INVESTING IN THE FUTURE OF OUR STAKEHOLDERS

Our strong balance sheet, underpinned by a resilient business with increased capacity for growth, gives us the flexibility and strength to deliver stakeholder returns.

ROSS JERRARD

CHIEF FINANCIAL OFFICER AND DIRECTOR

Centamin is a robust business, committed to responsible mining. In 2020 we set out bold capital reinvestment plans required to sustain our business and drive higher production and improve margins for the long term, and for the last two years we have delivered on those plans.

Despite persisting global supply-side issues and global inflation, our focus is on what we can control. We do this with rigorous planning and subsequent disciplined compliance to plan, a thriving culture of continuous improvement, and active risk and opportunity assessment to ensure we don't stop at the minimum but are always looking to improve.

FINANCIAL PERFORMANCE

In 2022, Centamin delivered a resilient financial performance that was in line with our expectations and guidance for the year. Notwithstanding, and as discussed in our Chair's Foreword on page 12 and Market Review on page 44, the Group's results are significantly affected by movements in the gold price, input costs, particularly in consumables and fuel, and to a lesser degree foreign exchange rates.

Revenues increased year-on-year by 8% to US$788 million, from annual gold sales of 438,638 ounces, up 8%, at an average realised price of US$1,794 per ounce, with no significant movement year-on-year. A total of 13,485 ounces of unsold gold bullion was held onsite at year end, due to timing of gold shipments across the year end.

As a Group, Adjusted EBITDA was US$319 million, at a 40% EBITDA margin, principally driven by;

- a 6% increase in gold production, as scheduled, at similar average realised gold prices as compared to last year; offset by
  - a 24% increase in the combined open pit and underground material mined, some of which has been capitalised to mining properties as a waste stripping asset
  - higher fuel, oil and lubricants costs to the value of US$72 million due to increases in the fuel cost per litre coupled with increased production
  - US$53 million additional spend on consumables due to increases in reagent prices and increased production in the year

Profit before tax increased by 11% to US$171 million, due to the factors below, with basic earnings per share decreasing by 29% to 6.29 US cents.

- an 8% increase in revenue, in line with increased gold sales as planned
- a 16% increase in other income; offset by
  - a 1% increase in other operating costs, mainly due to a 10% increase in royalties
  - a 114% increase in greenfield exploration and evaluation expenditure, and
  - a 12% increase in cost of sales

As expected, and in line with our three year reinvestment plans, Centamin's cash flows and earnings were positively impacted in 2022 by higher gold production and sales, offset by higher costs and increased capital expenditure. Operational cash flow decreased by 6% to US$292 million. Cash flows from investing activities were impacted mainly by gross capital expenditure of US$276 million, predominantly invested in sustaining the long-term production from Sukari. Adjusted Group free cash flow declined to negative US$18 million, after profit share distribution of US$35 million to our Egyptian partner, EMRA, and US$27 million advancing our organic growth pipeline at our exploration projects Doropo, EDX and ABC.

STRINGENT COST MANAGEMENT

Our judicious approach to forecasting and stringent cost management meant we were able to counter some of the global inflationary cost pressures last year and delivered guidance as stated at the beginning of 2022. Good progress was made and we are confident we will make our US$150 million target of cost savings by the end of 2023. As at 31 December 2022 we had extracted US$116 million of sustainable cost savings and remain motivated to find further opportunities.

Cash costs of production were US$913 per ounce produced, up 5%, reflecting a 24% increase in total open pit mined tonnes, and a 2% increase in tonnes processed, total underground mined tonnes remained flat year on year and a 6% increase in gold ounces produced. AISC was US$1,399 per ounce sold, up 13%, mainly due to a 11% increase in mine production costs, 9% increase in sustaining corporate costs and a 55% increase in sustaining capital costs. This was partially offset by an 8% increase in gold ounces sold (which was as scheduled and in line with guidance).

CAPITALISATION OF OPEN PIT WASTE-STRIPPING

The largest investment in 2022 was on the accelerated waste-stripping (deferred waste-stripping) which added US$141 million to our balance sheet, US$89 million was included in non-sustaining capital expenditure and related specifically to the work done by the waste-mining contractor, with the balance of US$52 million allocated to sustaining capital expenditure, which was waste material mined by the Centamin fleet above the life of mine strip ratio. Some deferred waste-stripping has already been amortised in the year based on ore extracted from the areas mined.

