities, only Clifford Elphick holds any significant executive directorships or appointments outside the Group. He is appointed as the non-Executive Chairperson of Zanaga Iron Ore Co Limited, which listed on the AIM Market of the London Stock Exchange in November 2010. Total fees paid to Clifford Elphick by Zanaga are £83 000. Any fees paid to Clifford Elphick in fulfilling external roles are retained by him.

Salary increases

The Committee approved an increase of 2% to base salaries for 2025, effective 1 April 2025:

Executive Director	**2025 salary**	2024 salary	% increase
	£	£	
C Elphick	**542 682**	532 041	2%
M Michael	**358 148**	351 125	2%

Pension and other benefits

No formal pension provision is made by the Company, but Executive Directors receive a cash allowance in lieu of pension. The pension allowance for both the CEO and CFO of 7.5% of salary is fully aligned with pension contributions to the wider employee group. Executive Directors received a cash allowance in lieu of other non-cash benefits, the values of which were 6.0% of salary for the CEO and the CFO.

Implementation of Remuneration Policy for 2025

Total single figure of remuneration for Directors

The table below sets out the total single figure remuneration received by each Director for 2025 and the prior year. Although the Group's reporting currency is US dollars, these figures are stated in sterling, as the Directors' emoluments are based in sterling.

	Salary and fees[1]		Non-cash benefits[2]		Pension[3]		Total fixed remuneration		GDIP (cash)[4]		GDIP (share options)[5]		Total variable remuneration		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	£	£	**£**	£	**£**	£	**£**	£	**£**	£	**£**	£	**£**	£	**£**	£
Executive Directors																
C Elphick	**472 187**	532 041	**27 667**	31 923	**35 414**	39 904	**535 268**	603 868	**–**	302 496	**38 285**	77 615	**38 285**	380 111	**573 553**	983 979
M Michael	**319 085**	351 125	**19 145**	21 067	**23 931**	26 334	**362 161**	398 526	**–**	217 015	**25 267**	54 790	**25 267**	271 805	**387 428**	670 331
Non-Executive Directors																
H Kenyon-Slaney	**125 215**	134 640	**–**	–	**–**	–	**125 215**	134 640	**–**	–	**–**	–	**–**	–	**125 215**	134 640
M Lynch-Bell[6]	**14 586**	58 344	**–**	–	**–**	–	**14 586**	58 344	**–**	–	**–**	–	**–**	–	**14 586**	58 344
M Brown	**54 260**	58 344	**–**	–	**–**	–	**54 260**	58 344	**–**	–	**–**	–	**–**	–	**54 260**	58 344
J Blas[7]	**39 674**	–	**–**	–	**–**	–	**39 674**	–	**–**	–	**–**	–	**–**	–	**39 674**	–
M Maharasoa	**54 260**	58 344	**–**	–	**–**	–	**54 260**	58 344	**–**	–	**–**	–	**–**	–	**54 260**	58 344
R Kainyah	**54 260**	58 344	**–**	–	**–**	–	**54 260**	58 344	**–**	–	**–**	–	**–**	–	**54 260**	58 344

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1 *Salary and fees. The reduction in salaries and fees is attributed to the temporary salary cuts implemented as part of the BR Programme.*
2 *Non-cash benefits: cash payments in lieu.*
3 *Pension: cash payments in lieu.*
4 *Includes the cash component of the GDIP. The Executives elected to forego their entitlement under the cash element of the GDIP for 2025.*
5 *The 2025 GDIP (share options) figures relate to the value of the deferred nil-cost share options to be awarded in 2026 following the release of the 2025 annual results. The Committee applied its discretion to award deferred share options at a price of 25 GB pence rather than the prevailing share price of c.3 GB pence. This will have the effect of reducing the number of shares granted by c.85%. The 2024 GDIP figures have been adjusted to reflect the share price on the award date of 7.84 GB pence.*
6 *M Lynch-Bell retired from the Board on 31 March 2025.*
7 *J Blas was appointed to the Board on 1 April 2025.*

GDIP in respect of 2025 performance

Executive Directors participated in the GDIP in 2025. The GDIP is a discretionary incentive arrangement focused on the strategic areas of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future, all of which are underpinned by specific KPIs and included in the business plan approved by the Board.

In 2025, the maximum award opportunity for the Executive Directors was 180% of base salary. The earned incentive is paid in cash (55%) and a nil-cost share award (45%), with vesting subject to continued employment over three years. Pay-out is based 85% on a business scorecard and 15% on personal objectives assessed on a discretionary basis by the Remuneration Committee. The business scorecard performance measures, targets and actual results for 2025 are disclosed in full in the table below.

	Weighting (% of max)	Threshold target	Stretch target	Actual performance	Pay-out % of max
Preparing for Our Future					
As set out in strategic focus areas[1]	10.0	Judged by Committee on discretionary basis			8.0
Extracting Maximum Value					
Adjusted underlying EBITDA (US$ millions)[2]	30.0	14.8	20.0	3.9	–
Corporate costs (US$ millions)	3.0	6.0	5.4	5.3	3.0
Cost per carat (LSL)	22.0	15 650	13 911	14 753	13.5
Working Responsibly, Maintaining Social Licence					
Reduce environmental impact (tCO_2e)[3]	7.5	99 466	90 514	89 605	7.5
All injury frequency rate (AIFR)[4]	7.5	0.8	0.7	0.4	7.5
Implement phase 1 of the DE&I roadmap	2.5			70%	1.8
Any major community incident will result in 100% forfeiture of this element	2.5	–	–	–	2.5
	85.0				43.8

[1] *The Committee reviewed progress against the strategic focus elements of long-term mine planning and optimisation and external growth opportunities. It was determined that a score of 8 out of 10 is appropriate.*
[2] *For GDIP purposes, targets and actual underlying EBITDA are adjusted to remove bonus provisions and specific project costs to ensure comparative assessments.*
[3] *A deductor of up to 20% of achievement may be applied in the event of any major environmental incident.*
[4] *Any fatality will result in 100% forfeiture of this element.*

In assessing the discretionary element of Preparing for Our Future, the Committee considered the following areas set out as the strategic focus for the year:

Rapid response to market conditions

Implementation of the BR Programme over the last six months, which reduced the Group's cash costs by c.US$1.5 million per month.

Long-term mine planning and optimisation

The Letšeng life of mine plan was revised to include a steeper option providing c.6 million tonnes of ore with negligible waste to be mined. This provided significant long-term value and sustainability at Letšeng, taking into consideration the dire market and economic conditions.

Access additional Satellite Pipe ore

A dry rotary trommel was purchased to sort an additional c.1.0 million tonnes of heavily basalt-diluted Satellite Pipe ore stockpiles for treatment in 2025 and 2026. In line with this plan, an additional c.550 000 tonnes of valuable Satellite Pipe ore was mined and treated in 2025.

External growth opportunities

During the year, numerous assets and projects were reviewed and a number of parties were engaged as part of the strategic focus on growth and expansion.

Personal performance

15% of the GDIP is linked to personal performance, with objectives linked to each Executive Director's individual areas of responsibility and designed to collectively support the achievement of the Group's strategic targets for the year. Individual targets comprise contributions to the Group's overall performance and the delivery of strategic projects and initiatives as set out by the Board, including operational performance, strengthening of key stakeholder relationships, bank financing, treasury management, ESG objectives, and strategy development and implementation. Following the Committee's consideration of the Executive Directors' personal performance as set out in the tables below, as well as the role the Executives played in successfully navigating the business through a tough and challenging year, the Committee awarded a score of 13.5% (out of 15%) for both the CEO and CFO.

Clifford Elphick

Strategic focus area	Performance
Preparing for Our Future	During the year, numerous assets and projects were reviewed and a number of parties were engaged as part of the strategic focus on growth and expansion.
Extracting Maximum Value from Our Operations	In 2022, an agreement was entered into with two important diamond manufacturing clients who supply polished diamonds to some of the world's most premium luxury jewellery brands. These diamonds are polished to the clients' specifications, and additional value is realised for the Group as it shares in a percentage of the polished sales price of these diamonds. Additional revenue earned from the sale of these diamonds amounted to US$0.4 million in 2025.
Working Responsibly and Maintaining Our Social Licence	Succession planning across the Group was progressed with an increased focus on diversity and inclusion. Phase 1 of the DE&I roadmap was successfully implemented during 2025, with positive changes in the year-on-year percentage of females appointed and retained. The Group's carbon emission reduction initiatives progressed well, and the Group reached its decarbonisation target of a 30% reduction in Scope 1 and 2 emissions in 2025, well ahead of its 2030 target date. The decrease was driven mainly by a reduction in waste mining volumes, but the Group will focus on maintaining this absolute reduction despite the scheduled increase in waste mining volumes from 2027.

Michael Michael

Strategic focus area	Performance
Preparing for Our Future	Cash flow management and regular oversight of operational forecasts resulted in early identification of potential risks. This led to decisive measures being taken through the implementation of the BR Programme, which resulted in recurring monthly savings of c.US$1.5 million. Lender expectations and covenant requirements were closely managed, with no breaches recorded during the year.
Extracting Maximum Value from Our Operations	Cost containment remained a key focus area in a constrained diamond market. Total cash operating costs (including waste costs) in local currency decreased to LSL1 301.3 million (US$72.8 million) from LSL1 602.0 million (US$87.4 million) in 2024. The all-in cash unit cost (including waste costs) per tonne treated decreased by 21% to LSL250.79 (US$14.03) per tonne treated (2024: LSL319.21, US$17.41 per tonne treated) following the implementation of the BR Programme.
Working Responsibly and Maintaining Our Social Licence	Managing tax compliance and maintaining sound tax practices is an important element of working responsibly and maintaining our social licence. Tax is highly complex and subject to interpretation of the application of the law. Disputes have arisen over the interpretation and application of the prevailing tax legislation, and these matters have been managed to ensure no tax obligation arose that could have impacted the Group's results, financial position or liquidity.

The formulaic outcome from the business scorecard for Group performance was 43.8% (out of the maximum 85%) which, combined with the personal element, resulted in formulaic GDIP outcomes of 57.3% and 57.3% of maximum for the CEO and the CFO, respectively. The Committee decided to restrict the deferred shares element to align more closely with the shareholder experience over 2025. The Committee agreed that the share price to be used to determine the number of shares to be granted in 2026 under the deferred GDIP award would be 25 GB pence, rather than the prevailing share price of c.3 GB pence at the meeting when the Committee reviewed the GDIP outcome. This will have the effect of reducing the number of shares to be granted in 2026 by c.85%.

Based on business and personal performance, the GDIP incentive for 2025 was as follows:

	Total performance score (%)	Cash[1] £	Deferred shares[2] £	Total £
Executive Directors at 31 December 2025				
C Elphick	**57.3%**	**0.0**	**38 285**	**38 285**
M Michael	**57.3%**	**0.0**	**25 267**	**25 267**

[1] *As noted above, the Executives elected to forego their entitlement under the cash element of the GDIP.*
[2] *The deferred nil-cost options will be granted in 2026 with the number of shares based on an assumed share price of 25 GB pence; the value in the table above is based on the share price at the time of the GDIP approval by the Committee, of c.3 GB pence, and will be subject to the rules as set out in the Directors' Remuneration Policy on page 77.*

Deferred share awards granted in 2025

Following approval of the 2024 GDIP outcome, the CEO and the CFO were granted share options with face values of 14% and 15%, respectively, of their then salaries, as summarised in the table below.

Executive Director	Date of grant	Number of options granted[1]	Share price on date of award £	Face value of award £	Face value as % of salary
C Elphick	10 April 2025	989 986	0.08	77 615	14
M Michael	10 April 2025	698 856	0.08	54 790	15

[1] *The number of deferred share options awarded was determined based on the Committee's discretion to award deferred share options at a price of 25 GB pence rather than the prevailing share price of 7.84 GB pence on the date of the award.*

Details of outstanding awards of performance options to Directors

There are no outstanding awards of performance options to Directors.

Directors' shareholding and interests in shares

Details of interests in the share capital of the Company of those Directors in office as at 31 December 2025 are presented below. It is confirmed that there were no changes to the Directors' holdings between 31 December 2025 and the date of this report. No Director held an interest in the shares of any subsidiary company.

		Performance shares held			Performance options held			
	Shares owned outright as at 31 December 2025	Subject to performance conditions	Unvested and subject to continued employment only	Vested but not exercised	Subject to performance conditions	Vested but not exercised	Total shareholding as a % of salary[1]	Shareholding guideline met
Executive Directors								
C Elphick[2]	**9 325 000**	–	1 633 524	899 059	–	–	16 355%	Yes
M Michael	**171 849**	–	1 142 379	835 241	–	–	151%	No[3]
Non-Executive Directors								
H Kenyon-Slaney	**50 000**	–	–	–	–	–	–	–
M Brown	**67 124**	–	–	–	–	–	–	–

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[1] *The Committee deemed it appropriate to calculate the total shareholding as a % of salary based on the share price at the time of issue/purchase. This differs from reporting up to 2022, where the three-month average to the end of the financial year was used in the calculation. In applying the three-month average calculation, the shareholding would be 58% and 5% respectively for the CEO and CFO.*

[2] *C Elphick is interested in these ordinary shares by virtue of his interest as a potential beneficiary in a discretionary trust which has an indirect interest in those ordinary shares.*

[3] *In terms of the shareholding guidelines, M Michael is required to retain at least 50% of his vested awards until the guideline of 200% of basic salary has been met.*

Implementation of Remuneration Policy for 2026

Based on all considerations, including current market conditions, the Committee approved management's proposal to not increase base salaries in 2026.

Executive Director	**2026 salary £**	2025 salary £	% increase
C Elphick	**542 682**	542 682	–
M Michael	**358 148**	358 148	–

Pension and benefits

The Executive Directors will continue to receive cash supplements in lieu of pension and benefits in 2026. Pension benefits are fully aligned with that of the wider employee group at 7.5% of base salary. Pension contributions to any new Executive Director appointments will be capped at the prevailing wider employee group pension rate at the time.

The allowance in lieu of non-cash benefits will be 6% of salary for both the CEO and CFO.

Gem Diamonds Incentive Plan

The Executive Directors will participate in the GDIP in line with the Remuneration Policy, with a maximum award opportunity of 180% of salary and with pay-out based on a scorecard of financial, operational and personal objectives measured over the financial year.

The performance measures will continue to support the delivery of the Group's key strategic priorities as set out on page 15 of this Annual Report and Accounts 2025, with 85% linked to business performance and 15% to personal performance. For the business performance element, performance may continue to be linked to the Group's three key strategic priorities of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future. The weightings that apply to the elements of the scorecard for 2025 are summarised in the table below.

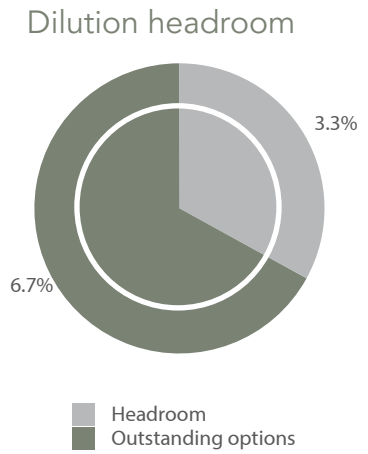
Personal performance	**15%**
Group performance	**85%**
Preparing for Our Future	**10%**
As set out in strategic focus areas	10%
Extracting Maximum Value	**55%**
Cash EBITDA (US$)	30%
Cost per carat recovered (LSL)	22%
Corporate costs (US$)	3%
Working Responsibly, Maintaining Social Licence	**20%**
This element of the bonus captures several key metrics around the Group's environmental, safety and social performance. Consistent with the other measures for the GDIP scorecard, the exact measures and targets will be disclosed in full in the 2026 remuneration report.	

Targets are considered sensitive and will be disclosed in full on a retrospective basis in next year's report. In approving these targets, the Committee considered a range of perspectives on performance outcomes, including internal and external reference points. More detail on the selection of GDIP performance measures is given on page 78 of this report.

Dilution

Employee share awards may be satisfied with newly issued shares subject to aggregate dilution limits. The issue of shares to satisfy awards under the Company's share schemes will not exceed 10% of the Company's issued ordinary share capital in any rolling 10-year period. As of 31 December 2025, a total of 14 144 290 shares (10% of issued share capital) may be issued pursuant to all current awards outstanding over the last 10 years.

As at 31 December 2025, the Company's headroom position, which remains within the current IA Guidelines, was as presented in the chart to the right:



Details of outstanding awards to Directors

Directors	Date of grant	Balance as at 1 January 2025	Granted in the year	Vested in the year	Lapsed in the year	Exercised in the year	Exercise price US$	Earliest normal exercise date	Expiry date	Balance as at 31 December 2025
C Elphick (CEO)	9 June 2020	**98 302**	–	–	–	–	–	9 June 2023	9 June 2030	**98 302**
	No award in 2021	**–**	–	–	–	–	–	–	–	**–**
	4 April 2022	**297 217**	–	99 072	–	–	–	04 Apr '23 (1/3) 04 Apr '24 (1/3) 04 Apr '25 (1/3)	4 April 2032	**297 217**
	21 April 2023	**363 544**	–	121 181	–	–	–	21 Apr '24 (1/3) 21 Apr '25 (1/3) 21 Apr '26 (1/3)	21 April 2033	**363 544**
	17 April 2024	**783 534**	0	261 178	–	–	–	17 Apr '25 (1/3) 17 Apr '26 (1/3) 17 Apr '27 (1/3)	17 April 2034	**783 534**
	10 April 2025	**–**	989 986	–	–	–	–	17 Apr '26 (1/3) 17 Apr '27 (1/3) 17 Apr '28 (1/3)	10 April 2035	**989 986**
Total		**1 542 597**	**989 986**	**481 431**	**–**	**–**	**–**			**2 532 583**
M Michael (CFO)	20 March 2018	**112 042**	–	–	–	–	–	20 March 2021	20 March 2028	**112 042**
	20 March 2019	**102 207**	–	–	–	–	–	20 March 2022	20 March 2029	**102 207**
	9 June 2020	**72 658**	–	–	–	–	–	9 June 2023	9 June 2030	**72 658**
	No award in 2021	**–**	–	–	–	–	–	–	–	**–**
	4 April 2022	**201 141**	–	67 047	–	–	–	04 Apr '23 (1/3) 04 Apr '24 (1/3) 04 Apr '25 (1/3)	4 April 2032	**201 141**
	21 April 2023	**250 863**	–	83 621	–	–	–	21 Apr '24 (1/3) 21 Apr '25 (1/3) 21 Apr '26 (1/3)	21 April 2033	**250 863**
	17 April 2024	**539 853**	0	179 951	–	–	–	17 Apr '25 (1/3) 17 Apr '26 (1/3) 17 Apr '27 (1/3)	17 April 2034	**539 853**
	10 April 2025	**–**	698 856	–	–	–	–	17 Apr '26 (1/3) 17 Apr '27 (1/3) 17 Apr '28 (1/3)	10 April 2035	**698 856**
Total		**1 278 764**	**698 856**	**330 619**	**–**	**–**	**–**			**1 977 620**

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Chairperson and non-Executive Director fees

Chairperson and non-Executive Director fees were reviewed in February 2026. Considering current market conditions, appropriate industry benchmarks as well as current guidelines, it was decided that fees for the Chairman and the non-Executive Directors will not be increased for 2026 and will remain at £137 333 per annum for the Chairman and £59 511 per annum for the non-Executive Directors.

DIRECTORS' REPORT

The Directors are pleased to submit the financial statements of the Group for the year ended 31 December 2025.

As a British Virgin Islands-registered company, Gem Diamonds Limited (company registration number: 669758) is not required to conform with the Companies Act, 2006. The Directors have elected to conform with certain of the Act's requirements.

Accordingly, Directors must present a Strategic Report and a Directors' Report to inform shareholders of the Group's performance and prospects and help them evaluate whether the Directors performed their fiduciary duty. The Annual Report and Accounts 2025 discloses how the Directors have performed their duty to ensure the Group's continued success and sustainability, in line with the Companies Act, 2006.

In line with Disclosure Guidance and Transparency Rules (DTR 4.1.5R(3) and DTR 4.1.8R), the required content of the Annual Financial Report and Management Report can be found in the Strategic Report (page 2), the Performance Review (page 26), the Governance section (page 47), the Directors' Report and other sections of the Annual Report and Accounts 2025 as indicated by reference.

The Strategic Report can be found on pages 2 to 46. This will provide shareholders with a balanced assessment of the Group's business, including a description of its principal risks and uncertainties. It may not be relied upon by anyone, including the Company's shareholders, for any other purpose.

Forward-looking statements

The Strategic Report and other sections of this report contain forward-looking statements. Forward-looking statements, by their nature, involve several risks, uncertainties and future assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future. The actual results and outcomes may differ materially from those expressed or implied by the forward-looking statements. No assurance can be given that the forward-looking statements in the Strategic Report will be realised. Statements about the Directors' expectations, beliefs, hopes, plans, intentions and strategies are subject to change and are based on expectations and assumptions about future events, circumstances and other factors which are, in many instances, outside the Company's control.

The information in the Strategic Report was prepared based on the knowledge and information available to the Directors at the time of its preparation. The Company is under no obligation to update or revise the Strategic Report during 2026. The expectations set out in the forward-looking statements are reasonable but may be influenced by several variables which could cause actual results or trends to differ materially. Forward-looking statements need to be read in context with actual historic information provided. The Company's shareholders are cautioned not to place undue reliance on the forward-looking statements. Shareholders should note that the Strategic Report has not been audited.