As more fully described in note 2.9 to the financial statements and required by the Group's financial reporting Standards, from 2021, capitalised deferred stripping costs are included in 'Mine Development Properties' and amortised using the unit of production method based on total ounces produced for the 'component' of the orebody, which is defined as the respective 'stage' of the open pit mine plan. Capitalisation occurs when the strip ratio exceeds the life of mine strip ratio for that stage. Only the costs related to the excess stripping are capitalised. In line with the accelerated stripping programme (2022-2024) we expect to be above the life of mine strip ratio, resulting in a larger quantum to be capitalised to the balance sheet.

STRONG BALANCE SHEET

Centamin closed 2022 financial year with cash and liquid assets of US$157 million. As announced on 22 December 2022, we secured the first piece of corporate debt and on 13 March 2023, all conditions precedent were met regarding the US$150 million sustainably linked revolving credit facility ("RCF"), significantly increasing the Company's financial flexibility to fund growth projects across the portfolio. Initially, the focus will be Sukari. Under the terms of our Concession Agreement growth capital invested is recovered over three years, making these investments ideally suited for the structure of the RCF.

APPROACH TO CAPITAL ALLOCATION

Capital allocation continues to be disciplined and closely qualified against value creation. The Company continues to exercise a balanced approach to responsibly maximising operating cash flow generation, reinvesting for future growth and prioritising sustainable shareholder returns. The Company's liquidity and strength of the balance sheet is fundamental to the longevity of the business and is seriously considered when assessing capital allocation. Centamin has an active growth pipeline through results-driven exploration and continually assesses inorganic growth opportunities. Our organic projects are self-funded but before capital is allocated they are routinely ranked based on results against our development criteria and prospective returns.

In 2022, a key focus was on improving operational efficiencies to achieve consistent operational performance with US$165 million spent on sustaining capital expenditure and US$119 million on non-sustaining, or 'growth' capital expenditure. Growth projects include the construction of the hybrid solar plant, reducing the reliance on fossil fuels and improving operating costs, and ongoing construction of the underground paste-fill plant.

COST-SAVINGS PROGRAMME

TARGET

US$150M

by the end of 2023

TODAY

US$116M

is savings realised

FINANCIAL REVIEW CONTINUED

Impressive progress was made on project delivery as we achieved several further important milestones, including initiating business improvements such as completion of the preparatory work on centralising our accounting and internal control systems across the Group in 2022, which will enable faster and more efficient access to our numbers, ahead of planned implementation in 2023.

2022 DIVIDEND

Stakeholder, and specifically shareholder returns, are central to our Company strategy. Centamin was one of the first gold producers to pay dividends under a structured policy. We have built a nine-year track record of returning cash to shareholders, based on our policy linked to free cash flow generation before growth investment. Our dividend policy makes firm commitments on capital allocation, meaning shareholder interests are always at the centre of what we do.

Consistent with the Company's commitment to returning cash to shareholders, and recognising 2022 as the peak reset year, the Board proposes a 2022 final dividend, for the year ended 31 December 2022 of 2.5 US cents per share (circa.US$29 million), bringing the proposed total dividend for 2022 to 5 US cents per share (circa.US$58 million):

- Interim 2022 dividend paid: 2.5 US cents per share
- Final 2022 dividend proposed: 2.5 US cents per share

The final 2022 dividend is subject to shareholder approval at the 2023 AGM on 23 May 2023 and following approval would be paid on 23 June 2023.

OUTLOOK

We are fully focused on managing the bottom line of the business so that we can maximise the value at Sukari and deliver growth and diversification combined with sustainable stakeholder returns. We have budgeted for similar costs in 2023 as 2022, accounting for rising input costs, driven by higher consumer price inflation within our operating countries, supply chain pressures on fuel, consumables and shipping costs and tighter labour markets. We have prudently decided not to budget any offsetting impacts of our ongoing cost-savings and improving operating efficiencies and productivity gains until we have a better sense of the longer-term inflationary environment.

The previous two years have been largely focused on business transformation and building our geological understanding. Today, we are excited by the additional value that is organically within our grasp and we are pursuing to capture of this upside to achieve our goals across growth and returns.

ROSS JERRARD
CHIEF FINANCIAL OFFICER

PRIMARY STATEMENTS HIGHLIGHTS

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Revenue	788,424	733,306

Revenue from gold and silver sales for the year increased by 8% year-on-year to US$788 million (2021: US$733 million) with the year-on-year average realised gold price remaining flat at US$1,794 per ounce sold (2021: US$1,797 per ounce sold) complimented by an 8% increase in gold ounces sold to 438,638 ounces (2021: 407,252 ounces).

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Cost of sales	(544,075)	(487,376)

Cost of sales represents the cost of mining, processing, refining, transport, site administration, depreciation, amortisation and movement in production inventories. Cost of sales is up 12% year-on-year to US$544 million, mainly as a result of:

- 11% increase (US$40 million) in total mine production costs from US$368 million to US$409 million (+ve), primarily due to the following drivers:
  - a 30% increase in processing costs (US$47 million) (+ve). The increase was driven by price increases on fuel. Diesel fuel is mainly consumed at Sukari for the process plants power generation; offset by
    - a 3% decrease in open pit mining costs (US$4 million) (-ve); and
    - a 6% decrease in administration costs (US$3 million) (-ve)
    - There was no significant change in the underground mining costs.
- 5% increase in depreciation and amortisation charges year-on-year from US$139 million to US$146 million (+ve). This increase was mainly due to:
  - a US$284 million in net additions to property, plant and equipment (excl. capital work in progress) which increased the associated depreciation and amortisation charges; in addition to higher gold production in the year

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Dividend paid – non-controlling interest in SGM	(35,492)	(75,200)

The profit share payments during the year are reconciled against SGM's audited financial statements. Any variation between payments made during the year (which are based on the Company's estimates) and the audited financial statements, may result in a balance due and payable to EMRA or advances to be offset against future distributions. SGM's 30 June 2022 financial statements have been audited and signed off.

Refer to note 1.3.1.2 in the notes for details of the treatment and disclosure of the EMRA profit share.

CAPITAL EXPENDITURE

The following table provides a breakdown of the total capital expenditure of the Group:

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Underground exploration	8,636	13,741
Underground mine development	32,107	34,900
Other sustaining capital expenditure	124,162	57,513
Total sustaining capital expenditure	164,905	106,154
Non-sustaining exploration expenditure	3,539	2,202
Other non-sustaining capital expenditure[1]	115,099	132,516
Total gross capital expenditure	283,543	240,872
Less:		
Sustaining element of waste stripping capitalised[2]	(51,527)	(7,838)
Capitalised Right of Use Assets	(7,746)	–
Adjusted capital expenditure (after reclassification)	224,270	233,034

(1) Non-sustaining capital expenditure included further spend on the solar plant, underground paste-fill plant and the Capital Waste Stripping. Non-sustaining costs are primarily those costs incurred at 'new operations' and costs related to 'major projects at existing operations' that will materially benefit the operation.

(2) Reclassified from operating expenditure.

EXPLORATION EXPENDITURE

The following table provides a breakdown of the total exploration expenditure of the Group:

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Greenfield exploration		
Burkina Faso	2,928	2,380
Côte d'Ivoire	25,120	11,499
Egypt – Eastern Desert exploration	1,675	–
Total greenfield exploration expenditure	29,723	13,879
Brownfield exploration		
Sukari Tenement	12,175	15,943
Total brownfield exploration expenditure	12,175	15,943
Total exploration expenditure	41,898	29,822

Exploration and evaluation expenditure comprises expenditure incurred for exploration activities primarily in Côte d'Ivoire and in the new Egypt greenfield permit areas. Greenfield exploration and evaluation costs (excluding Burkina Faso) increased by US$15 million or 133% as more exploration and evaluation work specifically drilling and assaying at the two Côte d'Ivoire sites was done in 2022 as compared to 2021 as well as the commencement of exploration work in the new Egypt permit areas. The brownfield capitalised exploration costs on the Sukari concession area decreased by US$4 million or 24% year on year.

FINANCIAL REVIEW CONTINUED

The spend in Burkina Faso is mainly on key services and other regulatory obligations required as the process to formally exit the project is currently underway.

SUBSEQUENT EVENTS

As referred to in note 5.2, subsequent to the year end, the Board proposed a final dividend for 2022 of 2.5 US cents per share. Subject to shareholder approval at the Annual General Meeting on 23 May 2023, the final dividend will be paid on 23 June 2023 to shareholders on record date of 2 June 2023.