CORPORATE GOVERNANCE

DTR 7.2 requires certain information to be included in a corporate governance statement set out in the Directors' Report. The Group has an existing practice of issuing a separate Corporate Governance Code Compliance Report as part of its Annual Report and Accounts. The information required by the Disclosure Guidance and Transparency Rules and the UK Financial Conduct Authority's Listing Rules (UKLR 6.6) is located on pages 47 to 94.

DIRECTORS

The Directors, as at the date of this report, are listed on pages 161 to 163 together with their biographical details. M Lynch-Bell held office until his retirement on 31 March 2025 and M Maharasoa held office until her resignation on 31 December 2025. Details of the Directors' interests in shares and share options of the Company can be found on page 92.

Directors who held office during the year and date of appointment

	Appointment	Resignation
Executive Directors		
C Elphick	20 January 2006	
M Michael	22 April 2013	
Non-Executive Directors		
H Kenyon-Slaney	6 June 2017	
M Lynch-Bell	15 December 2015	31 March 2025
M Brown	1 January 2018	
M Maharasoa	1 July 2019	31 December 2025
R Kainyah	1 May 2021	
J Blas	1 April 2025	

Appointment and re-election of Directors

The Board's formal Selection and Appointment Policy ensures that the procedure for appointing new Directors is formal, rigorous and transparent, and appointments are made on merit, against objective criteria. The Nominations Committee makes appointments based on merit while considering diversity (of gender, social and ethnic background), cognitive and personal strengths and specialist skill sets.

Michael Lynch-Bell, the Senior Independent Director (SID) and Chair of the Audit and Remuneration Committees, retired on 31 March 2025. The Board appointed Janet Blas as the new non-Executive Director effective 1 April 2025. Janet took up the position of Chair of the Audit Committee, while Rosalind Kainyah succeeded Michael as SID and Chair of the Remuneration Committee.

Mazvi Maharasoa resigned from the Board with effect from 31 December 2025.

The Articles of Association (82) provide that a third of Directors retire annually by rotation and, if eligible, offer themselves for re-election. However, in accordance with the Code, all the Directors retire at the AGM and, subject to being eligible, offer themselves for election or re-election. Harry Kenyon-Slaney will not be offering himself up for re-election at the 2026 AGM as his nine-year tenure comes to an end.

Payments for loss of office due to change of control

The basis for payments for loss of office to Executive Directors due to a change in control can be found on page 81.

PROTECTION AVAILABLE TO DIRECTORS

By law, the Directors are ultimately responsible for most aspects of the Group's business dealings. This means they face potentially significant personal liability under criminal or civil law, or the UK Listing, Prospectus and Disclosure and Transparency Rules, and face a range of penalties including private or public censure, fines and/or imprisonment. In line with normal market practice, the Group understands that it is in its best interests to protect its Board members from the consequences of innocent error or omission. This allows the Group to attract prudent individuals to act as Directors.

The Group maintains, at its expense, a Director and Officer's liability insurance policy to provide indemnity, in certain circumstances, for the benefit of Directors and other Group employees.

Refer to the Corporate Governance statement on page 53 for further details.

DIRECTORS' INTERESTS

No Director had, at any time during the year, a material interest in any contract of significance in relation to the Company's business. The interests of Directors in the shares of the Company are included on page 92.

SUPPLIERS AND CUSTOMERS

The Group engages extensively with suppliers and contractors to ensure alignment, mutual understanding and the sustainability of all parties.

The Group maintains sound relationships with its customers by interacting regularly in the normal course of business and at tenders. The Group continues to hold regular diamond tender viewings in Antwerp and is able to rely on its loyal customer base for support while the diamond market remains under significant pressure. The agreement entered into in 2022 with two diamond manufacturing customers to supply polished diamonds to some of the world's most premium luxury brands remained in effect in 2025.

Refer to the stakeholder relationships section on pages 11 to 14 for more details on the Group's engagement with suppliers, contractors and customers.

EMPLOYEE POLICIES AND PRACTICES

Equal opportunity is a fundamental principle of Gem Diamonds and the Group is committed to achieving equality irrespective of gender, religion, race, marital status or abilities. Refer to page 53 for more details on the Group's employee policies and practices, specifically with regard to the employment of persons with disabilities.

RESULTS AND DIVIDENDS

The Group's attributable loss after taxation amounted to US$104.0 million (US$8.6 million before exceptional items) (2024: profit of US$2.9 million).

The Group's detailed financial results are set out in the financial statements on pages 99 to 156.

The Board is not proposing a dividend based on the 2025 financial results due to the volatility in the current macro-economic outlook, the impact thereof on the diamond market, the Group's available cash resources, and the medium-term operational outlook, which will result in higher-value Satellite Pipe ore only being accessible from 2031.

The Group's dividend policy considers:

- The Group's cash resources.
- The level of free cash flow and earnings generated during the year.
- Expected funding commitments for future capital projects.
- Revolving credit facility covenant adherence.

The Board will consider special dividends in the event of significant diamond recoveries and share buyback programmes if appropriate.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 2 to 46. The financial position of the Group, its cash flows and liquidity position are described in the Strategic Report on pages 29 to 35. In addition, Note 1.2.2, Going concern, Note 27, Financial risk management and Note 29, Financial instruments to the financial statements include the Group's going concern policy and assessment; its objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit and liquidity risk.

The going concern assumption is dependent on the successful refinancing of the Group's RCFs, expiring in December 2026, which falls within the going concern period. The Board acknowledges that the refinancing of the facilities remains an important consideration of its going concern assessment and has engaged with the lenders on the process and timing to renew the facilities prior to expiry. If the renewal is not successful, it 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 Directors have a reasonable expectation that these RCFs will be refinanced and that the Group will have adequate financial resources to continue operations for the foreseeable future. This, in conjunction with a review of forecasts, budgets, timing of cash flows, current cost structures, sensitivity analyses and the uncertainties disclosed in this report, supports the Directors' adoption of the going concern basis in preparing the Annual Report and Accounts of the Group.

VIABILITY STATEMENT

In accordance with Provision 30 of the UK Corporate Governance Code 2024, the Directors have assessed the prospects of the Group over a period longer than the 12 months required by the "going concern" provision. The viability statement, aligned with Provision 31 of the UK Corporate Governance Code 2024, is included in the Strategic Report on page 24.

SUBSEQUENT EVENTS

Refer to Note 30 of the financial statements for details of events subsequent to the reporting date.

SHARE CAPITAL AND VOTING RIGHTS

Details of the authorised and issued share capital of the Company, including the rights pertaining to each share class, are set out in Note 17, Issued share capital and reserves, to the financial statements.

As at 17 March 2026, there were 139.9 million fully paid ordinary shares of US$0.01 each in issue and listed on the official list maintained by the Financial Conduct Authority in its capacity as the UK Listing Authority. In addition, the Company holds 1.5 million shares as treasury shares acquired during the share buyback programme that was launched in 2022. These treasury shares are not entitled to dividends and have no voting rights.

The Company has one class of ordinary shares. Shareholders have the right to receive notice of and attend, speak and vote at any general meeting of the Company. Shareholders may be present in person (or, being a corporation, by representative) or by proxy at a general meeting. Every shareholder present in person (or, being a corporation, by representative) or by proxy will have one vote in respect of every ordinary share they hold. The appointment of a proxy to vote at a general meeting must be received no less than 48 hours before the meeting's appointed time.

Shareholders have the right to participate in dividends and other distributions according to their respective rights and interests in the profit of the Company.

No shareholders have any special rights with regard to the control of the Company. The Company is not aware of any agreements between shareholders which may result in restrictions on transfers or voting rights, save as mentioned below.

There are no restrictions on the transfer of ordinary shares other than:

- As set out in the Company's Articles of Association.
- Certain restrictions may from time to time be imposed by laws and regulations.
- Pursuant to the Company's share dealing code, whereby the Directors and employees of the Company require approval to deal in the Company's ordinary shares.

At the AGM held in June 2025, shareholders authorised the Company to make on-market purchases of up to 13 973 250 of its ordinary shares, representing approximately 10% of the Company's issued share capital at that time. In 2022, the Company purchased 1 520 170 of its ordinary shares, which are being held as treasury shares and may be used to settle ESOP and GDIP awards.

At the 2026 AGM, shareholders will be requested to renew this authority. The Directors continue to consider various options and keep the authorisation under regular review. The 2026 Notice of AGM will set out the details regarding exercising voting rights and proxy appointments.

MAJOR INTERESTS IN SHARES

Details of the major interests (at or above 3%) in the issued ordinary shares of the Company are set out in the Strategic Report on page 11.

ARTICLES OF ASSOCIATION

Any proposed amendments to the Articles of Association of the Company need to be approved by shareholders by special resolution.

RESOURCE DEVELOPMENT

The most recent NI 43-101 Technical Report containing Letšeng's 2024 Resource and Reserve Statement was published in March 2024 and is available on the Group's website at www.gemdiamonds.com.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Read more about the Group's 2025 sustainability performance, including CSI investment, community participation and environmental management, in the Sustainability Report 2025, which is available at www.gemdiamonds.com.

POLITICAL DONATIONS

The Group made no political donations or incurred any political expenditure during 2025.

TCFD, CARBON EMISSIONS AND ENERGY CONSUMPTION SUMMARY

Information on the Group's decarbonisation strategy, adoption of the TCFD recommendations, carbon footprint and energy consumption can be found in the Sustainability Report 2025, which is available at www.gemdiamonds.com, and Climate Change Report on page 41.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

Harry Kenyon-Slaney

Non-Executive Chairperson

17 March 2026

FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report and the Directors' Report, the Directors' Remuneration Report, the Separate Corporate Governance Statement and the Group financial statements in accordance with applicable law and regulations.

The Directors are permitted under the Listing Rules of the Financial Conduct Authority to prepare the Group financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Group financial statements are required by International Financial Reporting Standards issued by the International Accounting Standards Board to present fairly the financial position of the Group and the financial performance of the Group.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for the financial period.

In preparing each of the Group financial statements, the Directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose, with reasonable accuracy at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the BVI Business Companies Act and that the Directors' Remuneration Report complies with the Companies Act, 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed in the Directors' Report, confirms that, to the best of each person's knowledge:

a. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group and the undertakings included in the consolidation taken as a whole; and

b. the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Gem Diamonds Limited website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

The Directors of the Company have elected to comply with the Companies Act, 2006, in particular the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 of the United Kingdom pertaining to Directors' remuneration, which would otherwise only apply to companies incorporated in the UK.

Michael Michael

Chief Financial Officer

17 March 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Gem Diamonds Limited

Opinion

We have audited the financial statements of Gem Diamonds Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the consolidated financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards issued by the International Accounting Standards Board.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2025 and of the Group's loss for the year then ended; and
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Impairment of goodwill and property, plant and equipment • Going concern
Materiality	**Group** • Overall materiality: US$0.81 million (2024: US$1.3 million) • Performance materiality: US$0.57 million (2024: US$0.85 million)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Material uncertainty related to going concern

We draw your attention to Note 1.2.2, Going concern of the financial statements, which sets out the forecast net cash position, which is sensitive to potential cost increases and reductions in diamond prices, as well as exchange rate volatility. The Group's revolving credit facilities are also due to expire in the going concern period and have not yet been refinanced. In the Group's downside scenarios set out in Note 1.2.2, the Group may not have sufficient liquidity to repay the revolving credit facilities on their expiry date.

These factors, along with the other matters set forth in Note 1.2.2 to the financial statements, indicate that a material uncertainty exists which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- We evaluated and challenged the Directors' base case cash flow and covenant forecasts, including the Directors' assumptions in respect of diamond prices, production, operating costs and foreign exchange rates. We considered historical financial performance, post-year end trading and external market data to assess the inputs into the model.
- We confirmed the base case forecast was consistent with the business plan and life of mine information reviewed elsewhere within the financial statements, such as in relation to the impairment review.

- We checked the mathematical accuracy of the forecasts. We agreed the opening balances of the model to the closing 31 December 2025 position.
- We critically challenged the assumptions within management's base case model, including diamond prices, production costs, capital expenditure, the discount rate and the foreign exchange rate. This included performing sensitivity analysis around the aforementioned assumptions.
- We considered the adequacy of the going concern disclosures within Note 1.2.2, Going concern and the Viability Statement on page 24 in line with the financial reporting standard and our knowledge of the business.

Given the significance of the going concern basis to the Group's financial statements, we consider this to be a key audit matter.

Our key observation is that the Group's revolving credit facilities are due to expire on 21 December 2026, which is within the going concern assessment period.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to:

- the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting; and
- the Directors' identification in the financial statements of the material uncertainty related to the Group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of goodwill and property, plant and equipment

Key audit matter description	*As disclosed in Note 12, the Group has recognised an impairment charge of US$77.5 million, allocated to goodwill of US$10.8 million and property, plant and equipment of US$66.7 million. As disclosed in Note 9, the Group has a carried forward property, plant and equipment balance of US$211.3 million after recognising the current year impairment charge. Management has identified this impairment assessment to represent a significant judgement which incorporates a number of significant estimates as set out in Note 1.2.27 to the financial statements. The impaired and carried forward balances form part of the Letšeng Diamonds cash-generating unit. The audit work on management's impairment review is considered a key audit matter because the market capitalisation of the business is lower than the carrying value of net assets of the Group, impairment assessments are judgemental in nature and incorporate a number of forward-looking assumptions, and diamond prices have been suppressed in recent years. Management prepares a value-in-use discounted cash flow model in order to assess the recoverable value of the Letšeng Diamonds cash-generating unit.*
How the matter was addressed in the audit	*We obtained from management their impairment memorandum and discounted cash flow model. We performed the following procedures:* • *Checked the integrity and arithmetical accuracy of the discounted cash flow model.* • *Challenged management on the key assumptions in the model, including discount rate, life of mine and diamond pricing.* • *Performed sensitivity analysis on the key assumptions in the model to assess the impact on the impairment based upon reasonably foreseeable changes in key assumptions.* • *Utilised auditor's experts to assist in the review of the weighted average cost of capital and to perform a review of the underlying integrity of the model used.* • *Challenged management on their allocation of assets and liabilities to the cash-generating unit.* • *Visited the mine to observe the operational effectiveness of the cash-generating unit and to assess for visible signs of impairment.* • *Reviewed the disclosures, including management's sensitivity analysis and the critical accounting estimates and judgements in Note 1.2.27, in the financial statements to assess whether they are reasonable.*
Key observations	*Based on the procedures performed, we found management's key assumptions, including the discount rate and projected cash flows, to be acceptable. The model is highly sensitive to changes in assumptions as set out in Note 12 to the financial statements. We believe the related disclosures appropriately reflect this inherent estimation uncertainty.*

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users, we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group
Overall materiality	US$0.81 million (2024: US$1.3 million)
Basis for determining overall materiality	4.9% of Underlying EBITDA assessed on a three-year average
Rationale for benchmark applied	As a trading business, a profit metric is considered appropriate, and Underlying EBITDA is a key performance indicator of the Group. We consider a three-year average to be appropriate given the volatility of results caused by fluctuations in diamond pricing and the exchange rate.
Performance materiality	US$0.57 million (2024: US$0.85 million)
Basis for determining performance materiality	70% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of US$40.7 thousand and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds

An overview of the scope of our audit

The Group consists of eight components, located in the following countries: United Kingdom (also being the domicile of the parent company incorporated in the British Virgin Islands), Belgium, Cyprus, Botswana, South Africa and Lesotho.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	2	100%	99%	90%
Specific audit procedures	3	0	1%	10%
Total	5	100%	100%	100%

Of the above, full scope audits for two components and specific audit procedures for one component were undertaken by component auditors.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Non-statutory opinions on other matters prescribed by the Companies Act, 2006

We have been engaged to provide a non-statutory opinion on other matters prescribed by the Companies Act, 2006. In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act, 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are engaged to report by exception

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matter in relation to which we are engaged to report on whether if, in our opinion:

- the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

Corporate governance statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 116;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 24;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 24;
- Directors' statement on fair, balanced and understandable set out on page 60;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 18;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 18; and
- Section describing the work of the Audit Committee set out on page 70.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 99, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group operates in and how the Group is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur, including assessment of how and where the financial statements may be susceptible to fraud, having obtained an understanding of the overall control environment.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
IFRS	• Review of the financial statement disclosures and testing to supporting documentation; and • Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	• Inspection of advice received from internal/external tax advisers; • Inspection of correspondence with local tax authorities; and • Input from a tax specialist was obtained regarding the Group's transfer pricing arrangement.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition in relation to partnership arrangements	• Obtaining contracts relating to partnership arrangements and reviewing key terms; • Challenging management on their assessment of variable consideration relating to incremental income to be received when the partner sells the polished diamond(s); • Checking the calculations prepared by management and assessing whether they are reasonable; and • Reviewing the disclosures in the financial statements pertaining to revenue and significant judgements.
Management override of controls	• Testing the appropriateness of journal entries and other adjustments; • Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and • Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
Impairment of goodwill and property, plant and equipment	This was identified as a key audit matter and our work is set out above.

A further description of our responsibilities for the audit of the financial statements is included in Appendix 1 of this auditor's report. This description, which is located on page 105, forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Board on 5 June 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods.

The period of total uninterrupted consecutive appointment is two years, covering the years ending 31 December 2024 to 31 December 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee in accordance with ISAs (UK).

Use of our report

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 3 September 2024 and rule 4.1.7 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements will form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

David Hough

For and on behalf of RSM UK Audit LLP, Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

United Kingdom

17 March 2026

Appendix 1: Auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, we report these conclusions in the auditor's report. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard as applied to listed public interest entities, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We are required to include in the auditor's report an explanation of how we evaluated management's assessment of the Group's ability to continue as a going concern and, where relevant, key observations arising with respect to that evaluation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 US$'000 Before exceptional items	2025 US$'000 Exceptional items [2]	2025 US$'000 Total	2024 US$'000 Before exceptional items	2024 US$'000 Exceptional items[2]	Re-presented[1] 2024 US$'000 Total
CONTINUING OPERATIONS							
Revenue from contracts with customers	2	**98 414**	**–**	**98 414**	154 212	–	154 212
Cost of sales		**(94 736)**	**–**	**(94 736)**	(111 400)	–	(111 400)
Gross profit		**3 678**	**–**	**3 678**	42 812	–	42 812
Other operating income/(expense)	3	**721**	**–**	**721**	(203)	–	(203)
Royalties and selling costs		**(5 945)**	**–**	**(5 945)**	(16 477)	–	(16 477)
Corporate expenses		**(5 802)**	**–**	**(5 802)**	(7 914)	–	(7 914)
Share-based payments	28	**(266)**	**–**	**(266)**	(516)	–	(516)
Foreign exchange gain	4	**1 263**	**–**	**1 263**	1 087	–	1 087
Impairment of non-financial assets	5	**–**	**(77 467)**	**(77 467)**	–	–	–
Write-down of inventories to net realisable value	5	**–**	**(3 534)**	**(3 534)**	–	–	–
Operating (loss)/profit	4	**(6 351)**	**(81 001)**	**(87 352)**	18 789	–	18 789
Net finance costs	6	**(4 701)**	**–**	**(4 701)**	(6 371)	–	(6 371)
– Finance income		**1 080**	**–**	**1 080**	875	–	875
– Finance costs		**(5 781)**	**–**	**(5 781)**	(7 246)	–	(7 246)
(Loss)/profit before tax for the year		**(11 052)**	**(81 001)**	**(92 053)**	12 418	–	12 418
Income tax benefit/(charge)	7	**1 931**	**17 565**	**19 496**	(3 375)	–	(3 375)
(Loss)/profit after tax for the year		**(9 121)**	**(63 436)**	**(72 557)**	9 043	–	9 043
DISCONTINUED OPERATION							
Loss after tax for the year from discontinued operation		**–**	**(50 997)**	**(50 997)**	–	(957)	(957)
Profit/(loss) after tax	16	**–**	**1 793**	**1 793**	–	(957)	(957)
Recycling of foreign currency translation reserve on discontinued operation		**–**	**(52 790)**	**(52 790)**	–	–	–
Total (loss)/profit for the year		**(9 121)**	**(114 433)**	**(123 554)**	9 043	(957)	8 086
Attributable to:							
Equity holders of parent		**(8 578)**	**(95 402)**	**(103 980)**	3 851	(957)	2 894
Non-controlling interests		**(543)**	**(19 031)**	**(19 574)**	5 192	–	5 192
(Loss)/earnings per share attributable to ordinary equity holders of the parent (cents)	8						
– Basic (loss)/earnings per share		**(6.1)**	**(68.3)**	**(74.4)**	2.8	(0.7)	2.1
– Diluted (loss)/earnings per share		**(6.1)**	**(68.3)**	**(74.4)**	2.7	(0.7)	2.0
(Loss)/earnings per share for continuing operations attributable to ordinary equity holders of the parent (cents)							
– Basic (loss)/earnings per share		**(6.1)**	**(31.8)**	**(37.9)**	2.8	–	2.8
– Diluted (loss)/earnings per share		**(6.1)**	**(31.8)**	**(37.9)**	2.7	–	2.7

[1] *The comparative period has been re-presented to adjust for the discontinued operation. Refer to Note 16, Discontinued operation.*
[2] *Exceptional items have been disclosed separately due to their material nature and infrequent occurrence.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 US$'000	2024 US$'000
(Loss)/profit for the year	**(123 554)**	8 086
Items that will be reclassified to the statement of profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations, net of tax	**26 151**	(7 187)
Exchange differences on translation of abandoned subsidiary recycled to profit and loss	**52 790**	–
Other comprehensive income for the year, net of tax	**78 941**	(7 187)
Total comprehensive income for the year	**(44 613)**	899
Attributable to:		
Equity holders of parent	**(32 945)**	(2 159)
Non-controlling interests	**(11 668)**	3 058

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 US$'000	2024 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**211 258**	269 859
Right-of-use assets	10	**2 497**	3 871
Intangible assets	11	**–**	10 118
Receivables and other assets	13	**908**	7 341
Deferred tax assets	23	**4 294**	4 313
		218 957	295 502
Current assets			
Inventories	14	**43 341**	34 064
Receivables and other assets	13	**11 997**	6 633
Income tax receivable	21	**1 736**	24
Cash and short-term deposits	15	**3 773**	12 878
		60 847	53 599
Total assets		**279 804**	349 101
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	17	**1 415**	1 413
Treasury shares	17	**(1 157)**	(1 157)
Share premium		**885 648**	885 648
Other reserves	17	**(189 255)**	(255 334)
Accumulated losses		**(586 750)**	(487 990)
		109 901	142 580
Non-controlling interests		**68 652**	80 320
Total equity		**178 553**	222 900
Non-current liabilities			
Interest-bearing loans and borrowings	18	**6 228**	16 633
Lease liabilities	19	**1 256**	2 246
Provisions	22	**14 022**	12 614
Deferred tax liabilities	23	**53 767**	69 281
		75 273	100 774
Current liabilities			
Interest-bearing loans and borrowings	18	**18 648**	4 397
Lease liabilities	19	**1 640**	2 517
Trade and other payables	20	**5 690**	11 665
Income tax payable	21	**–**	6 848
		25 978	25 427
Total liabilities		**101 251**	126 201
Total equity and liabilities		**279 804**	349 101

Approved by the Board of Directors on 17 March 2026 and signed on its behalf by:

M Brown
Director

M Michael
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	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 2025	**1 413**	**885 648**	**(1 157)**	**(255 334)**	**(487 990)**	**142 580**	**80 320**	**222 900**
Total comprehensive income	**–**	**–**	**–**	**71 035**	**(103 980)**	**(32 945)**	**(11 668)**	**(44 613)**
Loss for the year	**–**	**–**	**–**	**–**	**(103 980)**	**(103 980)**	**(19 574)**	**(123 554)**
Other comprehensive income	**–**	**–**	**–**	**71 035**	**–**	**71 035**	**7 906**	**78 941**
Share capital issued (Note 17)	**2**	**–**	**–**	**(2)**	**–**	**–**	**–**	**–**
Share-based payments (Note 28)	**–**	**–**	**–**	**266**	**–**	**266**	**–**	**266**
Transfer between reserves [2]	**–**	**–**	**–**	**(5 220)**	**5 220**	**–**	**–**	**–**
As at 31 December 2025	**1 415**	**885 648**	**(1 157)**	**(189 255)**	**(586 750)**	**109 901**	**68 652**	**178 553**
As at 1 January 2024	1 413	885 648	(1 157)	(250 797)	(490 884)	144 223	81 550	225 773
Total comprehensive income	–	–	–	(5 053)	2 894	(2 159)	3 058	899
Profit for the year	–	–	–	–	2 894	2 894	5 192	8 086
Other comprehensive income	–	–	–	(5 053)	–	(5 053)	(2 134)	(7 187)
Share-based payments (Note 28)	–	–	–	516	–	516	–	516
Dividends paid	–	–	–	–	–	–	(4 288)	(4 288)
As at 31 December 2024	1 413	885 648	(1 157)	(255 334)	(487 990)	142 580	80 320	222 900
Attributable to discontinued operation (Note 16)	–	–	–	(52 893)	(196 006)	(248 899)	–	(248 899)

[1] *Other reserves relate to Foreign currency translation reserves and Share-based equity reserves. Refer to Note 17, Issued share capital and reserves for further detail.*
[2] *The Company elected to release share-based equity reserve relating to lapsed and exercised options to accumulated (losses)/retained earnings.*

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 US$'000	Re-presented 2024 US$'000
Cash flows from operating activities		**6 296**	51 195
Cash generated by operations	24.1	**35 136**	68 306
Working capital adjustments	24.2	**(11 856)**	(16 337)
Interest received		**262**	392
Interest paid		**(4 835)**	(5 447)
Income tax paid	21	**(12 428)**	(339)
Income tax received	21	**17**	4 620
Cash flows used in investing activities		**(13 860)**	(27 644)
Purchase of property, plant and equipment	9	**(4 433)**	(5 758)
Waste stripping costs capitalised	9	**(10 049)**	(22 302)
Proceeds from sale of property, plant and equipment		**622**	416
Cash flows used in financing activities		**(2 261)**	(26 733)
Lease liability capital repayment	19	**(1 837)**	(2 690)
Net financial liabilities repaid	24.3	**(424)**	(19 755)
Financial liabilities repaid		**(29 596)**	(42 117)
Financial liabilities raised		**29 172**	22 362
Dividends paid to non-controlling interests		**–**	(4 288)
Net decrease in cash and cash equivalents		**(9 825)**	(3 182)
Cash and cash equivalents at beginning of year		**12 878**	16 503
Foreign exchange differences		**720**	(443)
Cash and cash equivalents at end of year	15	**3 773**	12 878
Cash and cash equivalents at end of year – continuing operations		**3 773**	12 816
Cash and cash equivalents at end of year – discontinued operation		**–**	63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Corporate information

1.1.1 Incorporation

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.

These financial statements were authorised for issue by the Board on 17 March 2026.

The Group is principally engaged in operating diamond mines.

1.1.2 Operational information

The Company has the following investments directly and indirectly in subsidiaries at 31 December 2025.

Name and registered address of company	Share-holding	Country of incorporation and functional currency	Nature of business
Subsidiaries			
Gem Diamond Technical Services (Proprietary) Limited[1] Illovo Corner 24 Fricker Road Illovo Boulevard Johannesburg South Africa	100%	RSA South African rand (ZAR)	Technical, financial and management consulting services.
Letšeng Diamonds (Proprietary) Limited[1] Du Preez Building 397 Hilton Road Maseru Lesotho	70%	Lesotho Lesotho loti (LSL)	Diamond mining and holder of mining rights.
Gem Diamonds Investments Limited[1] 2 Eaton Gate London SW1W 9BJ United Kingdom	100%	UK United States dollar (US$) and Euro (€)	Investment holding company holding 100% in each of Gem Diamonds Innovation Solutions CY Limited, a company in Cyprus holding intellectual property relating to development of technology to innovate mining processes; and Gem Diamonds Marketing Services BV, a marketing company in Belgium that performs diamond analysis and valuations, and sells the Group's diamonds on tender.

[1] *No change in the shareholding since the prior year.*

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.1 Corporate information (continued)

1.1.3 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 Chief Operating Decision-Maker, i.e. the Board of Directors. The main geographical regions, and the type of products and services from which each reporting segment derives its revenue, are:

- Lesotho (diamond mining activities);
- Belgium (sales, marketing and analysis of diamonds);
- BVI, RSA, UK and Cyprus (technical and administrative services); and
- Botswana, classified as a discontinued operation and abandoned by year end.

During the period, the Ghaghoo mine, which formed part of the Botswana operating segment which had previously been placed on care and maintenance, was reclassified from continuing to a discontinued operation and was abandoned. This follows the relinquishment of the associated mining licence and the formal handover of the mine site to the Botswana Ministry of Minerals and Energy, through the Department of Mines. As of 1 June 2025, the Department of Mines has assumed full responsibility for the mine, and the Company has no further obligations or commitments related to the licence or the mine.

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. Inter-segment 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 manufacturing margins and diamond analysis.

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

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.1 Corporate information (continued)

1.1.3 Segment information (continued)

Year ended 31 December 2025	Lesotho US$'000	Belgium US$'000	BVI, RSA, UK and Cyprus[1] US$'000	Total Continuing operations US$'000	Botswana (Discontinued operation) US$'000	Total US$'000
Revenue from contracts with customers						
Total revenue	96 944	98 606	4 990	200 540	–	200 540
Intersegment	(96 583)	(553)	(4 990)	(102 126)	–	(102 126)
External customers	361	98 053	–	98 414	–	98 414
Depreciation and amortisation	(40 821)	(272)	(285)	(41 378)	(30)	(41 408)
– Depreciation and mining asset amortisation	(11 455)	(272)	(285)	(12 012)	(30)	(12 042)
– Waste stripping cost amortisation	(29 366)	–	–	(29 366)	–	(29 366)
Cost of sales (excluding depreciation and amortisation)	(53 699)	99	242	(53 358)	–	(53 358)
Corporate expenses	–	–	(5 802)	(5 802)	–	(5 802)
Royalties and selling costs	(4 624)	(1 321)	–	(5 945)	–	(5 945)
Impairment of non-financial assets	(77 467)	–	–	(77 467)	(224)	(77 691)
Write-down of inventories to net realisable value	(3 534)	–	–	(3 534)	–	(3 534)
Rehabilitation provision released	–	–	–	–	2 309	2 309
Other non-material income/(costs)	1 938	3	(223)	1 718	(205)	1 513
Segment operating (loss)/profit	(81 262)	(22)	(6 068)	(87 352)	1 850	(85 502)
Net finance costs[2]	(3 549)	(31)	(1 121)	(4 701)	(57)	(4 758)
(Loss)/profit before tax	(84 811)	(53)	(7 189)	(92 053)	1 793	(90 260)
Income tax benefit/(charge)	19 594	44	(142)	19 496	–	19 496
Recycling of foreign currency reserve	–	–	–	–	(52 790)	(52 790)
(Loss)/profit for the year	(65 217)	(9)	(7 331)	(72 557)	(50 997)	(123 554)
Underlying EBITDA[3]	9 255	310	(5 622)	3 943	–	3 943
Segment non-current assets	211 279	965	1 511	213 755	–	213 755
Segment assets	269 356	1 710	4 444	275 510	–	275 510
Segment liabilities	35 453	1 178	10 853	47 484	–	47 484
Other segment information						
Net (debt)/cash and short-term deposits[4]	(11 754)	612	(9 013)	(20 155)	–	(20 155)
Capital expenditure						
– Property, plant and equipment	4 416	1	16	4 433	–	4 433
– Net movement in rehabilitation asset[5]	899	–	–	899	–	899
– Waste cost capitalised	10 049	–	–	10 049	–	10 049
Total capital expenditure	15 364	1	16	15 381	–	15 381
Average number of employees employed under contracts of service	821	6	16	843	12	855

1 *No revenue was generated in BVI and Cyprus.*
2 *Finance income and costs are reflected on a net basis as this is the measure used by the primary decision-makers.*
3 *Underlying EBITDA as defined in Note 4, Operating (loss)/profit.*
4 *Calculated as cash and short-term deposits less drawn down bank facilities (excluding insurance premium financing and credit underwriting fees). Refer to Note 18, Interest-bearing loans and borrowings.*
5 *Non-cash movements in rehabilitation assets relating to changes in rehabilitation estimates for the Lesotho segment.*

Included in revenue for the current year is revenue from five customers who individually contributed 10% or more to total revenue. This revenue amounted to US$57.3 million in total arising from sales reported in the Belgium segment.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.1 Corporate information (continued)

1.1.3 Segment information (continued)

Segment non-current assets do not include deferred tax assets of US$4.3 million and financial instruments of US$0.9 million. Included in the non-current assets BVI, RSA, UK and Cyprus segment disclosure are non-current assets located in the Company's country of domicile, the UK, of US$2.4 million.

Segment assets and liabilities do not include deferred tax assets and liabilities of US$4.3 million and US$53.8 million, respectively. Deferred tax amounts are excluded because they are not operational in nature, do not directly impact segment performance, and are not part of the asset base used by management to make business decisions.

Revenue decreased 36% compared to 2024 mainly due to a decrease of 20% in carats sold (88 381 carats compared to 109 967 in 2024). An average sales price of US$1 105 per carat (2024: US$1 390 per carat) was achieved. The lower prices achieved were due to a combination of sustained pressure on diamond prices during the year and the 74% ore contribution from the lower-value Main Pipe.

Year ended 31 December 2024	Lesotho US$'000	Belgium US$'000	BVI, RSA, UK and Cyprus[1] US$'000	Total continuing operations US$'000	Botswana (Discontinued operation) US$'000	Total US$'000
Revenue from contracts with customers						
Total revenue	149 195	153 518	6 595	309 308	–	309 308
Intersegment	(147 822)	(679)	(6 595)	(155 096)	–	(155 096)
External customers	1 373	152 839	–	154 212	–	154 212
Depreciation and amortisation	(46 376)	(195)	(356)	(46 927)	(67)	(46 994)
– Depreciation and mining asset amortisation	(10 749)	(195)	(356)	(11 300)	(67)	(11 367)
– Waste stripping cost amortisation	(35 627)	–	–	(35 627)	–	(35 627)
Cost of sales (excluding depreciation and amortisation)	(64 644)	1	170	(64 473)	–	(64 473)
Corporate expenses	–	–	(7 914)	(7 914)	–	(7 914)
Royalties and selling costs	(15 269)	(1 208)	–	(16 477)	–	(16 477)
Other non-material income/(costs)	636	(34)	(235)	367	(729)	(362)
Segment operating profit/(loss)	26 266	857	(8 335)	18 788	(796)	17 992
Net finance costs[2]	(4 710)	(20)	(1 641)	(6 371)	(160)	(6 531)
Profit/(loss) before tax	21 556	837	(9 976)	12 417	(956)	11 461
Income tax (charge)/benefit	(4 250)	(46)	921	(3 375)	–	(3 375)
Profit/(loss) for the year	17 306	791	(9 055)	9 042	(956)	8 086
Underlying EBITDA[3]	36 378	1 085	(7 744)	29 719	–	29 719
Segment non-current assets	280 793	1 200	1 606	283 599	249	283 848
Segment assets	335 667	2 074	6 509	344 250	538	344 788
Segment liabilities	45 129	1 311	8 000	54 440	2 480	56 920
Other segment information				–		
Net cash/(debt) and short-term deposits[4]	(4 869)	692	(3 191)	(7 368)	63	(7 305)
Capital expenditure				–		–
– Property, plant and equipment	4 379	49	1 330	5 758	–	5 758
– Net movement in rehabilitation asset[5]	(3 698)	–	–	(3 698)	–	(3 698)
– Waste cost capitalised	22 302	–	–	22 302	–	22 302
Total capital expenditure	22 983	49	1 330	24 362	–	24 362
Average number of employees employed under contracts of service	663	6	20	689	27	716

[1] *No revenue was generated in BVI and Cyprus.*
[2] *Finance income and costs are reflected on a net basis as this is the measure used by the primary decision-makers.*
[3] *Underlying EBITDA as defined in Note 4, Operating (loss)/profit.*
[4] *Calculated as cash and short-term deposits less drawn down bank facilities (excluding the asset-based finance facility, insurance premium financing and credit underwriting fees). Refer to Note 17, Issued share capital and reserves.*
[5] *Non-cash movements in rehabilitation assets relating to changes in rehabilitation estimates for the Lesotho segment.*

Included in revenue for the 2024 year is revenue from four customers who individually contributed 10% or more to total revenue. This revenue amounted to US$101.4 million in total arising from sales reported in the Belgium segment.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.1 Corporate information (continued)

1.1.3 Segment information (continued)

Segment non-current assets do not include deferred tax assets of US$4.3 million and financial instruments of US$7.3 million. Included in the non-current assets BVI, RSA, UK and Cyprus segment disclosure are non-current assets located in the Company's country of domicile, the UK, of US$2.5 million.

Segment assets and liabilities do not include deferred tax assets and liabilities of US$4.3 million and US$69.3 million, respectively.

1.2 Summary of material accounting policies

1.2.1 Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost basis except for assets and liabilities measured at fair value. The accounting policies have been consistently applied except for the adoption of the new standards and interpretations detailed on the following pages.

The functional currency of the Company and certain of its subsidiaries is US dollar, which is the currency of the primary economic environment in which the entities operate. All amounts are presented in US dollar and rounded to the nearest thousand. The financial results of subsidiaries whose functional and reporting currency is in currencies other than US dollar have been converted into US dollar on the basis as set out in Note 1.2.15, Foreign currency translations. Refer to Note 1.1.2, Operational information for details of the subsidiaries and their functional currencies.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1.2.27, Critical accounting estimates and judgements.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The new amendments to IAS 21 did not have an impact on the consolidated financial statements of the Group nor the accounting policies, methods of computation or presentation applied by the Group. All other accounting policies are consistent with those of the previous financial year.

Amendments and improvements	Description
Amendments to IAS 21	Lack of exchangeability

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 financial statements are listed in the table below. These standards, amendments and improvements have not been early adopted and it is expected that, where applicable, these standards, amendments and improvements will be adopted on each respective effective date. The impact of the adoption of these standards has not been reasonably assessed at this stage.

New standards, amendments, and improvements	Description	Effective date*
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027

** Annual periods beginning on or after.*

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.2 Going concern

The financial statements have been prepared on a going concern basis, which envisages continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The diamond industry experienced significant pressure during 2025 due to geopolitical instability, uncertainty surrounding US tariffs, and increased competition from synthetic diamonds. In response, the Group implemented the Business Resilience (BR) Programme (refer to page 26) in July 2025 to reduce cash outflows and strengthen its financial position. This initiative lowered monthly cash costs by approximately US$1.5 million, and, together with a modest recovery in diamond prices in Q4 2025, enabled the Group to meet all covenant requirements.

As at 31 December 2025, the Group reported net debt of US$20.1 million (31 December 2024: US$7.3 million). Undrawn facilities totalled US$68.3 million (31 December 2024: US$69.0 million), resulting in liquidity (defined as net debt/cash and available undrawn facilities) of US$48.1 million (31 December 2024: US$61.7 million). Gross liquidity (defined as gross cash and available undrawn facilities) amounted to US$72.1 million (31 December 2024: US$81.9 million). The Group also retains access to a US$6.0 million general banking facility with no fixed expiry. Following the launch of the BR Programme, net debt decreased by US$8.1 million in the second half of 2025 and is expected to continue declining through 2026. The Group's revolving credit facilities of US$75.3 million expire on 21 December 2026, within the going concern assessment period.

The Directors have assessed the Group's ability to continue as a going concern for at least twelve months from the date of this report. Their assessment considered the Group's financial position, current and projected operational performance, ongoing benefits of the BR Programme, market conditions, exchange rate volatility, working capital and capital expenditure requirements, mine plan flexibility, debt service obligations, and the likelihood of renewing debt facilities by December 2026. They also considered access to the Group's insurance asset of US$9.0 million (refer to Note 13, Receivables and other assets), maturing in June 2026. Based on these factors and available mitigating actions, the Directors believe the Group has sufficient financial resources to remain operational for the foreseeable future and expects to achieve a net cash position by December 2026.

The Board notes that the forecast net cash position is sensitive to potential cost increases (specifically diesel costs) related to the conflict in Iran, and to further reductions in diamond prices and exchange rate volatility. The Board has reviewed forecasts which show that in downside scenarios with a reduction in diamond price of approximately 8% or cost increases of approximately 10%, the Group will be required to renew the Group's revolving credit facilities, or make alternative arrangements. Successful refinancing of the Group's facilities remains a key assumption in the going concern assessment. 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 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.

Further details on the Group's financial position, cash flows, liquidity, and financial risk management policies are provided in the Annual Report and Accounts, including Note 27, Financial risk management

1.2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company as at 31 December 2025.

Subsidiaries

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three of the following criteria must be met: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent company and are based on consistent accounting policies. All intra-group balances and transactions, including unrealised gains and losses arising from them, are eliminated in full.

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent company and is presented separately within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.4 Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes:

- acquisition of rights to explore;
- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Administration costs that are not directly attributable to a specific exploration area are charged to the statement of profit or loss. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised as intangible assets and thereafter reclassified as mining assets within property, plant and equipment, and amortised over the term of the permit once the mining asset is brought into the development phase.

Exploration and evaluation expenditure is capitalised as incurred. Capitalised exploration expenditure is recorded as a component of property, plant and equipment, as an exploration and development asset, at cost less accumulated impairment charges. As the asset is not available for use, it is not depreciated.

All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit (CGU)) to which the exploration is attributed. To the extent that exploration expenditure is not expected to be recovered, it is charged to the statement of profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is under way as planned.

Management is required to make certain estimates and judgements when determining whether the commercial viability of an identified resource has been met and when determining whether indicators of impairment exist. There were no exploration and evaluation activities during the year and therefore no costs were capitalised.

1.2.5 Development expenditure

When proven and probable reserves are determined and development is sanctioned, capitalised exploration and evaluation expenditure is reclassified from exploration phase to development phase. As the asset is not available for use during the development phase, it is not depreciated. On completion of the development phase, any capitalised exploration and evaluation expenditure already capitalised to a development asset, together with the subsequent development expenditure, is reclassified within property, plant and equipment to mining assets and depreciated on the basis as laid out in Note 1.2.6, Property, plant and equipment.

All development expenditure is monitored for indicators of impairment annually. Management is required to make certain estimates and judgements when determining whether indicators of impairment exist.

1.2.6 Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition and construction of the items, to get the asset in its condition and location for its intended use and among others, includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies.

Subsequent costs to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised when the cost of the item can be measured reliably, with the carrying amount of the original component being written off. All repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation commences when an asset is available for use. Depreciation is charged so as to write off the depreciable amount of the asset to its residual value over its estimated useful life, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group.

Item	Method	Useful life
Mining assets	Straight line	Lesser of life of mine or period of mining lease
Decommissioning assets	Straight line	Lesser of life of mine or period of mining lease
Leasehold improvements	Straight line	Three years or lesser of life of mine or period of mining lease
Plant and equipment	Straight line; units of production	Three to ten years; machine hours
Other assets	Straight line	Two to eight years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.6 Property, plant and equipment (continued)

The asset's residual values, useful lives and methods of depreciation are reviewed annually. Changes in the expected residual values, expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates, and adjusted for prospectively, if appropriate.