Also refer to note 5.1 in the financial statements for more information on the Law 32 judgement that was handed down in January 2023.

The Company's compliance requirements and obligations in respect of the US$150 million revolving credit facility had not yet commenced as at 31 December 2022 as there were certain conditions precedent that were still to be satisfied to make the agreement effective. The conditions precedent were met on 13 March 2023 subsequent to year end and before the annual financial statements were signed and the facility is available for draw down from this date the conditions precedent were met.

Other than as noted above, there were no other significant events occurring after the reporting date requiring disclosure in the financial statements.

NON-GAAP FINANCIAL MEASURES

1) EBITDA and adjusted EBITDA

EBITDA is a non-GAAP financial measure, which excludes the following from profit before tax:

- Finance costs
- Finance income
- Depreciation and amortisation

Management considers EBITDA a valuable indicator of the Group's ability to generate liquidity by producing operating cash flow to fund working capital needs and capital expenditures. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or 'EBITDA multiple' that is based on an observed or inferred relationship between EBITDA and market values to determine a company's approximate total enterprise value. EBITDA is intended to provide additional information to investors and analysts and does not have any standardised definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA excludes the impact of cash cost of production and income of financing activities and taxes, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may also calculate EBITDA differently. The following table provides a reconciliation of EBITDA to profit for the year before tax.

Adjusted EBITDA removes the effect of transactions that are not core to the Group's main operations, like adjustments made to normalise earnings, for example profit on financial assets at fair value through profit or loss, impairments of property, plant and equipment, non-current mining stockpiles and exploration and evaluation assets.

RECONCILIATION OF PROFIT BEFORE TAX TO EBITDA AND ADJUSTED EBITDA:

	31 December 2022 US$'000	31 December 2021 US$'000
Profit for the year before tax	171,001	153,647
Finance income	(1,214)	(196)
Finance costs(1)	2,459	673
Depreciation and amortisation	146,769	139,455
EBITDA	**319,015**	293,579
Add back/less:(2)		
Impairments of non-current assets	–	35,208
Adjusted EBITDA	**319,015**	328,787

(1) In the 2021 Consolidated Statement of Comprehensive Income, Finance costs were included and disclosed in 'Other operating costs', in the current year they are now separately disclosed in their own line hence the change on the Finance Costs number in 2021.

(2) Adjustments made to normalise earnings for example profit on financial assets at fair value through profit or loss, impairments of property, plant and equipment, non-current mining stockpiles and exploration and evaluation assets.

2) Cash cost of production per ounce produced and sold and all-in sustaining costs ("AISC") per ounce sold calculation

Cash cost of production and AISC are non-GAAP financial measures. Cash cost of production per ounce is a measure of the average cost of producing an ounce of gold, calculated by dividing the operating costs in a period by the total gold production over the same period. Operating costs represent total operating costs less sustaining administrative expenses, royalties, depreciation and amortisation. Management uses this measure internally to better assess performance trends for the Company as a whole. Management considers that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow. Management considers that these measures provide an alternative reflection of the Group's performance for the current year and are an alternative indication of its expected performance in future periods. Cash cost of production is intended to provide additional information, does not have any standardised meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently.

During June 2013 the World Gold Council ("WGC"), an industry body, published a Guidance Note on the 'all in sustaining costs' metric, which gold mining companies can use to supplement their overall non-GAAP disclosure. AISC is an extension of the existing 'cash cost' metric and incorporates all costs related to sustaining production and in particular recognising the sustaining capital expenditure associated with developing and maintaining gold mines. In addition, this metric includes the cost associated with developing and maintaining gold mines. This metric also includes the cost associated with corporate office structures that support these operations, the community and rehabilitation costs attendant with responsible mining and any exploration and evaluation costs associated with sustaining current operations. AISC US$/oz is arrived at by dividing the dollar value of the sum of these cost metrics, by the ounces of gold sold (as compared to using ounces produced which is used in the cash cost of production calculation).

On 14 November 2018 the World Gold Council published an updated Guidance Note on 'all-in sustaining costs' and 'all-in costs' metrics. Per their press release it was expected that companies have chosen to use the updated guidance from 1 January 2019 or on commencement of their financial year if later. The Group has applied the updated guidance from 1 January 2019 with no impact on our results or comparatives.