Pre-production and in-production stripping costs

Costs associated with removal of waste overburden are classified as stripping costs.

Stripping activities that are undertaken during the production phase of a surface mine may create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and the benefit is the creation of mining flexibility and improved access to ore to be mined in the future, the costs are recognised as a non-current asset if:

(a) future economic benefits (being improved access to the orebody) are probable;

(b) the component of the orebody for which access will be improved can be accurately identified; and

(c) the costs associated with the improved access can be reliably measured.

The non-current asset recognised is referred to as a "stripping activity asset" and is separately disclosed in Note 9, Property, plant and equipment. If all the criteria are not met, the production stripping costs are charged to the statement of profit or loss as operating costs. The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs.

If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. Given the deep vertical nature of the pit, all stripping costs are capitalised on a cut/component basis for each cut in the mine planning process.

The stripping activity asset is subsequently amortised over the expected useful life of the identified component of the orebody that became more accessible as a result of the stripping activity. The net book value of the stripping asset and future expected stripping costs to be incurred for that component is depreciated using the units of production over the proven and probable reserves, in order to match the total stripping costs of the cut to the economic benefits created by the cut. As a result, the stripping activity asset is carried at cost less amortisation and any impairment losses. The future stripping costs of the cut/component and the expected ore to be mined from that cut/component are recalculated annually in light of additional knowledge and changes in estimates. Changes in the stripping ratio are accounted for prospectively as a change in estimate.

Management applies judgement to calculate and allocate the production stripping costs to inventory and/or the stripping activity asset(s) as referred under Note 1.2.27, Critical accounting estimates and judgements.

1.2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.2.8 Discontinued operations

A component of the Group should be classified as a discontinued operation when it has been disposed of, or abandoned, and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to re-sale.

The results of discontinued operations are presented separately in the statement of profit or loss and reclassifies the results of the operation in the comparative period from continuing to discontinued operations. This classification as a discontinued operation was applied to the Ghaghoo mine following the relinquishment of its mining licence. Unrealised foreign exchange gains and losses on historical retranslation of the subsidiaries' results into US dollars are recycled to the statement of profit and loss upon completion of the disposal or abandonment. Additional disclosures are provided in Note 16, Discontinued operation. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

1.2.9 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree) over the fair value of the net identifiable amounts of the assets acquired and the liabilities assumed in the business combination.

Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable IFRS.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.9 Goodwill (continued)

Identifiable intangible assets, meeting either the contractual legal or separability criterion, are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition date fair value can be measured reliably.

If the aggregate of the acquisition date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree) is lower than the fair value of the net identifiable amounts of the assets acquired and the liabilities assumed in the business combination, the difference is recognised in profit and loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs (or groups of CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, and shall not be larger than an operating segment before aggregation.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

1.2.10 Financial instruments

The Group shall only recognise a financial instrument when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date based on the business model for managing these financial assets and the contractual cash flow characteristics. Currently, the Group only has financial assets at amortised cost which consist of receivables and other assets, and cash and short-term deposits which is held within a business model to collect contractual cash flows and for which the contractual cash flow characteristics are solely payments of principal and interest. When financial assets are recognised initially, they are measured at fair value plus (in the case of financial assets not at fair value through profit or loss) directly attributable transaction costs.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. Such assets are carried at amortised cost using the effective interest rate method, if the time value of money is significant, less any allowance for impairment. Gains and losses are recognised in the statement of profit or loss when the financial assets at amortised cost are derecognised or impaired, as well as through the amortisation process.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset. Gains or losses from derecognition of financial assets are recognised in the statement of profit or loss.

Financial liabilities

Financial liabilities are initially measured at fair value net of (in the case of financial liabilities not at fair value through profit or loss) directly attributable transaction costs. The Group's interest-bearing loans and borrowings and trade and other payables financial liabilities are subsequently stated at amortised cost using the effective interest rate method, with any difference between proceeds (net of transaction costs) and the redemption value being recognised in the statement of profit or loss, unless capitalised in accordance with Note 1.2.7, Borrowing costs, over the contractual period of the financial liability.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Gains or losses from derecognition of financial liabilities are recognised in the statement of profit or loss.

1.2.11 Impairments

Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset (or CGU) may be impaired in accordance with IAS 36. Goodwill is assessed for impairment on an annual basis and when circumstances indicate that the carrying value may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.11 Impairments (continued)

Non-financial assets that were previously impaired are reviewed for possible reversal of the impairment at each reporting date. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Impairment losses relating to goodwill cannot be reversed in future periods.

Financial assets

Financial assets carried at amortised cost

The Group recognises an allowance for expected credit losses (ECLs) in the statement of profit or loss for all financial assets at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cost will include cash flows from the sale of collateral held, or other credit enhancements that are integral to the contractual terms. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

1.2.12 Inventories

Inventories, which include rough diamonds, ore stockpiles and consumables, are measured at the lower of cost of production on a weighted average basis or estimated net realisable value. Cost of production includes directly attributable costs and an allocation of fixed and variable production overheads to bring the inventory to its present location and condition. Borrowing costs are excluded from the cost of inventories.

Net realisable value is determined using the estimated selling price in the ordinary course of business, less the estimated costs of completion into its final product and the costs to be incurred in marketing, selling and distribution. The amount of any write-down of inventories to net realisable value is recognised in the period the write-down or loss occurs. Management is required to make judgements when determining the net realisable value of diamond inventory and ore stockpiles as referred under Note 1.2.27, Critical accounting estimates and judgements.

Diamond inventory consists of run of mine production, which is made up of a mix of diamond sizes. The diamond inventory therefore consists of varying size and quality. Costs are allocated to diamond inventory on a carat produced basis irrespective of quality and value and cannot be costed separately. The net realisable value of diamond inventory is determined on a holistic basis.

Ore stockpiles consist of various strategic stockpiles. Separately identifiable costs are allocated to ore sourced from the Main and Satellite Pipes. Net realisable value of ore stockpile is determined separately for the Main and Satellite Pipes on a holistic basis.

1.2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less that are held to meet the Group's short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

1.2.14 Issued share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Treasury shares

Own equity instruments that are reacquired are recognised at cost, including transaction costs, and deducted from equity. These are disclosed as treasury shares. No gain or loss is recognised in profit or loss in the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.15 Foreign currency translations

Presentation currency

The results and financial position of the Group's subsidiaries which have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

- statement of financial position items are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- resulting exchange differences are recognised as a separate component of equity.

Details of the rates applied at the respective reporting dates and for the statement of profit or loss transactions are detailed in Note 17, Issued share capital and reserves.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions, and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Monetary items for each statement of financial position presented are translated at the closing rate at the reporting date.

1.2.16 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

On a cumulative basis, over the vesting period of an award, no expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired, and management's best estimate of the achievement of the vesting conditions or otherwise of the non-market vesting conditions and of the number of equity instruments that is expected to ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous reporting date is recognised in the statement of profit or loss, with a corresponding entry in equity.

Management applies judgement when determining whether share options relating to employees who resigned before the end of the service condition period are cancelled or forfeited.

The Group periodically releases the share-based equity reserve to retained earnings in relation to lapsed and forfeited options subsequent to vesting dates.

1.2.17 Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of a past event; and
- a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.18 Restoration and rehabilitation provision

The mining, extraction and processing activities of the Group normally give rise to obligations for site restoration and rehabilitation. Rehabilitation works can include facility decommissioning and dismantling, removal and treatment of waste materials, land rehabilitation and site restoration. The extent of the work required and the estimated cost of final rehabilitation, comprising liabilities for decommissioning and restoration, are based on current legal requirements, existing technology and the Group's environmental policies, and are reassessed annually. Cost estimates are not reduced by the potential proceeds from the sale of property, plant and equipment.

Provisions for the cost of each restoration and rehabilitation programme are recognised at the time the environmental disturbance occurs. When the extent of the disturbance increases over the life of the operation, the provision and associated asset is increased accordingly. Costs included in the provision encompass all restoration and rehabilitation activity expected to occur. The restoration and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value, using a pre-tax discount rate. Discount rates used are specific to the country in which the operation is located or reasonable alternatives if in-country information is not available. The value of the provision is progressively increased over time as the effect of the discounting unwinds, which is recognised in finance charges. Restoration and rehabilitation provisions are also adjusted for changes in estimates.

When provisions for restoration and rehabilitation are initially recognised, the corresponding cost is capitalised as a decommissioning asset where it gives rise to a future benefit and depreciated over future production from the operation to which it relates. Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related asset in the current period in line with the principles of IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities. Where the related asset has been fully depreciated, any future reduction in the corresponding provision is reflected as an adjustment to the statement of profit or loss.

Management is required to make significant estimates and assumptions when determining the amount of the restoration and rehabilitation provisions as referred under Note 1.2.27, Critical accounting estimates and judgements.

1.2.19 Taxation

Income tax for the period comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items charged or credited directly to equity or to other comprehensive income, in which case the tax consequences are recognised directly in equity and other comprehensive income, respectively. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group offsets deferred income tax assets and deferred income tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly controlled entities, deferred tax is provided except where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and jointly controlled entities, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Withholding tax is recognised as part of the income tax expense in the statement of profit or loss. Withholding tax is deducted at the source on dividends or other services which give rise to that withholding tax in accordance with applicable tax laws and treaties. Deferred tax is recognised in respect of future withholding taxes on unremitted earnings based on the expected timing and extent of future dividends from the Group subsidiaries. Refer to Note 23, Deferred taxation.

Uncertain tax positions

Uncertain tax positions are accounted for under IFRIC 23. In assessing uncertain tax positions, the Group evaluates whether it is probable that a tax authority will accept a particular tax treatment. A tax position is only recognised when the likelihood of the tax authority accepting the treatment is probable. If it is probable that the tax treatment will be accepted, the Group measures the tax position based on the expected manner of settlement. If it is determined that a tax position is not probable (i.e. uncertain), the Group recognises the tax position based on the most likely outcome or expected value of the outcome. Uncertain tax positions are re-evaluated at each reporting date.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.19 Taxation (continued)

Royalties

Royalties incurred by the Group comprise mineral extraction costs based on a percentage of sales paid to the local revenue authorities. These obligations arising from royalty arrangements are recognised as current payables and disclosed as part of royalty and selling costs in the statement of profit or loss.

1.2.20 Employee benefits

Provision is made in the financial statements for all short-term employee benefits. Liabilities for wages and salaries, including non-monetary benefits, benefits required by legislation, annual leave, retirement benefits and accumulating sick leave obliged to be settled within 12 months of the reporting date, are recognised in trade and other payables and are measured at the amounts expected to be paid when the liabilities are settled. Benefits falling due more than 12 months after the reporting date are measured at the amount the obligation is expected to be settled at, or discounted to present value using a pre-tax discount rate where relevant or where time value of money is expected to be significant. The Group recognises an expense for contributions to the defined contribution pension fund in the period in which the employees render the related service.

Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation. These liabilities are recognised in trade and other payables and are measured at the amounts expected to be paid when the liabilities are settled.

1.2.21 Leases

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset and whether the Group has the right to direct the use of the asset. For leases that contain one lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of the individual relative stand-alone price of all lease and non-lease components and the aggregate stand-alone price of all lease and non-lease components. The lease component is accounted for under the requirements of IFRS 16 and the non-lease component is accounted for using the relevant IFRS standard based on the nature of the non-lease component.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, costs to dismantle, restore and remove the right-of-use asset, and lease payments made at or before the commencement date less any lease incentives received. After the commencement date, the right-of-use assets are measured using a cost model. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment. Refer to Note 1.2.11, Impairments.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group, and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the terms and conditions of the lease or if there is a lease reassessment.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be qualitatively and quantitatively of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.21 Leases (continued)

Group as a lessor

Where the Group is a lessor, it determines at inception whether the lease is a finance or operating lease. When a lease transfers substantially all the risks and rewards of ownership of the underlying asset, then the lease is a finance lease; otherwise the lease is an operating lease.

Where the Group is an intermediate lessor, the interest in the head lease and the sub-lease is accounted for separately and the lease classification of a sub-lease is determined by reference to the right-of-use-asset arising from the head lease. Income from operating leases is recognised on a straight-line basis over the lease term.

1.2.22 Revenue from contracts with customers

Revenue comprises net invoiced diamond sales to customers excluding VAT. Diamond sales are made through a competitive tender process and other sales channels, and recognised when the Group's performance obligations have been satisfied at the time the buyer obtains control of the diamond(s), at an amount that the Group expects to be entitled to in exchange for the diamond(s). Control of the diamond(s) is obtained by the buyer once funds have been received by the Group, at which point the diamond(s) are shipped to or collected by the buyer. Where the Group makes rough diamond sales to customers and retains a right to an interest in their future sale as polished diamonds, the Group records the sale of the rough diamonds, but such contingent revenue on the onward sale is only recognised at the date when the polished diamonds are sold or when polished sales prices are mutually agreed between the customer and the Group.

The following revenue streams are recognised:

- rough diamonds which are sold through a competitive tender process, other sales channels, cooperation and partnership agreements;
- polished diamonds which are sold through direct sales channels; and
- additional uplift (on the value from rough to polished) on partnership and cooperation arrangements.

The sale of rough diamonds is the core business of the Group, with other revenue streams contributing marginally to total revenue.

Revenue through cooperation and partnership arrangements is recognised on the sale of the rough diamond, with an additional uplift based on the polished prices or polished margin achieved. The Group recognises the revenue on the sale of the rough diamond when it is sold to a third party, as there is no continuing involvement by management in the cutting and polishing process and control has passed to the third party. Revenue from additional uplift is considered to be a variable consideration.

The variable consideration on partnership agreements is significantly constrained as it is subject to a range of variables that are highly susceptible to factors outside the Group's influence, such as market volatility and third-party decisions. The Group recognises revenue on the additional uplift when the polished diamond is sold by the third party or the polished sales prices are mutually agreed between the third party and the Group, and the additional uplift is guaranteed, as this is the point in time at which the significant constraints are lifted or resolved from the polished margin revenue.

The variable consideration on cooperation agreements is recognised at the time of the sale of the rough diamond. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Such estimates are determined using either the 'expected value' or 'most likely amount' method and are recognised as a receivable.

1.2.23 Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

1.2.24 Dividend income

Dividend income is recognised when the amount of the dividend can be reliably measured and the Group's right to receive payment is established.

1.2.25 Finance costs

Finance costs are recognised on a time proportion basis using the effective interest rate method.

1.2.26 Dividend distribution

Dividend distributions to the Group's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.27 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make estimates and judgements and form assumptions that affect the reported amounts of the assets and liabilities, the reported income and expenses during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future, and the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial results or the financial position reported in future periods are discussed below.

Business environment and country risk

The Group's operations are subject to country risk, being the economic, political and social risks inherent in doing business in certain areas of Africa, Europe and the United Kingdom. These risks include matters arising out of the policies of the government, economic conditions, imposition of or changes to taxes and regulations, foreign exchange rate fluctuations and the enforceability of contract rights.

The consolidated financial information reflects management's assessment of the impact of these business environments and country risks on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

Estimates

Ore reserves and associated life of mine (LoM)

There are numerous uncertainties inherent in estimating ore reserves and the associated LoM. Therefore, the Group must make a number of assumptions in making those estimations, including assumptions as to the prices of diamonds, exchange rates, production costs and recovery rates. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of diamonds, exchange rates, production costs or recovery rates may change the economic status of ore reserves and may, ultimately, result in the ore reserves being restated. Where assumptions change the LoM estimates, the associated depreciation rates, residual values, waste stripping and amortisation ratios, and environmental provisions are reassessed to take into account the revised LoM estimate. Refer to Note 9, Property, plant and equipment, Note 12, Impairments of non-financial assets and Note 22, Provisions.

Provision for restoration and rehabilitation

Significant estimates and assumptions are made in determining the amount of the restoration and rehabilitation provisions. These deal with uncertainties such as changes to the legal and regulatory framework, magnitude of possible contamination, and the timing, extent and costs of required restoration and rehabilitation activity. Refer to Note 22, Provisions, for further detail.

Judgement

Ore stockpile and diamond inventory

Management exercises judgement when making assumptions about the valuation of ore stockpiles and diamond inventory. Key considerations include conversion factors, diamond prices, production grades, and costs to completion, which collectively inform the Group's valuation approach. In forming these assumptions, the Group relies on empirical data on prices achieved, grade and expenditure. Ore stockpiles are surveyed regularly to determine the quantum of ore in cubic metres at that time. A conversion factor called the Load Density Factor (LDF) is applied to the cubic metres to determine the ore in tonnes. The LDF varies depending on ore type, moisture content and compaction. Refer to Note 5, Exceptional items.

Impairment reviews

The Group determines if goodwill is impaired on at least an annual basis, while all other significant operations are tested for impairment when there are potential indicators which may require an impairment review. This requires an estimation of the recoverable amount of the relevant CGU under review. The recoverable amount is the higher of fair value less costs to sell and value in use. While conducting an impairment review of its assets using value-in-use impairment models, the Group exercises judgement in making assumptions about future rough diamond prices, volumes of production, ore reserves and resources included in the current LoM plans, production costs and macro-economic factors such as inflation and discount rates. Changes in estimates used can result in significant changes to the consolidated statement of profit or loss and consolidated statement of financial position. Where the Group's asset carrying values exceed market capitalisation, it may serve as an indicator of impairment. The Group, however, does not believe that market capitalisation is a reasonable indicator for impairment due to the volatility in its share price, which is unrelated to the performance of the Group's operating activities.

Refer to Note 12, Impairments of non-financial assets, for further estimates and judgements applied.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.27 Critical accounting estimates and judgements (continued)

The key assumptions used in the recoverable amount calculations, determined on a value-in-use basis, are listed below:

Valuation basis

Discounted present value of future cash flows.

LoM and recoverable value of reserves and resources

Economically recoverable reserves and resources, carats recoverable and grades achievable are based on management's expectations of the availability of reserves and resources at Letšeng and technical studies undertaken by in-house and third-party specialists. Reserves remaining after the current LoM plan have not been included in determining the value in use of the operations. The LoM of Letšeng is currently up to 2035 (2024: 2039).

Cost and inflation rate

Operating costs for Letšeng are determined using 2025 actual costs, the majority of which have been insourced and are easily determinable. In the longer term, management has applied local inflation rates of 5.0% (2024: 5.0%) for operating costs beyond 2028. Up to 2028, inflation rates applied ranged between 5.0% – 9.6% (2024: 5.2% – 9.6%).

Capital costs have been based on management's specific capital programme for the first five years, the capital investment required for the slope support for the duration of the new Satellite cut, and a fixed percentage of processing costs (after the first five years) to determine the capital costs necessary to maintain current levels of operations.

Exchange rates

Exchange rates are applied in line with IAS 36, Impairment of Assets. The US dollar/Lesotho loti (LSL) exchange rate used was determined with reference to the closing rate at 31 December 2025 of LSL16.57 (31 December 2024: LSL18.87).

Diamond prices

The short and medium-term diamond prices used in the impairment test have been set with reference to historical and recent prices achieved, recent market trends and anticipated market supply, and the Group's medium-term forecast. Long-term diamond price escalation reflects the Group's assessment, taking into account independent diamond analyst views of market supply/demand fundamentals. The Group has assumed an appropriate price increase for its diamonds following the significant pressure experienced in the diamond market during the year.

Royalty rate

Royalty payments have been applied at the rate of 0% for the 2026 period, reflecting the expectation that the Government of Lesotho will extend the remission from the standard 10% rate until the end of the year, following its initial extension granted to February 2026. Starting in 2027 and continuing throughout the LoM, the royalty tax rate applied, reverts back to 10%.

Discount rate

The discount rate of 12.7% for revenue (2024: 12.9%) and 16.1% for costs (2024: 16.1%) used for Letšeng represents the before-tax risk-free rate adjusted for market risk, volatility and risks specific to the asset and its operating jurisdiction. Management considers the use of two different discount rates appropriate, as the region in which the revenue is earned has a lower risk profile than the region in which the costs are incurred.

Sensitivity

The value in use for Letšeng indicated that the recoverable value was greater than the carrying value of the Letšeng cash generating unit, and an impairment charge was recognised as disclosed in Note 12, Impairments of non-financial assets.

Provision for restoration and rehabilitation and deferred tax thereon

Judgement is applied when calculating the closure costs associated with the restoration of the Letšeng mine site. These include the following:

- there are no costs associated with the backfill of the open pits due to no in-country legislation requirements; and
- there are no costs associated with dismantling permanent buildings, as these will be handed over to various parties in consultation with the Lesotho Government when the end of life is reached.

At Letšeng, deferred tax assets are recognised on provisions for rehabilitation, as management will implement appropriate tax planning strategies to ensure sufficient taxable income is available to utilise all deductions in the future.

Capitalised stripping costs (deferred waste)

Waste removal costs (stripping costs) are incurred during the development and production phases at surface mining operations. The orebody needs to be identified in its various separately identifiable components. An identifiable component is a specific volume of the orebody that is made more accessible by the stripping activity. Judgement is required to identify and define these components (referred to as "cuts"), and also to determine the expected volumes (tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are based on a combination of information available in the mine plans, specific characteristics of the orebody and the milestones relating to major capital investment decisions.

Judgements and estimates are also used to apply the amortisation rate, future stripping costs of the cut/component and the expected ore to be mined from that cut/component. Refer to Note 9, Property, plant and equipment.

1. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 Summary of material accounting policies (continued)

1.2.27 Critical accounting estimates and judgements (continued)

Identifying uncertainties over tax treatments

As previously disclosed, an amended tax assessment was issued to Letšeng by the Revenue Services Lesotho (RSL), in December 2019, contradicting the application of certain tax treatments in the current Lesotho Income Tax Act, 1993. An objection to the amended tax assessment was lodged with the RSL in March 2020, which was supported by the opinion of senior counsel. The RSL subsequently lodged a court application to the Lesotho High Court for the review and setting aside of the applicable regulations pertaining to this matter, which Letšeng is opposing. The amended court application process is ongoing and will continue during 2026, with support from senior legal counsel.

Management does not believe a liability relating to an uncertain tax position exists, as:

- there is no ambiguity in the application of the published Lesotho Income Tax Act;
- there has been no change in the application of the Income Tax Act and resulting tax; and
- senior counsel advice, which is legally privileged, has been obtained for the new circumstances. This advice still reflects good prospects of success.

No provision has been raised or contingent liability disclosed in the 2025 Financial Statements relating to:

- the amended tax assessment in question; or
- any potential legal costs that could be incurred, should the matter be found in favour of the RSL.

Offsetting of deferred tax assets and deferred tax liabilities of the Group's subsidiary, Letšeng Diamonds

The Group's subsidiary, Letšeng Diamonds, is subject to the tax laws and regulations enacted within Lesotho. The corporate tax laws and regulations currently enacted by the RSL require a taxpayer to file a claim for offsetting current tax assets and current tax liabilities, and offsetting deferred tax assets and deferred tax liabilities with the Commissioner within four years after service of the notice of assessment for the year of assessment to which the claim relates.

The Group, after applying significant judgement, is of the view that Letšeng Diamonds does not have a legally enforceable right to offset current tax assets against current tax liabilities, and deferred tax assets against deferred tax liabilities within the Lesotho corporate tax jurisdiction, as it is subject to the Commissioner's approval of the claim submitted, for which the outcome is highly uncertain as the approval is subject purely to the discretion of the Commissioner. On this basis, the Group does not offset Letšeng Diamonds' deferred tax assets and deferred tax liabilities, but rather presents them on a gross basis in the consolidated statement of financial position. Refer to Note 1.2.19, Taxation.

Deferred tax on unremitted earnings

Management applies judgement when assessing whether it has the intention and ability to control the timing of profit distribution from its subsidiaries. Deferred tax liabilities are recognised according to the Group's expected distributions in the annual business plan, which is based on a three-year period. Management believes the annual business plan reflects the best estimate of the Group's distributions and that these are probable. Refer to Note 23, Deferred taxation.

Determination of variable consideration in terms of revenue recognition

Judgement is exercised by estimating variable consideration on the polished sales price of diamonds sold into cooperation agreements. The variable consideration is determined having regard to past experience with respect to the uplift earned on the sale of the polished diamonds. Revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration revenue is included in Trade receivables in Note 13, Receivables and other assets.

No variable consideration is recognised on the future uplift of the margin on partnership arrangements as the future amounts are highly susceptible to factors outside of the Group's control, as described in IFRS 15 par 57; being market volatility, decisions and actions of third parties, and that the uncertainty is not expected to be resolved for a relatively long period. These factors result in a significant estimation uncertainty and management exercised judgement in not recognising the variable consideration until the uncertainty associated with the variable consideration is subsequently resolved.

Exceptional items

The Group presents as exceptional items on the face of the consolidated statement of profit or loss, those material items of income and expenses that are not expected to recur and that, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance. Refer to Note 5, Exceptional items.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025 US$'000	2024 US$'000
Sale of goods	**98 053**	152 839
Partnership arrangements	**361**	1 373
	98 414	154 212

The revenue from the sale of goods mainly 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$0.4 million (2024: US$1.4 million) represents the additional uplift from partnership agreements, 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 year end, 1 236 carats (2024: 1 236 carats) have significant constraints in recognising revenue relating to the additional uplift.

3. OTHER OPERATING INCOME/(EXPENSE)

	2025 US$'000	Re-presented 2024 US$'000
Other operating income/(expense) is categorised separately as it relates to income or expenses which are minor or irregular and are incurred or sourced outside of normal operations.		
Sundry income/(expense)	**535**	(203)
Profit on disposal of property, plant and equipment	**186**	–
	721	(203)

4. OPERATING (LOSS)/PROFIT

	2025 US$'000	Re-presented 2024 US$'000
Operating (loss)/profit includes operating costs and income as listed below:		
Depreciation and amortisation		
Depreciation and mining asset amortisation excluding waste stripping cost	**(10 251)**	(9 181)
Depreciation of right-of-use assets	**(1 761)**	(2 118)
Waste stripping costs amortised	**(29 366)**	(35 627)
	(41 378)	(46 926)
Inventories		
Cost of inventories recognised as an expense (including the relevant portion of waste stripping costs amortised)	**(83 255)**	(100 497)
Foreign exchange		
Foreign exchange gain	**1 263**	1 087
Lease expenses not included in lease liability		
Mine site property	**(184)**	(180)
Equipment and service lease	**(1)**	(1)
	(185)	(181)
Auditor's remuneration – RSM		
Group financial statements	**(349)**	(280)
Statutory	**(175)**	(153)
	(524)	(433)
Auditor's remuneration – other audit firms		
Statutory	**(47)**	(41)
Other non-audit fees – other audit firms		
Tax services advisory and consultancy	**(10)**	(17)
Employee benefits expense		
Salaries and wages[1]	**(23 862)**	(19 961)
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:		
Operating (loss)/profit	**(87 352)**	18 789
Other operating (income)/expenses	**(721)**	203
Impairment of goodwill and non-current assets	**77 467**	–
Write-down of inventories to net realisable value	**3 534**	–
Foreign exchange differences	**(1 263)**	(1 087)
Share-based payments	**266**	516
Depreciation and amortisation (excluding waste stripping cost amortised)	**12 012**	11 298
Underlying EBITDA	**3 943**	29 719

[1] *Includes contributions to defined contribution plan of US$1.0 million (31 December 2024: US$0.8 million). An average of 855 employees excluding contractors were employed during the period (2024: 716). The increased number of employees was as a result of the insourcing of the processing activities.*

	2025 US$'000	2024 US$'000

5. EXCEPTIONAL ITEMS

Recognised in arriving at operating (loss)/profit from continuing operations:		
Impairment of goodwill and non-current assets	**(77 467)**	–
Write-down of inventories to net realisable value	**(3 534)**	–
	(81 001)	–

Refer to Note 12, Impairments of non-financial assets, for further details on the impairment of goodwill and non-current assets. As these impairments have arisen from circumstances other than the write-off of assets at the end of their usual expected lives, this write-off has been classified as exceptional.

Ore stockpiles at Letšeng were written down by US$3.5 million to net realisable value. As these write-downs were largely driven by unfavourable closing exchange rates and not directly related to current operations, they have been disclosed as exceptional.

	2025 US$'000	Re-presented 2024 US$'000

6. NET FINANCE COSTS

Finance income		
Bank deposits	**262**	392
Insurance asset	**696**	483
Interest income on loan receivable	**122**	–
Total finance income	**1 080**	875
Finance costs		
Finance costs on borrowings	**(4 604)**	(5 339)
Finance costs on lease liabilities	**(303)**	(371)
Finance costs on unwinding of rehabilitation and decommissioning provision	**(874)**	(1 305)
Fair value adjustment on loan receivable	**–**	(231)
Total finance costs	**(5 781)**	(7 246)
	(4 701)	(6 371)

Finance income relates to interest earned on cash, short-term deposits and insurance assets.

Finance costs include interest incurred on borrowings and associated unwinding of facility credit underwriting fees, finance lease liabilities and the unwinding of rehabilitation provisions.

	2025 US$'000	Re-presented 2024 US$'000

7. INCOME TAX (BENEFIT)/CHARGE

Current		
– Foreign	**(3 599)**	(6 443)
Withholding tax		
– Foreign	**(7)**	(508)
Deferred		
– Foreign	**23 102**	3 576
Income tax expense	**19 496**	(3 375)
(Loss)/profit before taxation from continuing operations	**(92 053)**	12 418
Loss before taxation from discontinued operations	**(50 997)**	(957)
(Loss)/profit before taxation	**(143 050)**	11 461

7. INCOME TAX (BENEFIT)/CHARGE (continued)

	%	%
Reconciliation of tax rate		
Applicable income tax rate	**25.0**	25.0
Non-deductible expenses[1]	**(2.3)**	3.1
Unrecognised deferred tax assets	**(1.6)**	1.8
Effect of foreign tax at different rates	**0.1**	0.4
Unremitted earnings	**–**	(5.3)
Withholding tax	**–**	4.4
Effective income tax rate	**21.2**	29.4

The tax rate reconciles to the statutory Lesotho corporation tax rate of 25%, as this is the jurisdiction in which the majority of the Group's taxes are incurred.

[1] *Non-deductible expenses mainly comprise the goodwill impairment in the current year and corporate social investment, legal fees of a capital nature and share-based payments in both the current and prior year.*

The effective tax rate is below the Lesotho statutory tax rate of 25% primarily due to the incurred net loss before tax.

8. (LOSS)/EARNINGS PER SHARE

	2025 US$'000	Re-presented 2024 US$'000
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
(Loss)/profit for the year	**(72 557)**	9 043
Profit/(loss) for the year from discontinued operation	**1 793**	(957)
Recycling of foreign currency translation reserve on discontinued operation	**(52 790)**	–
Less: Non-controlling interests	**19 574**	(5 192)
Net (loss)/profit attributable to ordinary equity holders of the parent for basic and diluted earnings	**(103 980)**	2 894
Number of ordinary shares outstanding at end of year ('000)	**141 443**	141 236
Weighted number of share options exercised during the year ('000)	**(78)**	(9)
Effect of share buyback - Treasury shares ('000)	**(1 520)**	(1 520)
Weighted average number of ordinary shares outstanding during the year ('000)	**139 845**	139 707
Basic (loss)/earnings per share attributable to ordinary equity holders of the parent (cents)	**(74.4)**	2.1

Earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year after taking into account future potential conversion and issue rights associated with the ordinary shares. Options in issue are not considered diluting to the loss per share, as the Group was loss-making in the current year. Diluted loss per share is therefore the same as basic loss per share.

	2025 Number of shares 000's	2024 Number of shares 000's
Weighted average number of ordinary shares outstanding during the year	**139 845**	139 707
Effect of dilution:		
– Future share awards under the Employee Share Option Plan	**–**	4 262
Weighted average number of ordinary shares outstanding during the year adjusted for the effect of dilution	**139 845**	143 969
Diluted (loss)/earnings per share attributable to ordinary equity holders of the parent (cents)	**(74.4)**	2.0

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

9. PROPERTY, PLANT AND EQUIPMENT

	Stripping activity asset	Mining asset	De-commis-sioning assets	Lease-hold improve-ment	Plant and equip-ment[1]	Other assets[2]	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 December 2025							
Cost							
As at 1 January 2025	606 858	101 660	2 974	49 966	102 903	10 323	874 684
Additions	10 049	–	–	124	3 998	311	14 482
Net movement in rehabilitation provision	542	–	(434)	–	792	–	900
Disposals	–	–	–	(433)	(2 404)	(450)	(3 287)
Foreign exchange differences	86 143	9 767	508	6 794	16 048	1 022	120 282
As at 31 December 2025	703 592	111 427	3 048	56 451	121 337	11 206	1 007 061
Accumulated depreciation/ amortisation/impairment							
As at 1 January 2025	459 049	38 235	2 974	33 109	65 342	6 115	604 824
Charge for the year	29 366	1 395	(434)	1 593	6 601	1 126	39 647
Impairment[3]	2 201	63 741	–	–	223	–	66 165
Disposals	–	–	–	(410)	(2 041)	(447)	(2 898)
Foreign exchange differences	65 902	8 056	508	4 080	8 800	719	88 065
As at 31 December 2025	556 518	111 427	3 048	38 372	78 925	7 513	795 803
Net book value at 31 December 2025	147 074	–	–	18 079	42 412	3 693	211 258

1 *Included in plant and equipment are capital projects in progress of US$0.7 million (31 December 2024: US$0.9 million).*
2 *Other assets comprise motor vehicles, computer equipment, furniture and fittings, and office equipment.*
3 *Refer to Note 12, Impairments of non-financial assets for information on the Stripping activity and mining assets. The impairment of plant and equipment relates to the remaining solar plant at Ghaghoo, which was relinquished together with the mining licence.*

	Stripping activity asset	Mining asset	De-commis-sioning assets	Lease-hold improve-ment	Plant and equip-ment[1]	Other assets[2]	Total
As at 31 December 2024							
Cost							
Balance at 1 January 2024	604 372	100 827	3 255	50 892	112 812	9 336	881 494
Additions	22 302	–	–	498	3 367	1 893	28 060
Net movement in rehabilitation provision	(528)	–	(177)	–	(2 993)	–	(3 698)
Disposals	–	–	–	–	(3 191)	(643)	(3 834)
Reclassifications[3]	–	3 222	–	189	(3 416)	5	–
Foreign exchange differences	(19 288)	(2 389)	(104)	(1 613)	(3 676)	(268)	(27 338)
As at 31 December 2024	606 858	101 660	2 974	49 966	102 903	10 323	874 684
Accumulated depreciation/ amortisation/impairment							
As at 1 January 2024	437 154	39 026	3 255	32 544	64 503	6 418	582 900
Charge for the year	35 627	864	(177)	1 467	6 556	528	44 865
Disposals	–	–	–	–	(3 190)	(638)	(3 828)
Reclassifications[3]	–	–	–	171	(171)	–	–
Foreign exchange differences	(13 732)	(1 655)	(104)	(1 073)	(2 356)	(193)	(19 113)
As at 31 December 2024	459 049	38 235	2 974	33 109	65 342	6 115	604 824
Net book value at 31 December 2024	147 809	63 425	–	16 857	37 561	4 208	269 860

1 *Included in plant and equipment are capital projects in progress of US$0.9 million (31 December 2023: US$4.1 million).*
2 *Other assets comprise motor vehicles, computer equipment, furniture and fittings, and office equipment.*
3 *The reclassifications in the prior year related to capital projects in progress in previous periods, included in plant and equipment, which were being depreciated in the year as mining assets.*

10. RIGHT-OF-USE ASSETS

	Plant and equipment US$'000	Motor vehicles US$'000	Buildings US$'000	Total US$'000
As at 31 December 2025				
Cost				
As 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**
As at 31 December 2025	**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**
As at 31 December 2025	**3 186**	**435**	**893**	**4 514**
Net book value at 31 December 2025	**898**	**228**	**1 371**	**2 497**
As at 31 December 2024				
Cost				
As at 1 January 2024	3 379	363	6 008	9 750
Additions	1 058	434	271	1 763
Derecognition of lease	(738)	(243)	(349)	(1 330)
Foreign exchange differences	(113)	(17)	(130)	(260)
As at 31 December 2024	3 586	537	5 800	9 923
Accumulated depreciation				
As at 1 January 2024	1 450	103	3 451	5 004
Charge for the year	979	188	962	2 129
Derecognition of lease	(444)	(117)	(349)	(910)
Foreign exchange differences	(60)	(5)	(106)	(171)
As at 31 December 2024	1 925	169	3 958	6 052
Net book value at 31 December 2024	1 661	368	1 842	3 871

Plant and equipment mainly comprise 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, London, Gaborone and Johannesburg.

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

During the year, Letšeng and Baobab cancelled their existing leases for the majority of the office buildings in Maseru and Belgium, respectively. Letšeng entered into a new lease for smaller premises and Baobab was absorbed within the existing sales and marketing office as part of the BR Programme. A new lease contract was also entered into for office space rental in London for Gem Diamonds Limited. The office lease in Gaborone was cancelled during the year. The original contracts were cancelled and all associated assets and liabilities were derecognised. Refer to Note 19, Lease liabilities.

During the prior year, new lease contracts were entered into for office space rental in London and Johannesburg for Gem Diamonds Limited and Gem Diamond Technical Services (Pty) Ltd, respectively. At Letšeng, lease contracts for dewatering equipment and vehicles were entered into or renegotiated, resulting in the recognition of right-of-use assets and lease liabilities associated with the new lease.

Total gains of US$0.5 million (2024: losses of US$0.3 million) have been recognised in the consolidated statement of profit or loss relating to the derecognition of leases in the Group during the year. Refer to Note 19, Lease liabilities and Note 24.1, Cash generated by operations. During the year, the Group recognised income of US$0.1 million (2024: US$0.3 million) from the sub-leasing of office buildings in Maseru prior to cancelling the lease.

11. INTANGIBLE ASSETS

	Goodwill US$'000
As at 31 December 2025	
Cost	
Balance at 1 January 2025	**10 118**
Foreign exchange translation difference	**625**
Balance at 31 December 2025	**10 743**
Accumulated amortisation/impairment	
Balance at 1 January 2025	**–**
Amortisation	**–**
Impairment	**(10 743)**
Balance at 31 December 2025	**(10 743)**
Net book value at 31 December 2025	**–**
As at 31 December 2024	
Cost	
Balance at 1 January 2024	10 440
Foreign exchange translation difference	(322)
Balance at 31 December 2024	10 118
Accumulated amortisation	
Balance at 1 January 2024	–
Amortisation	–
Balance at 31 December 2024	–
Net book value at 31 December 2024	10 118

Goodwill is allocated to the Letšeng Diamonds cash-generating unit. Movement in goodwill relates to foreign exchange translation from functional to presentation currency.

Goodwill impairment testing is undertaken on Letšeng Diamonds annually and when there are indications of impairment. The most recent test was undertaken at 31 December 2025. In assessing whether goodwill has been impaired, the carrying amount of Letšeng Diamonds is compared with its recoverable amount. For the purpose of goodwill impairment testing, the recoverable amount for Letšeng Diamonds has been determined based on a value-in-use model, similar to that adopted in the past.

The recoverable amount (value in use) of Letšeng was assessed, and of the total impairment charge of US$77.5 million, US$10.7 million was allocated to goodwill, which is now fully impaired.

Impairments of goodwill are not eligible for reversal in future periods. Refer to Note 12, Impairments of non-financial assets, for further details.

	2025 US$'000	2024 US$'000
12. IMPAIRMENTS OF NON-FINANCIAL ASSETS		
Letšeng Diamonds		
Goodwill	**(10 743)**	
Property, plant and equipment	**(66 724)**	
As at 31 December 2025	**(77 467)**	–

In line with the requirements of IAS 36 Impairment of Assets, the Group carried out impairment testing for its main cash-generating unit (CGU), being Letšeng Diamonds.

The impairment test was largely influenced by the weakness in the rough diamond market during the year and the weakening of the US dollar against the Lesotho loti.

The recoverable amount (value in use) of Letšeng was assessed and an impairment of US$77.5 million was recorded in the consolidated statement of profit or loss to bring the carrying value in line with the recoverable amount. The impairment was allocated firstly to the goodwill, which is now fully impaired, then to the mining asset, which is now fully impaired, and the balance to the stripping activity asset.

Refer to Note 1.2.27, Critical accounting estimates and judgements for details of the key estimates used in determining the recoverable amount.

The discount rates are outlined below and represent the nominal pre-tax rates. These rates are based on the weighted average cost of capital (WACC) of the Group and adjusted accordingly at a risk premium for Letšeng Diamonds, taking into account risks associated therein.

	2025 %	2024 %
Discount rate – Letšeng Diamonds		
Applied to revenue	**12.7**	12.9
Applied to costs	**16.1**	16.1

Value in use

The mining lease period at Letšeng extends to 2029 with an exclusive option to renew for a further 10 years to 2039. The updated open pit mine plan, which has been used to project the cash flows, reflects that the open pit mining (including inferred resources) is expected to cease in 2035 (31 December 2024: 2039). In terms of IAS 36, cash flows are projected for a period up to the date of the LoM plan period, i.e. 2035, which is within the mining lease period of 2039. The mine plan takes into account the available reserves and other relevant inputs such as diamond pricing, costs and geotechnical parameters. It includes the next open pit cutback in the Satellite Pipe (C6W) using a redesigned steeper slope concept which significantly reduced the tonnes of waste previously required to be removed.

Sensitivity to changes in assumptions

The valuation is sensitive to input assumptions, particularly in relation to changes to the discount rates, future price growth for diamonds and the foreign exchange assumption of the US dollar (US$) to the Lesotho Loti (LSL) at year end. Each sensitivity was performed in isolation, with all other valuation assumptions remaining the same. The impairment outcome of applying sensitivities on the key inputs would have been:

	2025 US$'000
Base case	**(77 467)**
Increase in discount rate applied to revenue by 100 basis points	**(102 824)**
Decrease in discount rate applied to revenue by 100 basis points	**(50 501)**
Decrease in starting diamond prices by 5%	**(114 065)**
Increase in starting diamond prices by 5%	**(39 920)**
LSL stronger by LSL1 throughout LoM period to US$1:LSL15.57	**(109 727)**
LSL weaker by LSL1 throughout LoM period to US$1:LSL17.57	**(48 877)**

The Group will continue to test its assets for impairment where indications are identified.

13. RECEIVABLES AND OTHER ASSETS

	2025 US$'000	2024 US$'000
Non-current		
Deposits	**908**	776
Insurance asset[1]	**–**	5 596
Other receivables[2]	**–**	969
	908	7 341
Current		
Insurance asset[1]	**8 994**	–
Trade receivables	**256**	592
Prepayments[3]	**870**	1 484
Deposits	**31**	29
Other receivables[2]	**1 115**	498
VAT receivable[4]	**731**	4 030
	11 997	6 633
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	**237**	573
> 120 days	**19**	19
	256	592

[1] *The insurance asset mainly relates to Letšeng's Multi-aggregate Protection Insurance Policy with The Lesotho National General Insurance Company (LNGIC) of LSL140.0 million (US$8.4 million) (31 December 2024: LSL140.0 million (US$7.4 million)) entered into in October 2021. This policy has a remaining tenure of six months at year end (31 December 2024: one-and-a-half-years). Premium payments of LSL30.0 million (US$1.7 million) (31 December 2024: LSL30.0 million (US$1.6 million)) for the policy are payable annually in advance. Refer to Note 25, Commitments and contingencies. The policy gives Letšeng the right to claim up to LSL75.0 million (31 December 2024: LSL75.0 million) for each-and-every-loss and LSL150.0 million (31 December 2024: LSL150.0 million) in the aggregate (subject to terms and conditions contained in the policy). On expiry of the policy in June 2026, all unutilised funds within the policy are due and payable to Letšeng. A current financial asset has been recognised for the unutilised premium paid to date, net of underwriting service fee of LSL 2.1 million (US$0.1 million) (31 December 2024: LSL2.1 million (U$0.1 million)) as expensed as part of operating expenses within the statement of profit or loss. The current financial asset is measured at amortised cost in line with IFRS 9 Financial Instruments. Interest is earned on the unrealised premium and recognised as finance income. The fifth and final premium payment of LSL30.0 million (US$1.7 million) (31 December 2024: LSL30.0 million (US$1.6 million)) was financed through a 10-month loan through Premium Finance Partners (Proprietary) Limited. This current financial asset is ceded in favour of Premium Finance Partners (Proprietary) Limited. Refer to Note 18, Interest-bearing loans and borrowings.*

[2] *Other current receivables includes a financing arrangement provided to a third party to assist with the exploration of possible expansion opportunities which was disclosed as a non-current receivable in the previous year. This loan is expected to be repaid in December 2026.*

[3] *Prepayments include insurance premiums prepaid at Letšeng of US$0.4 million (31 December 2024: US$0.4 million) which were also funded through Premium Finance Partners (Proprietary) Limited. This prepayment is ceded in favour of Premium Finance Partners (Proprietary) Limited. Refer to Note 18, Interest-bearing loans and borrowings.*

[4] *VAT receivable mainly comprises US$0.7 million at Letšeng.*

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

14. INVENTORIES

	2025 US$'000	2024 US$'000
Diamonds on hand	**13 615**	9 279
Ore stockpile	**19 752**	16 560
Consumable stores	**9 974**	8 225
	43 341	34 064

Inventory is carried at the lower of cost or net realisable value.

In the current year, consumable stores were written down by US$0.5 million (31 December 2024: US$0.1 million), relating mainly to redundant treatment plant spares at Letšeng, and ore stockpile was written down by US$3.5 million to net realisable value. There were no ore stockpile write-downs in the previous year.

15. CASH AND SHORT-TERM DEPOSITS

	2025 US$'000	2024 US$'000
Cash on hand	**1**	3
Bank balances	**1 605**	6 032
Short-term bank deposits	**2 167**	6 843
	3 773	12 878

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 earns 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 31 December 2025, the Group had US$68.3 million (31 December 2024: US$69.0 million) of undrawn facilities, representing LSL420.0 million (US$25.4 million) (31 December 2024: LSL450.0 million (US$23.8 million)) and ZAR280.0 million (US$16.9 million) (31 December 2024: ZAR300.0 million (US$15.9 million)) of the secured revolving credit facility at Letšeng, ZAR100.0 million (US$6.0 million) (31 December 2024: ZAR100.0 million (US$5.3 million)) of the Letšeng general banking facility, and US$20.0 million (31 December 2024: US$24.0 million) of the Company's secured revolving credit facility. For further details on these facilities, refer to Note 18, 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 year, the facility was utilised from time to time based on cash flow requirements, but repaid in full by year end.

16. DISCONTINUED OPERATION

The Ghaghoo diamond mine, part of the Group's Botswana operations, was placed on care and maintenance in 2017 due to operational and market-related challenges.

Following a strategic review and several unsuccessful attempts to sell the asset, the Group initiated discussions with the Department of Mines, dating back to February 2023, to address safety and remediation activities, including the removal of the processing plant and associated civil infrastructure, with the objective of surrendering its mining licence.

The mine site was formally handed over to the Botswana Ministry of Minerals and Energy through the Department of Mines during the current year. Formal confirmation of the acceptance of the mining licence surrender was received from the Department of Mines on 28 April 2025. Effective 1 June 2025, the Department of Mines assumed full responsibility for the site, and the Company no longer holds any obligations or commitments related to the mine or its associated licence.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the subsidiary was classified as a discontinued operation which was abandoned during the year, following the relinquishment (for no consideration) of the underlying mining licence which represented the subsidiary's principal business activity. All impacted prior year figures in the consolidated statement of profit or loss and relevant notes have been re-presented to reflect Gem Diamonds Botswana as part of a discontinued operation. There are no balances in the statement of financial position relating to the abandoned operation.

The results of Gem Diamonds Botswana (Ghaghoo Diamond Mine) for the year and the comparative period are presented below:

	2025 US$'000	2024 US$'000
Revenue	**–**	–
Gross profit	**–**	–
Care and maintenance costs	**(277)**	(1 575)
Profit on sale of property, plant and equipment	**47**	152
Rehabilitation provision released	**2 309**	562
Proceeds from insurance claim	**–**	65
Foreign exchange differences	**(5)**	(1)
Impairment of asset	**(224)**	–
Operating profit/(loss)	**1 850**	(797)
Net finance costs	**(57)**	(160)
– Finance income	**1**	–
– Finance costs	**(58)**	(160)
Profit/(loss) before tax from discontinued operation	**1 793**	(957)
Income tax expense	**–**	–

16. DISCONTINUED OPERATION (continued)

The net cash flows attributable to the discontinued operation are as follows:		
Operating	**(165)**	(1 251)
Investing	**47**	153
Financing	**(5)**	(11)
Foreign exchange differences	**2**	–
Net cash outflow	**(121)**	(1 109)

The table below represents the prior year re-presentation for all amounts in the consolidated statement of profit or loss and notes thereto which were re-presented.

		As previously reported 2024 US$'000	Re-presentation 2024 US$'000	Re-presented figures 2024 US$'000
	CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
	Other operating (expense)/income	(999)	(796)	(203)
	Foreign exchange gain	1 086	(1)	1 087
	Operating profit	17 992	(797)	18 789
	Net finance costs	(6 531)	(160)	(6 371)
	– Finance income	875	–	875
	– Finance costs	(7 406)	(160)	(7 246)
	Profit before tax	11 461	(957)	12 418
	Profit for the year	8 086	(957)	9 043
	– Basic (loss)/earnings per share	2.1	(0.7)	2.8
	– Diluted (loss)/earnings per share	2.0	(0.7)	2.7
3.	OTHER OPERATING INCOME/(EXPENSE)			
	Ghaghoo reduction in rehabilitation provision	562	562	–
	Proceeds from insurance claim	65	65	–
	Ghaghoo care and maintenance costs	(1 572)	(1 572)	–
	Profit/(loss) on disposal and scrapping of property, plant and equipment	152	152	–
4.	OPERATING (LOSS)/PROFIT			
	Depreciation and mining asset amortisation excluding waste stripping cost	(9 238)	(57)	(9 181)
	Depreciation right-of-use asset	(2 129)	(11)	(2 118)
	Foreign exchange gain	1 086	(1)	1 087
	Auditor's remuneration – RSM			
	Statutory	(167)	(14)	(153)
	Other non-audit fees – other audit firms			
	Tax service advisory and consultancy	(18)	(1)	(17)
	Employee benefits expense			
	Salaries and wages	(20 353)	(392)	(19 961)
	Underlying earnings before interest, tax, depreciation and mining asset amortisation (underlying EBITDA)			
	Operating profit	17 992	(797)	18 789
	Other operating expenses/(income)	930	728	203
	Foreign exchange gain/loss	(1 087)	1	(1 088)
	Depreciation and amortisation (excluding waste stripping cost amortised)	11 366	68	11 298
5.	NET FINANCE COSTS			
	Finance costs			
	Finance costs on lease liabilities	(372)	(1)	(371)
	Finance costs on unwinding of rehabilitation and decommissioning provision	(1 464)	(159)	(1 305)
	Total finance costs	(7 406)	(160)	(7 246)
6.	INCOME TAX EXPENSE			
	Profit before tax	11 461	(957)	12 418
7.	EARNINGS PER SHARE			
	Profit for the year	8 086	(957)	9 043
	Net profit attributable to ordinary equity holders of the parent for basic and diluted earnings	2 894	(957)	3 851
	Basic earnings per share attributable to ordinary equity holders of the parent (cents)	2.1	(0.7)	2.8
	Diluted earnings per share attributable to ordinary equity holders of the parent (cents)	2.0	(0.7)	2.7

17. ISSUED SHARE CAPITAL AND RESERVES

Share capital

	31 December 2025		31 December 2024	
	Number of shares '000	**US$'000**	Number of shares '000	US$'000
Authorised – ordinary shares of US$0.01 each				
As at year end	**200 000**	**2 000**	200 000	2 000
Issued and fully paid balance at beginning of year	**141 236**	**1 413**	141 210	1 413
Allotments during the year	**207**	**2**	26	–
Number of ordinary shares outstanding at end of year	**141 443**	**1 415**	141 236	1 413

Treasury shares

	31 December 2025		31 December 2024	
	Number of shares '000	**US$'000**	Number of shares '000	US$'000
Number of treasury shares outstanding at end of year	**(1 520)**	**(1 157)**	(1 520)	(1 157)

Share premium

Share premium comprises the excess value recognised from the issue of ordinary shares above their par value.

Other reserves

	Foreign currency translation reserve US$'000	**Share-based equity reserve US$'000**	**Total US$'000**
As at 1 January 2025	**(262 977)**	**7 643**	**(255 334)**
Other comprehensive income	**71 035**	**–**	**71 035**
Total comprehensive income	**71 035**	**–**	**71 035**
Share capital issue	**–**	**(2)**	**(2)**
Share-based payment expense	**–**	**266**	**266**
Transfer between reserves[1]	**408**	**(5 628)**	**(5 220)**
As at 31 December 2025	**(191 534)**	**2 279**	**(189 255)**
As at 1 January 2024	(257 924)	7 127	(250 797)
Other comprehensive loss	(5 053)	–	(5 053)
Total comprehensive loss	(5 053)	–	(5 053)
Share-based payment expense	–	516	516
As at 31 December 2024	(262 977)	7 643	(255 334)

[1] *The Company elected to release share-based equity reserve relating to lapsed and exercised options to accumulated (losses)/retained earnings.*

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of foreign entities. The South African, Lesotho and Botswana subsidiaries' functional currencies are different to the Group's presentation currency of US dollar. The rates used to convert the operating functional currency into US dollar are as follows:

	Currency	**2025 US$'000**	2024 US$'000
Average rate	ZAR/LSL to US$1	**17.88**	18.34
Year end	ZAR/LSL to US$1	**16.57**	18.87
Average rate	Pula to US$1	**13.59**	13.56
Year end	Pula to US$1	**13.57**	13.93

Share-based equity reserves

For details on the share-based equity reserve, refer to Note 28, Share-based payments.

17. ISSUED SHARE CAPITAL AND RESERVES (continued)

Capital management

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group is subject to certain loan covenants, and meeting these is given priority in all capital risk management decisions. There have been no events of default on the loans during the financial year. For details on capital management, refer to Note 27, Financial risk management.

Treasury shares

In 2022, the Board of Directors approved a share buyback programme to purchase up to US$2.0 million of the Company's ordinary shares. The sole purpose of the programme was to reduce the capital of the Company, and the Company intends to hold those ordinary shares purchased under the programme in treasury. Such treasury shares are not entitled to dividends and have no voting rights. The share buyback programme was initiated on 12 April 2022. At 31 December 2022, 1 520 170 shares had been bought back at the market value on the date of each buyback, equating to a weighted average price of 60.05 GB pence (78.07 US cents) per share, totalling US$1.2 million (including transaction costs). This reduction in shares issued has been taken into account in calculating the earnings per share. No further share buybacks have taken place since 2022.

18. INTEREST-BEARING LOANS AND BORROWINGS

Gem Diamonds Limited provides security for both the Letšeng Diamonds and Gem Diamonds Limited revolving credit facilities over its bank accounts domiciled in the United Kingdom (US$0.7 million) (31 December 2024: US$2.3 million) and over its 70% shareholding in Letšeng Diamonds, refer to Note 31, Material partly owned subsidiary.

The transition from the South African JIBAR rates to the South African Rand Overnight Index Average (ZARONIA) is expected to be completed by 2026. The interest-bearing loans and borrowings that remain subject to the South African JIBAR rate include the ZAR132.0 million unsecured project debt facility and the ZAR300.0 million revolving credit facility.

The Group will continue to assess the impact of the interest rate benchmark reform on the Group's JIBAR interest-bearing loans and borrowings as the revised benchmark rates are published or negotiated with the funders.

The Group's revolving credit facilities mature on 21 December 2026, and it is management's intention to engage with the lenders to renew these facilities before this date.

The developments on these facilities from 1 January 2025 and their carrying amounts and maturities as at 31 December 2025 are disclosed in the note below.

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

	Effective interest rate	Maturity	2025 US$'000	2024 US$'000
Non-current				
LSL450.0 million (US$27.2 million) and ZAR300.0 million (US$18.1 million) bank loan facility	Central Bank of Lesotho rate (6.50%) + 3.25% and South African JIBAR (7.00%) + 3.00%		–	–
Credit underwriting fees		21 December 2026	–	(78)
US$30.0 million bank loan facility	Term SOFR (4.00%) + 5.21%	21 December 2026	–	6 000
Credit underwriting fees			–	(60)
ZAR132.0 million (US$8.0 million) project debt facility	South African JIBAR (7.00%) + 2.50%	31 May 2027	**1 138**	2 999
LSL200.0 million (US$12.1 million) term loan facility	Lesotho prime rate (10.00%) minus 1.50%	28 February 2029	**5 090**	7 772
			6 228	16 633
Current				
LSL450.0 million (US$27.2 million) and ZAR300.0 million (US$18.1 million) bank loan facility	Central Bank of Lesotho rate (6.50%) + 3.25% and South African JIBAR (7.00%) + 3.00%		**3 010**	–
Credit underwriting fees		21 December 2026	**(36)**	–
US$30.0 million bank loan facility	Term SOFR (4.00%) + 5.21%		**10 000**	–
Credit underwriting fees		21 December 2026	**(30)**	–
ZAR132.0 million (US$8.0 million) project debt facility	South African JIBAR (7.00%) + 2.50%	31 May 2027	**2 276**	1 999
LSL200.0 million (US$12.1 million) term loan facility	Lesotho prime rate (10.00%) minus 1.50%	28 February 2029	**2 414**	1 413
LSL30.0 million (US$1.8 million) insurance premium finance	3.70 %	1 April 2026	**739**	–
LSL12.4 million (US$0.7 million) insurance premium finance	3.70 %	1 April 2026	**275**	–
LSL30.0 million (US$1.6 million) insurance premium finance	4.20 %	Repaid 1 April 2025	–	650
ZAR0.9 million (US$48 thousand) insurance premium finance	4.20 %	Repaid 1 April 2025	–	20
LSL14.6 million (US$0.8 million) insurance premium finance	4.20 %	Repaid 1 April 2025	–	315
			18 648	4 397
Total			**24 876**	21 030

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

LSL450.0 million and ZAR300.0 million (US$45.3 million) bank loan facility at Letšeng Diamonds

The Group, through its subsidiary Letšeng Diamonds, has a secured LSL450.0 million and ZAR300.0 million (US$45.3 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).

At the end of the current year, LSL30.0 million (US$1.8 million) and ZAR20.0 million (US$1.2 million) were drawn down on these facilities respectively, resulting in LSL420.0 million (US$25.4 million) and ZAR280.0 million (US$16.9 million) remaining available. The remaining balance of the credit underwriting fees capitalised is US$36.0 thousand (31 December 2024: US$78.0 thousand). The capitalised fees are amortised and accounted for as finance costs within profit or loss over the term of the facility.

The LSL450.0 million facility is subject to interest of 9.75% (31 December 2024: 11.00%) representing the Central Bank of Lesotho rate plus 3.25%, and the ZAR300.0 million facility is subject to interest of 10.00% (31 December 2024: 11.35%) comprising South African JIBAR plus 3.00%. Total interest expense for the year on this interest-bearing RCF was US$1.6 million (31 December 2024: US$1.9 million).

US$30.0 million bank loan facility at Gem Diamonds Limited

This facility is a secured five-year revolving credit facility 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 draw downs are made in these ratios.

At year end, US$10.0 million (31 December 2024: US$6.0 million) of this facility had been drawn down, resulting in US$20.0 million (31 December 2024: US$24.0 million) remaining available. The remaining balance of the credit underwriting fees capitalised is US$30.0 thousand (31 December 2024: US$60.0 thousand) at year end. The capitalised fees are amortised and accounted for as finance costs within profit or loss over the period of the facility.

The US$-based interest rate for this facility at 31 December 2025 was 9.21% (31 December 2024: 9.54%), which comprises term SOFR plus a 0.21% credit adjustment spread and 5.00% margin. Total interest expense for the year on this interest-bearing RCF was US$1.2 million (31 December 2024: US$1.3 million).

The facility includes an additional US$20.0 million accordion option, 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 years.

ZAR132.0 million (US$8.0 million) project debt facility at Letšeng Diamonds

This loan is an unsecured project debt facility with Nedbank Limited, 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 year end was ZAR56.6 million (US$3.4 million) (31 December 2024: ZAR94.3 million (US$5.0 million)). This loan expires on 31 May 2027.

The South African rand-based interest rate for the facility at 31 December 2025 was 9.50% (31 December 2024: 10.85%), which comprises South African JIBAR plus 2.50%. Total interest for the year on this interest-bearing loan was US$0.4 million (31 December 2024: US$0.7 million).

LSL200.0 million (US$12.1 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 year was LSL124.3 million (US$7.5 million). An additional capital repayment of LSL9.0 million (US$0.5 million) was made during the year following the sale of certain fleet and equipment that has brought the expiry date of the facility forward from 30 April 2029 to 28 February 2029.

The interest rate on the loan was 8.50% at 31 December 2025 (31 December 2024: 9.75%), representing the Central Bank of Lesotho prime rate minus 1.50%. Total interest for the year on this interest-bearing loan was US$0.8 million (31 December 2024: US$0.6 million).

Loan covenants

The Group's revolving credit facilities, together with Letšeng Diamonds' ZAR132.0 million (US$8.0 million) project debt facility and LSL200.0 million (US$12.1 million) secured term loan facility, are subject to certain financial covenants and these are assessed at the end of each quarter. The loans will be repayable immediately if these covenants are breached. The Group is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

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

The Group, through its subsidiary Letšeng Diamonds, enters into financing agreements for insurance premiums for the Multi-aggregate Insurance Policy and its Asset All Risk Policy. All respective insurance premiums prepaid are ceded in favour of Premium Finance Partners (Proprietary) Limited. The funding is payable monthly in advance. Refer to Note 13, Receivables and other assets.

18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

During the year, all prior year outstanding insurance premium finance balances for the Multi-aggregate Insurance Policy and its Asset All Risk Policy were fully repaid by 1 April 2025. The total interest paid during the current year relating to these liabilities was LSL0.3 million (US$19.3 thousand).

In July, the Group, through its subsidiary Letšeng Diamonds, entered into a LSL30.0 million (US$1.8 million) 10-month funding agreement with Premium Finance Partners (Proprietary) Limited to finance the fifth and final premium of LSL30.0 million on the Multi-aggregate Insurance Policy. At year end, LSL12.2 million (US$0.7 million) remains outstanding. The funding is repayable in 10 monthly instalments, payable in advance. Total interest on this funding is LSL1.1 million (US$66.9 thousand), of which LSL0.9 million (US$50.6 million) was paid during the year.

In July, the Group, through its subsidiary Letšeng Diamonds, also entered into a LSL10.6 million (US$0.6 million) 10-month funding agreement with Premium Finance Partners (Proprietary) Limited for insurance premium finance for its annual Asset All Risk insurance premium. At year end, LSL4.6 million (US$0.3 million) remains outstanding. The funding is repayable in 10 monthly instalments, payable in advance. Total interest on this funding is LSL0.3 million (US$20.4 thousand), of which LSL0.3 million (US$16.3 thousand) was paid during the year.

Other facilities

Letšeng Diamonds has a ZAR100.0 million (US$6.0 million) general banking facility with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) which is reviewed annually. During the year, the facility was utilised from time to time based on cash flow requirements, but repaid in full at year end.

19. LEASE LIABILITIES

	2025 US$'000	2024 US$'000
Non-current	**1 256**	2 246
Current	**1 640**	2 517
Total lease liabilities	**2 896**	4 763
Reconciliation of movement in lease liabilities		
As at 1 January	**4 763**	5 950
Additions	**569**	1 935
Interest expense	**303**	372
Lease payments	**(2 140)**	(3 062)
Derecognition of lease	**(937)**	(318)
Foreign exchange differences	**338**	(114)
As at 31 December	**2 896**	4 763

Lease payments comprise payments in principle of US$1.8 million (31 December 2024: US$2.7 million) and repayments of interest of US$0.3 million (31 December 2024: US$0.4 million).

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

20. TRADE AND OTHER PAYABLES

	2025 US$'000	2024 US$'000
Current		
Trade payables[1]	**3 485**	3 862
Accrued expenses[1]	**1 261**	4 864
Leave benefits	**786**	687
Royalties[1]	**–**	2 000
Withholding taxes[1]	**67**	76
Other	**91**	176
	5 690	11 665

[1] *These amounts are both interest and non-interest bearing and are settled in accordance with terms agreed between the parties.*

Royalties consist of a levy payable to the Government of the Kingdom of Lesotho on the value of rough diamonds sold by Letšeng. No royalties were outstanding at year end due to a 6-month royalty suspension which had been received in August 2025. Withholding taxes mainly consist of taxes payable on dividends and other services to the Revenue Services Lesotho.

The carrying amounts above approximate fair value.

21. INCOME TAX (RECEIVABLE)/PAYABLE

	2025 US$'000	2024 US$'000
Reconciliation of movement in income tax (receivable)/payable		
As at 1 January	**6 824**	(3 713)
Payments made during the year	**(12 428)**	(339)
Refunds received during the year	**17**	4 620
Current income tax charge	**3 599**	6 443
Foreign exchange differences	**252**	(187)
As at 31 December	**(1 736)**	6 824
Split as follows		
Income tax receivable	**(1 736)**	(24)
Income tax payable	**–**	6 848

22. PROVISIONS

	2025 US$'000	2024 US$'000
Severance pay benefits[1]	**2 092**	1 621
Rehabilitation provisions	**11 930**	10 993
Total provisions	**14 022**	12 614
Reconciliation of movement in rehabilitation provisions		
As at 1 January	**10 993**	14 170
Decrease in provision – Ghaghoo	**(2 309)**	(563)
Increase/(decrease) in provision – Letšeng	**899**	(3 698)
Unwinding of discount rate	**931**	1 464
Foreign exchange differences	**1 416**	(380)
As at 31 December	**11 930**	10 993

[1] *The severance pay benefits arise due to legislation within the Lesotho jurisdiction, requiring that two weeks of severance pay be provided for every completed year of service, payable on retirement.*

Rehabilitation provisions

During the year, the rehabilitation provision for Ghaghoo was decreased to zero as a consequence of the mining licence relinquishment, which absolved the Group from any further environmental rehabilitation obligation with regard to the Ghaghoo mine. The provision at Letšeng has been recognised, as the Group has an obligation for rehabilitation of the Letšeng mining area. The provision has been calculated based on total estimated rehabilitation costs, discounted back to their present values over the estimated rehabilitation period at the mine. The pre-tax discount rates are adjusted annually and reflect current market assessments.

In determining the amount attributable to the rehabilitation provision of US$11.9 million (31 December 2024: US$8.8 million) at Letšeng, management used a discount rate of 8.30% (31 December 2024: 9.41%), estimated rehabilitation timing of 11 years (31 December 2024: 15 years) and an inflation rate of 3.6% (31 December 2024: 4.5%). The Letšeng rehabilitation quantum increased from the prior year, mainly driven by the annual reassessment of the estimated closure costs performed at the operation, the effect of the revised timing of the rehabilitation, the discount rate and interest rate used to present-value the provision, and the weakening of the US dollar against the Lesotho loti.

23. DEFERRED TAXATION

	2025 US$'000	2024 US$'000
Deferred tax assets		
Lease liabilities	**471**	850
Accrued leave	**190**	159
Provisions	**3 557**	3 304
Tax losses	**76**	–
	4 294	4 313
Deferred tax liabilities		
Property, plant and equipment	**(52 279)**	(67 549)
Right-of-use assets	**(532)**	(779)
Prepayments	**16**	19
Unremitted earnings	**(972)**	(972)
	(53 767)	(69 281)
Net deferred tax liability	**(49 473)**	(64 968)
Reconciliation of net deferred tax liability		
As at 1 January	**(64 968)**	(70 437)
Movement in current period:		
- Accelerated depreciation and impairment for tax purposes	**23 367**	5 082
- Accrued leave	**3**	52
- Unremitted earnings	**–**	606
- Prepayments	**2**	73
- Provisions	**(190)**	(348)
- Deferred tax asset raised/(reversed) on tax losses	**74**	(1 817)
- Lease liabilities	**(513)**	(224)
- Right-of-use assets	**358**	151
- Foreign exchange differences	**(7 606)**	1 894
As at 31 December	**(49 473)**	(64 968)

The Group has not recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries because it is able to control the timing of dividends and only part of the temporary difference is expected to reverse in the foreseeable future. The gross temporary difference in respect of the undistributed reserves of the Group's subsidiaries for which a deferred tax liability has not been recognised is US$124.2 million (31 December 2024: US$127.1 million).

The deferred tax asset mainly relates to those recognised on the provision for rehabilitation at Letšeng, as management will implement appropriate tax planning strategies to ensure sufficient taxable income is available to utilise all deductions in the future.

The deferred tax liability on unremitted earnings is based on the timing of expected dividends from the Group's subsidiaries over the next three years. There are no income tax consequences attached to the payment of dividends by Gem Diamonds Limited to its shareholders.

The Group has estimated tax losses of US$63.5 million (excluding US$157.6 million relating to Gem Diamonds Botswana which was abandoned during the year) of which US$56.4 million relates to Gem Diamonds Limited (31 December 2024: US$214.7 million of which US$155.7 million related to Gem Diamonds Botswana and US$50.8 million to Gem Diamonds Limited) for which no deferred tax assets have been recognised, as management does not foresee any taxable profits or taxable temporary differences against which to utilise these.

The majority of tax losses are generated in jurisdictions where tax losses do not expire, except for tax losses incurred by Gem Diamonds Innovation Solutions CY Limited, within the Cyprus jurisdiction, which has unrecognised tax losses of US$1.0 million (31 December 2024: US$2.2 million) and if not utilised, will expire as indicated in the table below:

	2025 US$'000	2024 US$'000
Utilisation required within one year	**441**	317
Utilisation required between one and two years	**506**	376
Utilisation required between two and five years	**90**	1 317

		Notes	2025 US$'000	2024 US$'000
24.	**CASH FLOW NOTES**			
24.1	**Cash generated by operations**			
	(Loss)/profit before tax for the period – continuing operations		**(92 053)**	12 418
	Profit/(loss) before tax for the period – discontinued operation		**1 793**	(957)
	Adjustments for:			
	Depreciation and amortisation excluding waste stripping		**10 281**	9 238
	Depreciation on right-of-use assets	4, 10	**1 761**	2 129
	Waste stripping cost amortised	4, 9	**29 366**	35 627
	Finance income	6	**(1 080)**	(875)
	Finance costs	6	**5 839**	7 406
	Unrealised foreign exchange differences		**(1 148)**	(946)
	Profit on disposal and scrapping of property, plant and equipment	3	**(233)**	(152)
	(Gain)/loss on derecognition of leases	9	**(514)**	286
	Environmental rehabilitation adjustment	3	**(2 309)**	(562)
	Write-down of inventories to net realisable value		**4 415**	150
	Bonus, leave and severance provisions raised		**1 068**	4 028
	Share-based payments		**266**	516
	Impairment of non-current financial assets	4	**77 691**	–
	Other		**(7)**	–
			35 136	68 306
24.2	**Working capital adjustment**			
	(Increase)/decrease in inventory		**(10 219)**	3 482
	Decrease/(increase) in receivables		**4 846**	(4 377)
	Decrease in payables		**(6 483)**	(15 442)
			(11 856)	(16 337)
24.3	**Cash flows from financing activities (excluding lease liabilities)**			
	As at 1 January		**21 030**	38 567
	Net cash used in financing activities		**(424)**	(19 755)
	– Financial liabilities repaid		**(29 596)**	(42 117)
	– Financial liabilities raised		**29 172**	22 362
	Interest paid		**(4 532)**	(4 934)
	Non-cash movements		**8 802**	7 152
	– Interest accrued		**4 532**	4 934
	– Amortisation of credit underwriting fees		**72**	264
	– Financial liabilities raised[1]		**2 270**	2 480
	– Foreign exchange differences		**1 928**	(526)
	As at 31 December	18	**24 876**	21 030

[1] *This amount mainly relates to funding obtained for insurance premium finance. The funding was paid directly by the lender to the third party and is being repaid by the Group in monthly instalments to the lender. Refer to Note 18, Interest-bearing loans and borrowings.*

	2025 US$'000	2024 US$'000

25. COMMITMENTS AND CONTINGENCIES

Commitments

Mining leases

Mining lease commitments represent the Group's future obligation arising from agreements entered into with local authorities in the mining areas that the Group operates.

The period of these commitments is determined as the lesser of the term of the agreements, excluding renewable periods, or the LoM. The estimated lease obligation regarding the future lease period, accepting stable inflation and exchange rates, is as follows:

	2025 US$'000	2024 US$'000
– Within one year	**282**	252
– After one year but not more than five years	**715**	855
– More than five years	**–**	–
	997	1 107

Multi-aggregate protection policy

The Group, through its subsidiary Letšeng, entered into a LSL140.0 million (US$8.5 million) Multi-aggregate Protection Insurance Policy with the Lesotho National General Insurance Company (LNGIC) in October 2021. The policy has a tenure of four years and nine months, ending in July 2026, and consists of five premium payments each payable annually in advance.

The final premium payment was settled during the year and therefore there are no future cash flow commitments. Refer to Note 13, Receivables and other assets for further detail on the policy.

	2025 US$'000	2024 US$'000
– Within one year	**–**	1 590
– After one year but not more than five years	**–**	–
	–	1 590

Letšeng Diamonds Educational Fund

In terms of the mining agreement entered into between the Group and the Government of the Kingdom of Lesotho, the Group has an obligation to provide funding for education and training scholarships. The quantum of such funding is at the discretion of the Letšeng Diamonds Education Fund Committee.

	2025 US$'000	2024 US$'000
– Within one year	**41**	54
– After one year but not more than five years	**–**	77
	41	131

Capital expenditure

	2025 US$'000	2024 US$'000
Approved but not contracted for	**1 230**	1 621
Approved and contracted for	**18**	1 924
	1 248	3 545

Capital expenditure approved mainly relates to the cost for the commencement of the lateral support and potential rockfall mitigation measure above the SC6W cutback in the Satellite pit.

Contingencies

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 operates. 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 costs approximating US$1.0 million (December 2024: US$0.6 million), mainly relating to disputes on an insurance claim and a contract termination.

The Group monitors possible tax claims within the various jurisdictions in which the Group 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 were no uncertain tax positions in 2025. Refer to Note 1.2.27, Critical accounting estimates and judgements. 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.

26. RELATED PARTIES

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

Refer to Note 1.1.2, Operational information, for information regarding shareholding in subsidiaries.

	2025 US$'000	2024 US$'000
Compensation to key management personnel (including Directors)		
Share-based equity transactions	**252**	481
Short-term employee benefits	**3 868**	3 973
Post-employment benefits (including severance pay and pension)	**197**	157
	4 317	4 611
Fees paid to related parties		
Jemax Management (Proprietary) Limited	**(83)**	(75)
Royalties paid to related parties		
Government of the Kingdom of Lesotho	**(4 545)**	(14 902)
Lease and licence payments to related parties		
Government of the Kingdom of Lesotho	**(61)**	(61)
Sales to/(purchases from) related parties		
Jemax Management (Proprietary) Limited	**(4)**	(4)
Amount included in trade payables owing to related parties		
Jemax Management (Proprietary) Limited	**(7)**	(6)
Amounts owing to related party		
Government of the Kingdom of Lesotho	**(67)**	(2 076)
Dividends declared and paid		
Government of the Kingdom of Lesotho	**–**	(4 289)

Jemax Management (Proprietary) Limited provided administrative services with regard 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.

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks:

- market risk (including commodity price risk, foreign exchange risk and interest rate risk);
- credit risk; and
- liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

There have been no changes to the financial risk management policy since the prior year.

Capital management

For the purpose of the Group's capital management, capital includes the issued share capital, share premium and liabilities on the Group's statement of financial position. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, buy back its shares, or restructure its debt facilities. The management of the Group's capital is performed by the Board.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants in the current or any previous years.

At 31 December 2025, the Group had US$68.3 million (31 December 2024: US$69.0 million) of undrawn debt facilities and continues to have the flexibility to manage the capital structure more efficiently with the use of these debt facilities, thus ensuring that an appropriate gearing ratio is achieved.

Refer to Note 18, Interest-bearing loans and borrowings for detail on the debt facilities within the Group.

27. FINANCIAL RISK MANAGEMENT (continued)

Capital management (continued)

(a) Market risk

(i) Commodity price risk

The Group is subject to diamond price risk. Diamonds are not homogeneous products and the price of rough diamonds is not monitored on a public index system. The fluctuation of prices is related to certain features of diamonds such as quality and size, together with diamond market fundamentals. Diamond prices are marketed in US dollar, and long-term US dollar per carat prices are based on external market consensus forecasts. The Group does not have any financial instruments that may fluctuate as a result of commodity price movements.

(ii) Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Lesotho loti and South African rand. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's sales are denominated in US dollar, which is the functional currency of the Company, but not the functional currency of all its operations.

The currency sensitivity analysis below is based on the following assumptions:

- Differences resulting from the translation of the financial statements of the subsidiaries into the Group's presentation currency of US dollar are not taken into consideration;
- The major currency exposures for the Group relate to the US dollar and local currencies of subsidiaries. Foreign currency exposures between two currencies where one is not the US dollar are deemed insignificant to the Group and have therefore been excluded from the sensitivity analysis; and
- The analysis of the currency risk arises because of financial instruments which are denominated in a currency that is not the functional currency of the relevant Group entity. The sensitivity has been based on financial assets and liabilities at 31 December 2025 and 31 December 2024.

There has been no change in the assumptions or method applied from the prior year.

Sensitivity analysis

At year end, Letšeng had US$5.4 thousand cash on hand held in US$ (2024: US$ 37.8 thousand). If the US dollar had appreciated/(depreciated) by 10% against the LSL, the Group's profit before tax and equity at 31 December 2025 would have been US$0.6 thousand higher/(lower) (31 December 2024: US$3.9 thousand).

(iii) Forward exchange contracts

From time to time, the Group enters into forward exchange contracts to hedge the exposure to changes in foreign currency of future sales of diamonds at Letšeng Diamonds. The Group performs no hedge accounting. At 31 December 2025, the Group had no forward exchange contracts outstanding (31 December 2024: nil).

(iv) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's cash flow interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. At the time of taking new loans or borrowings, management uses its judgement to decide whether it believes that a fixed or variable rate borrowing would be more favourable to the Group over the expected period until maturity.

Sensitivity analysis

If the interest rates on the interest-bearing loans and borrowings had (increased)/decreased by 100 basis points (2024: 100 basis points) during the year, profit before tax and equity would have been US$0.2 million (lower)/higher (31 December 2024: US$60.0 thousand).

(b) Credit risk

The Group's potential concentration of credit risk consists mainly of cash deposits with banks, trade receivables, the insurance asset and other receivables. The Group's short-term cash surpluses are placed with banks that have investment grade ratings, to minimise the exposure to credit risk to the lowest level possible from the perspective of the Group's cash and cash equivalents. The maximum credit risk exposure relating to financial assets is represented by their carrying values as at the reporting dates.

The Group considers the credit standing of counterparties when making deposits to manage the credit risk.

Considering the nature of the Group's ultimate customers and the relevant terms and conditions entered into with such customers, the Group believes that credit risk is limited as the customers pay and settle their accounts on the date of receipt of goods.

The Group's insurance premiums are placed with insurers and underwriters that have high-quality credit standings, to minimise the exposure to credit risk to the lowest level possible from the perspective of the Group's insurance asset.

An ECL assessment was considered on the current other receivable, refer to Note 13, Receivables and other assets. This receivable is not considered to be impaired, neither is it past its due date. The credit risk associated with this receivable has therefore been assessed as low. If an ECL of 8% had been applied, profit before tax would have been US$0.1 million lower in the current year.

No material other financial assets are impaired or past due and accordingly, no additional ECL or credit risk analysis has been provided.

27. FINANCIAL RISK MANAGEMENT (continued)

Capital management (continued)

(b) Credit risk (continued)

The Group did not hold any form of collateral or credit enhancements for its credit exposures during the 31 December 2025 and 31 December 2024 financial reporting periods.

(c) Liquidity risk

Liquidity risk arises from the Group's inability to obtain the funds it requires to comply with its commitments, including the inability to realise a financial asset in a short period of time at a price close to its fair value. Management manages the risk by maintaining sufficient cash and marketable securities and ensuring access to financial institutions and shareholding funding. This ensures flexibility in maintaining business operations and maximises opportunities. The Group has available undrawn debt facilities of US$68.3 million at year end (2024: US$69.0 million). The Group's facilities expire in December 2026.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

	2025 US$'000	2024 US$'000
Floating interest rates		
Interest-bearing loans and borrowings		
– Within one year	**22 646**	5 104
– After one year but not more than three years	**6 736**	15 985
– After three years but not more than five years	**–**	2 826
Total	**29 382**	23 915
Lease liabilities		
– Within one year	**1 761**	2 776
– After one year but not more than three years	**882**	1 750
– After three years but not more than five years	**416**	384
– After five years	**67**	256
Total	**3 126**	5 166
Trade and other payables		
– Within one year	**5 690**	11 588
– After one year but not more than three years	**–**	–
Total	**5 690**	11 588

28. SHARE-BASED PAYMENTS

	2025 US$'000	2024 US$'000
The expense recognised for employee services received during the year is shown in the following table:		
Equity-settled share-based payment transactions charged to the statement of profit or loss	**266**	516

The long-term incentive plans are described below:

Long-term incentive plan (LTIP)

Certain key employees are entitled to a grant of options under the LTIP of the Company. The vesting of the options is dependent on employees remaining in service for a prescribed period (normally three years) from the date of grant. Prior to the April 2022 award, the fair value of share options granted was estimated at the date of the grant using an appropriate simulation model, taking into account the terms and conditions upon which the options were granted. It took into account projected dividends and share price fluctuation co-variances of the Company. Since 2022, the fair value of the share options granted has been based on the observable Gem Diamonds Limited share price on the date of the award with no adjustments made to the price.

There is a nil exercise price for the options granted. The contractual life of the options is 10 years and there are no cash settlement alternatives. The Company has no past practice of cash settlement.

The Company's LTIP policy is reviewed every 10 years.

28. SHARE-BASED PAYMENTS (continued)

LTIP 2007 Award

Under the 2007 LTIP rules, there is one award where options are still outstanding.

This award was awarded on the following basis:

To key employees (excluding Executive Directors):

- the award vests over a three-year period in tranches of one-third of the award each year;
- the vesting of the award is dependent on service conditions and certain performance targets being met for the same three-year period (classified as non-market conditions). These non-market condition awards are referred to as nil value options in the tables below;
- if the performance or service conditions are not met, the options lapse;
- the performance conditions relating to the non-market conditions are not reflected in the fair value of the award at grant date;
- once the award vests, it is exercisable for seven years (i.e. contractual term is 10 years); and
- the vested award is equity settled.

To Executive Directors:

- the award vests over a three-year period;
- the vesting of the award is dependent on service conditions and both market and non-market performance conditions;
- 75% of the award granted is subject to non-market conditions (referred to as nil value options in the tables below) and 25% to market conditions (referred to as Market Value options in the tables below) by reference to the Company's total shareholder return (TSR) as compared to a group of principal competitors;
- if the performance or service conditions are not met, the options lapse;
- the performance conditions relating to the non-market conditions are not reflected in the fair value of the award at grant date;
- once the award vests, it is exercisable for seven years (i.e. contractual term is 10 years); and
- the vested award is equity settled.

The fair value of the nil value award is based on the observable Gem Diamonds Limited share price on the date of award, with no adjustments to the price made.

28. SHARE-BASED PAYMENTS (continued)

The following table reflects details of the award within the 2007 LTIP that remains outstanding:

	LTIP March 2016
Number of options granted – Nil value	1 215 000
Number of options granted – Market value	185 000
Date exercisable	15 March 2019
Options outstanding	26 037
Dividend yield (%)	2.00
Expected volatility (%)[1]	39.71
Risk-free interest rate (%)[2]	0.97
Expected life of option (years)	3.00
Exercise price (US$)	nil
Exercise price (GBP)	nil
Weighted average share price (US$)	1.56
Fair value of nil value options (US$)	1.40
Fair value of nil value options (GBP)	0.99
Fair value of market value options (US$)	0.69
Fair value of market value options (GBP)	0.49
Model used	Monte Carlo

[1] *Expected volatility was based on the average annual historic volatility of the Company's share price over the previous three years.*

[2] *The relevant risk-free interest rate is taken from a UK Treasury Bond issued which closely matches the lifetime of the option.*

LTIP 2017 Award

Under the 2017 LTIP rules, there are eight awards where options are still outstanding.

Employee Share Option Plan 2017 Award (ESOP) – 10 April 2025 award

On 10 April 2025, 375 970 nil-cost options were granted to certain key employees under the ESOP of the Company. In addition, 2 226 929 nil-cost options were granted to certain Executive employees and the Executive Directors on a similar basis as the 2007 LTIP. These options were granted in line with the introduction of the Gem Diamonds Incentive Plan (GDIP) in 2021, which integrated annual bonus awards with awards under the ESOP. The options vest in tranches of one-third per annum commencing on 10 April 2026 and ending on 10 April 2028. The options are exercisable between the respective vesting dates and 10 April 2035.

This award was made under predominantly the same basis as the 2007 LTIP, with the following differences:

To key employees (excluding Executive Directors):

- the number of awards granted is determined on the Group's performance in the preceding financial year in terms of the Gem Diamonds Incentive Plan (GDIP) introduced in 2021;
- the vesting of the award is dependent only on service conditions. There are no future performance conditions attached to the award;
- if the service conditions are not met, the options lapse;
- the fair value of the awards is based on the observable Gem Diamonds Limited share price on the date of award, with no adjustments to the price made;
- the awards are exercisable for 10 years from the award date; and
- the awards are subject to malus and clawback.

To Executive Directors and the Chief Operating Officer as a bonus share award, with the only additional criteria to the ones above being:

- the awards have a two-year holding period from the respective vesting dates.

28. SHARE-BASED PAYMENTS (continued)

The following table reflects details of all the awards within the 2017 LTIP that remain outstanding:

	LTIP April 2025	LTIP April 2024	LTIP April 2023	LTIP April 2022	LTIP June 2020	LTIP March 2019	LTIP March 2018	LTIP July 2017
Number of options granted – Nil value	**2 602 899**	1 996 047	1 060 055	1 007 098	1 069 000	1 160 500	1 265 000	1 150 000
Number of options granted – Market value	**–**	–	–	–	180 000	142 500	185 000	185 000
Date exercisable	**10 April 2026**	17 April 2025	21 April 2024	4 April 2023	9 June 2023	20 March 2022	20 March 2021	4 July 2020
Options outstanding	**2 584 119**	1 946 561	983 039	858 140	327 205	244 035	226 072	45 185
Dividend yield (%)	**–**	–	–	–	–	–	–	2.00
Expected volatility (%)[1]	**n/a**	n/a	n/a	n/a	47.00	43.00	40.00	40.21
Risk-free interest rate (%)[2]	**n/a**	n/a	n/a	n/a	0.34	1.20	1.20	0.67
Expected life of option (years)	**3.00**	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Exercise price (US$)	**nil**	nil	nil	nil	nil	nil	nil	nil
Exercise price (GBP)	**nil**	nil	nil	nil	nil	nil	nil	nil
Weighted average share price (US$)	**0.10**	0.11	0.34	0.74	0.39	1.20	1.35	1.24
Fair value of nil value options (US$)	**0.10**	0.11	0.34	0.74	0.39	1.20	1.35	1.11
Fair value of nil value options (GBP)	**0.08**	0.09	0.27	0.58	0.31	0.90	0.96	0.86
Fair value of market value options (US$)	**–**	–	–	–	0.19	0.58	0.74	0.72
Fair value of market value options (GBP)	**–**	–	–	–	0.15	0.44	0.53	0.56
Model used	**n/a**	n/a	n/a	n/a	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo

[1] *Expected volatility was based on the average annual historic volatility of the Company's share price over the previous three years.*
[2] *The relevant risk-free interest rate is taken from a UK Treasury Bond issued which closely matches the lifetime of the option.*

28. SHARE-BASED PAYMENTS (continued)

The following table illustrates the number ('000) and movement in the outstanding share options during the year:

	2025 '000	2024 '000
Outstanding as at 1 January	**4 846**	2 825
Granted during the year	**2 603**	1 996
Exercised during the year[1]	**(207)**	(26)
Forfeited during the year	**(67)**	(71)
Dividends allocated to vested options	**64**	122
Outstanding as at 31 December	**7 239**	4 846
Exercisable as at 31 December	**1 122**	1 908

[1] *Options were exercised regularly throughout the year. The weighted average share price during the year was £0.06 (US$0.09) (2024: £0.11 (US$0.14)).*

The weighted average remaining contractual life for the share options outstanding as at 31 December 2025 was 7.7 years (2024: 7.4 years).

The weighted average fair value of the share options outstanding as at 31 December 2025 was US$0.18 (2024: US$0.26).

ESOP

In September 2017, 47 200 shares which were previously held in the Company Employee Share Trust were granted to certain key employees involved in the Business Transformation of the Group. The Company Employee Share Trust was deregistered in 2017 following the grant of these shares. The fair value of the award was valued at the share price of the Company at the date of the award of £0.71 (US$0.96). These shares vested on 18 March 2019 and became immediately exercisable. The fair value of these outstanding awards at 31 December 2025 was £0.03 (US$0.04) (2024: £0.11 (US$0.14)).

The shares outstanding at the end of the year are as follows:

	2025 US$'000	2024 US$'000
Outstanding as at 1 January	**10**	10
Exercised during the year	**–**	–
As at 31 December	**10**	10
Exercisable as at 31 December	**10**	10

29. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than the current portions of the prepayment disclosed in Note 13, Receivables and other assets, which do not meet the criteria of a financial asset.

	Notes	2025 US$'000	2024 US$'000
Financial assets at amortised cost			
Cash	15	**3 773**	12 878
Receivables and other assets	13	**12 035**	11 917
Total		**15 808**	24 795
Total non-current		**908**	7 341
Total current		**14 900**	17 454
Financial liabilities at amortised cost			
Interest-bearing loans and borrowings	18	**24 876**	21 030
Trade and other payables	20	**5 690**	11 589
Total		**30 566**	32 619
Total non-current		**6 228**	16 633
Total current		**24 338**	15 986

The carrying amounts of the Group's financial instruments held approximate their fair value.

There were no open hedges at year end (2024: nil).

30. EVENTS AFTER THE REPORTING PERIOD

No other fact or circumstance has taken place between the end of the reporting period and the approval of the financial statements which, in our opinion, is of significance in assessing the state of the Group's affairs or requires adjustments or disclosures.

31. MATERIAL PARTLY OWNED SUBSIDIARY

Financial information of Letšeng Diamonds, a 70% held subsidiary which has a material non-controlling interest, with the remaining 30% being held by the Government of the Kingdom of Lesotho, is provided below. This information is based on amounts before intercompany eliminations and other consolidation adjustments.

Name	Country of incorporation and operation	2025 US$'000	2024 US$'000
Letšeng Diamonds (Proprietary) Limited	Lesotho		
Accumulated balances of material non-controlling interest		**55 654**	68 087
(Loss)/profit allocated to material non-controlling interest		**(3 527)**	4 306
Summarised statement of profit or loss for the year ended 31 December			
Revenue		**96 799**	149 196
Cost of sales		**(95 381)**	(111 400)
Gross profit		**1 418**	37 796
Royalties and selling costs		**(4 953)**	(15 368)
Other operating (loss)/income		**(9 502)**	809
Operating (loss)/profit		**(13 037)**	23 237
Net finance costs		**(3 549)**	(4 710)
(Loss)/profit before tax		**(16 586)**	18 527
Income tax benefit/(expense)		**4 832**	(4 173)
(Loss)/profit for the year		**(11 754)**	14 354
Total comprehensive income		**(11 754)**	14 354
Attributable to non-controlling interest		**(3 527)**	4 306
Dividends paid to non-controlling interest		**–**	(4 289)
Summarised statement of financial position as at 31 December			
Assets			
Non-current assets			
Property, plant and equipment, deferred tax assets, intangible assets and receivables and other assets		**224 853**	291 506
Current assets			
Inventories, receivables and other assets, and cash and short-term deposits		**48 826**	48 888
Total assets		**273 679**	340 394
Non-current liabilities			
Interest-bearing loans and borrowings, trade and other payables, provisions, lease liabilities and deferred tax liabilities		**73 355**	90 605
Current liabilities			
Interest-bearing loans and borrowings, trade and other payables and lease liabilities		**14 810**	22 830
Total liabilities		**88 165**	113 435
Total equity		**185 514**	226 959
Attributable to:			
Equity holders of parent		**129 860**	158 872
Non-controlling interest		**55 654**	68 087
Summarised cash flow information for the year ended 31 December			
Operating cash inflows		**10 053**	55 313
Investing cash outflows		**(13 897)**	(26 921)
Financing cash outflows		**(5 838)**	(35 542)
Foreign exchange differences		**2 543**	2 523
Net decrease in cash and cash equivalents		**(7 139)**	(4 627)

ADDITIONAL INFORMATION

REPORT ON PAYMENTS TO GOVERNMENTS

INTRODUCTION

This report provides an overview of the payments made to governments by Gem Diamonds Limited and its subsidiaries (the Group) for the 31 December 2025 financial year, as required under the UK Report on Payments to Governments Regulations 2014 (as amended December 2015). These UK Regulations enact domestic rules in line with Directive 2013/34/EU (the EU Accounting Directive 2013) and apply to companies that are involved in extractive activities. This report is unaudited.

This report is also filed with the National Storage Mechanism intended to satisfy the requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the UK.

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67.

BASIS FOR PREPARATION

Reporting entities

This report includes payments to governments made by subsidiaries in the Group that are engaged in extractive activities. During the 2025 financial year, extractive activities were conducted in Lesotho, while the operation in Botswana was under care and maintenance until the mine site was formally handed back to the Botswana Ministry of Minerals and Energy effective from 1 June 2025. All payments made in relation to the Botswana entity were under the materiality level and are therefore not reported.

Extractive activities

Extractive activities relate to the exploration, prospection, discovery, development and extraction of minerals, oil, natural gas deposits or other materials. Gem Diamonds Limited, through its subsidiaries, is engaged in diamond mining activities.

Scope of payments

The report discloses only those significant payments made to governments arising from extractive activities.

Government

Government includes any national, regional, or local authority of a country. It includes a department, agency or undertaking (i.e. corporation) controlled by that authority.

Payment types disclosed at legal entity level

Production entitlements

There were no payments of this nature for the year ended 31 December 2025.

Taxes

These are payments on the entity's income, production, or profits, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes in line with in-country legislation.

Royalties

These are payments for the right to extract diamonds and are determined on percentage of sales in terms of in-country legislation and/or mining lease agreements.

Dividends

These are dividend payments, other than dividends paid to a government as an ordinary shareholder of an entity unless paid in lieu of production entitlements or royalties. There were no dividend payments of this nature to governments for the year ended 31 December 2025.

Signature, discovery, and production bonuses

There were no payments of this nature to governments for the year ended 31 December 2025.

Licence fees

These are fees paid for acquisition of leases and licences, including annual renewal fees, in order to obtain and maintain access to the areas in which extractive activities are performed.

Payments for infrastructure improvements

There were no payments of this nature to governments for the year ended 31 December 2025.

Cash flow basis

Payments reported are on a cash flow basis and may differ from amounts reported in the Gem Diamonds Limited 2025 Annual Report and Accounts, which are prepared on an accrual basis.

Materiality level

In line with the guidance provided in the Report on Payments to Governments Regulations, payments made as a single payment, or as a series of related payments, which are equal to or exceed US$115 669 (£86 000), are disclosed in this report. All payments below this threshold have been excluded.

Reporting currency

The payments to government have been reported in US dollar.

Payments made in currencies other than US dollar were translated at the relevant annual average exchange rate for the year ended 31 December 2025.

Summary report

Operation	Country	Taxes US$'000	Royalties US$'000	Licence fee US$'000	Total US$'000
Letšeng Diamonds (Proprietary) Limited	Lesotho	12 401	6 656	185	19 242
Total		12 401	6 656	185	19 242

Lesotho Letšeng Diamonds (Proprietary) Limited	Taxes US$'000	Royalties US$'000	Licence fee US$'000	Total US$'000
Revenue Services Lesotho	12 401	–	–	12 401
Government of the Kingdom of Lesotho	–	6 656	185	6 841

ABBREVIATIONS AND DEFINITIONS

AGM	Annual General Meeting
AIFR	All injury frequency rate
Basotho	Lesotho nationals
BEPS	Basic earnings per share
BWP	Botswana pula
CAGR	Compound annual growth rate
CCSA	Climate Change Scenario Analysis
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CLO	Community Liaison Officer
CO_2e	Carbon dioxide equivalent
COO	Chief Operating Officer
cpht	Carats per hundred tonnes
CSI	Corporate social investment
CSR	Corporate social responsibility
CSRI	Corporate social responsibility investment
DTR	Disclosure Guidance and Transparency Rules
EBITDA	Earnings before interest, tax, depreciation and amortisation
EDC	Energy Decarbonisation Committee
EPS	Earnings per share
ESG	Environmental, social and governance
ESOP	Employee Share Option Plan
EU	European Union
FCA	Financial Conduct Authority
FPIC	Free, Prior and Informed Consent
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange
GDIP	Gem Diamonds Incentive Plan
GDP	Gross domestic product
GIA	Gemological Institute of America
GISTM	Global Industry Standard on Tailings Management
GRI	Global Reporting Initiative
ha	Hectare
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
ISO	International Organization for Standardization
IT	Information technology
JIBAR	Johannesburg Interbank Agreed Rate
KPI	Key performance indicator
LIBOR	London Interbank Offered Rate
LoM	Life of mine
LSL	Lesotho loti
LTI	Lost time injury
LTIFR	Lost time injury frequency rate
LTIP	Long-term incentive plan
MRM	Mineral Resource Management
Net cash/(debt)	The sum of cash and cash equivalents less drawn down bank facilities (excluding insurance premium financing)
NGO	Non-governmental organisation
PAC	Project-affected community
PCA	Primary crushing area
RCF	Revolving credit facility
RSF	Residue storage facility
SDG	Sustainable Development Goal
SEIA	Social and environmental impact assessment
SEMP	Social and environmental management plan
SLL	Sustainability-linked loan
SME	Small and medium enterprise
SOFR	Secured Overnight Financing Rate
STIB	Short-term incentive bonus
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures
The Board	The Gem Diamonds Board of Directors
The Group	Gem Diamonds Limited and its subsidiaries
TSR	Total shareholder return
UK	United Kingdom
UN	United Nations
UNGC	United Nations Global Compact
US$	United States dollar
USA/US	United States of America
VAT	Value added tax

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FEEDBACK

Gem Diamonds Limited

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

DIRECTORS' AND EXECUTIVE MANAGEMENT CVs

NON-EXECUTIVE DIRECTORS

Harry Kenyon-Slaney (65)

Non-Executive Chairperson

BSc Geology (Southampton University); International Executive Programme (INSEAD France)

Chairperson tenure <9 years

No independence conflict exists

Appointed to the Board in June 2017

Skills and experience

Harry has over 40 years of experience in the mining industry, principally with Rio Tinto. He is a geologist by training and his experience spans operations, marketing, projects, finance and business development. He has worked in South Africa, Australia and the UK. Until 2015, Harry was a member of the Group Executive Committee of Rio Tinto, where he held the roles of CEO of Energy and before that CEO of Diamonds and Minerals. Prior to this, he held a number of senior roles within Rio Tinto, including leading its global titanium dioxide business, serving as CEO of Energy Resources of Australia Limited, acting as General Manager of Operations at Palabora Mining Company in South Africa, as well as senior marketing roles across copper, uranium and industrial minerals. He began his career as an underground geologist with Anglo American on the gold mines in South Africa.

Current external appointments

Harry is a senior adviser to McKinsey & Co.

Harry is the Senior Independent Director of Sibanye-Stillwater and WE Soda, a member of the advisory board of Phoenix Copper Limited, and a director of several other private companies.

Rosalind Kainyah MBE (68)

Non-Executive Director

BA (Hons) (University of Ghana); LLB (Hons) (University of London); LLM (University College, University of London); Member of the Bar of England & Wales (Gray's Inn)

Appointed to the Board in May 2021

Skills and experience

Rosalind is a trusted adviser to Boards and Senior Executives on sustainability and responsible business. She trained as a lawyer and is a member of the Bar of England and Wales. Rosalind has over 30 years of combined international, senior management, executive and board level experience. She has worked with companies and organisations including Linklaters, Anglo American Corporation of South Africa, De Beers, Tullow Oil plc, the United Nations Environment Programme and ERM, and on projects across Africa, in the UK, Europe, North and South America, Asia, and the South Pacific. As a result, she has a wide network and is respected across a range of stakeholders from governments and corporates through civil society organisations and media for her professional expertise and as a woman of integrity and credibility.

Current external appointments

Rosalind is a non-Executive Director for discoverIE plc, EnQuest plc and of two private companies.

Mike Brown (65)

Non-Executive Director

BSc Engineering (University of the Witwatersrand); PR Eng (ECSA); Strategic Executive Programme (London Business School); Member of the Institute of Directors of SA (IoDSA)

Appointed to the Board in January 2018

Skills and experience

Mike has over 40 years' experience in the resources industry in operational, senior management and director roles. He spent six years in Switzerland as the Managing Director technical at Pala, where he oversaw all technical aspects of the mining sector investments, including the risks associated with resource performance, project management, ramp-up, operations, and the associated working capital and financial controls. Prior to joining Pala, Mike spent 21 years with De Beers in southern Africa in various roles, culminating in the post of chief operating officer where he was accountable for five operating mines, including greenfield and brownfield growth projects. He also managed the restructuring at De Beers Consolidated Mines in 2005/2006 and again in 2009. Mike has overseen growth projects and building of mines in Namibia, South Africa, Sierra Leone, Vietnam and USA.

Current external appointments

Mike is a managing partner at Palaris, a privately held mining advisory company.

Janet Blas (44)

Non-Executive Director

Bachelor of Science in Accountancy, University of Santo Tomas (UST); Certified Public Accountant

Appointed to the Board in April 2025

Skills and experience

Janet is an accomplished professional with extensive experience in the finance, gemstone and mining industries. She holds a Certified Public Accountant qualification, complemented by a BSc in Accountancy.

Janet began her career with PwC, building a solid technical foundation in financial management and audit practices. She has established herself as an effective Audit & Risk Committee Chair, demonstrating a deep understanding of governance practices in both listed and privately held mining companies.

Janet is the Chief Financial Officer and Executive Director of Bacanora Lithium Limited. Her previous tenure as Chief Financial Officer at Gemfields Group has provided her with a comprehensive understanding of the complexities and strategic demands of the precious minerals sector. She also held a number of senior positions with ENRC Plc, including a key role in ENRC's initial public offering on the Main Market of the London Stock Exchange when the company joined the FTSE 100 index.

Current external appointments

Janet holds non-Executive Board roles with Sedibelo Resources Limited and Cornish Lithium Limited, alongside her executive position as Chief Financial Officer and Director of Bacanora Lithium Limited. All these companies are privately held.

EXECUTIVE DIRECTORS

Clifford Elphick (65)

Chief Executive Officer

BCom (University of Cape Town);
BCompt Hons (University of South Africa)

Founded Gem Diamonds in July 2005

Skills and experience

Clifford joined Anglo American Corporation in 1986 and was seconded to E Oppenheimer & Son Proprietary Limited as Harry Oppenheimer's personal assistant in 1988. In 1990, he was appointed Managing Director of E Oppenheimer & Son, a position he held until leaving in December 2004. During that time, Clifford was also a Director of Central Holdings, Anglo American and DB Investments. Following the privatisation of De Beers in 2000, Clifford served on the De Beers Executive Committee.

Current external appointments

Clifford is the non-Executive Chairperson of Zanaga Iron Ore Co. Limited.

Michael Michael (55)

Chief Financial Officer

BCom Hons (Rand Afrikaans University); CA(SA)

Appointed to the Board in April 2013

Skills and experience

Michael has over 25 years' experience in financial management. He joined the audit firm RSM Betty & Dickson in Johannesburg, South Africa in January 1993 and became audit partner at the firm in March 2000. From August 2006 to February 2008 Michael was seconded to Gem Diamonds Limited to assist with the financial aspects of the main London listing, including the financial reporting, management accounting and tax relating to the initial public offering. In March 2008 Michael joined Gem Diamonds on a full-time basis as the Group Financial Manager. On 22 April 2013 he was promoted to the position of Chief Financial Officer and appointed to the Board.

Current external appointments

None

EXECUTIVE MANAGEMENT

Brandon de Bruin (54)

Chief Operating Officer

BCom, LLB (University of the Witwatersrand)

Skills and experience

Brandon joined Gem Diamonds in 2007 from Clifford Chance LLP. Practising in New York and London, he specialised in debt and equity capital markets and corporate finance, gaining extensive commercial and legal experience in international corporate and finance transactions, stock exchange listings in London, Luxembourg and New York and in the UKLA (UK) and SEC (USA) rules and regulations. At Gem Diamonds, Brandon has been responsible for numerous corporate and financial transactions. He was head of the Group's Sales, Marketing and Manufacturing division from 2013 to 2017 when he was appointed as the Group Business Transformation Officer. In 2019 Brandon was appointed as the Group Operations and Business Transformation Executive and in 2021 as Chief Operating Officer.

Current external appointments

None

Kiki Constantopoulos (46)

Group Financial Controller and Company Secretary

BCom Hons (University of the Witwatersrand); CA(SA)

Skills and experience

Kiki has almost 20 years' experience in accounting, reporting and financial management. Following her qualification as a Chartered Accountant she spent three years as a financial manager at Dunns Clothing & Accessories (a subsidiary of Pepkor, a leading retailer in South Africa). In 2010, Kiki joined Gem Diamonds as Financial Manager, and in 2013 was promoted to Group Financial Controller. Kiki was the finance lead support to the Business Transformation Officer from 2017 – 2019. She is responsible for financial and management accounting across the Group's operations. In April 2023, Kiki was appointed as the Company Secretary.

Current external appointments

None

Minelle Zech (51)

Group Human Resources Executive

BCom HR (Potchefstroom University)

Skills and experience

Minelle joined Gem Diamonds in 2015 as HR manager and was promoted to Group HR Executive in 2023. She has more than 20 years of HR experience and more than 10 years' experience in the services and mining industries. She was involved in the restructuring of Avis following its acquisition by Barloworld and has extensive experience in rationalisation projects in the mining industry. At Gem, Minelle was the HR lead during its Business Transformation between 2017 and 2019, responsible for organisational health and driving the culture aspect of the programme. Minelle is responsible for all people aspects across the Group.

Current external appointments

None

GEM DIAMONDS

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GEM DIAMONDS LIMITED
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