FINANCIAL REVIEW CONTINUED

RECONCILIATION OF CASH COST OF PRODUCTION PER OUNCE PRODUCED:

		31 December 2022	31 December 2021
Mine production costs (note 2.3)	US$'000	408,543	368,327
Less: Refinery and transport	US$'000	(2,324)	(2,264)
Movement of inventory[1]	US$'000	(3,673)	(6,195)
Cash cost of production – gold produced	US$'000	402,546	359,868
Gold produced – total (oz.)	oz	440,974	415,370
Cash cost of production per ounce produced	US$/oz	913	866

(1) The movement in inventory on ounces produced is only the net movement in mining stockpiles and ore in circuit while the movement in ounces sold is the net movement in mining stockpiles, ore in circuit and gold in safe inventory.

A reconciliation has been included below to show the cash cost of production metric should gold sold ounces be used as a denominator.

RECONCILIATION OF CASH COST OF PRODUCTION PER OUNCE SOLD:

		31 December 2022	31 December 2021
Mine production costs (note 2.3)	US$'000	408,543	368,327
Royalties	US$'000	23,842	21,672
Movement of inventory[1]	US$'000	(6,789)	(15,081)
Cash cost of production – gold sold	US$'000	425,596	374,918
Gold sold – total (oz.)	oz	438,638	407,252
Cash cost of production per ounce sold	US$/oz	970	921

		31 December 2022[1]	31 December 2021[1]
Movement in inventory			
Movement in inventory – cash (above)	US$'000	(6,789)	(15,081)
Effect of depreciation and amortisation – non-cash	US$'000	17,448	35,049
Movement in inventory – cash & non-cash (note 2.3)	US$'000	10,659	19,968

(1) The movement in inventory on ounces produced is only net the movement in mining stockpiles and ore in circuit while the movement in ounces sold is the net movement in mining stockpiles, ore in circuit and gold in safe inventory.

RECONCILIATION OF AISC PER OUNCE SOLD:

		31 December 2022	31 December 2021
Mine production costs (note 2.3)	US$'000	408,543	368,327
Movement in inventory	US$'000	(6,789)	(15,081)
Royalties	US$'000	23,842	21,672
Sustaining corporate administration costs	US$'000	24,282	22,379
Rehabilitation costs	US$'000	588	276
Sustaining underground development and exploration	US$'000	40,743	48,641
Other sustaining capital expenditure	US$'000	124,162	57,513
By-product credit	US$'000	(1,503)	(1,361)
All-in sustaining costs[1]	US$'000	613,868	502,366
Gold sold – total (oz.)	oz	438,638	407,252
AISC per ounce sold	US$/oz	1,399	1,234

(1) Includes refinery and transport.

3) Cash and cash equivalents, bullion on hand and gold and silver sales debtor

Cash and cash equivalents, bullion on hand, gold and silver sales debtor is a non-GAAP financial measure of the available cash and liquid assets at a point in time. Management uses this measure internally to better assess performance trends for the Company as a whole. Management considers that, in addition to conventional measures prepared in accordance with GAAP, certain investors use such non-GAAP information to evaluate the Company's performance and ability to generate cash flow and the measure is intended to provide additional information.

This non-GAAP measure does not have any standardised meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of cash and cash equivalents as determined under GAAP and other companies may calculate it differently.

RECONCILIATION TO CASH AND CASH EQUIVALENTS, BULLION ON HAND, GOLD AND SILVER SALES DEBTOR:

	31 December 2022 US$'000	31 December 2021 US$'000
Cash and cash equivalents (note 2.16(a))	102,373	207,821
Bullion on hand (valued at the year-end spot price)	24,440	20,304
Gold and silver sales debtor (note 2.7)	29,832	29,147
Cash and cash equivalents, bullion on hand, gold and silver sales debtor	156,645	257,272

The majority of funds have been invested in international rolling short-term interest money market deposits.

4) Free cash flow and adjusted free cash flow

Free cash flow is a non-GAAP financial measure. Free cash flow is a measure of the available cash after distributions to the Non-Controlling Interest ("NCI") in SGM, being EMRA, that the Group has at its disposal to use for capital reinvestment and to distribute to shareholders of the parent. Free cash flow is intended to provide additional information, does not have any standardised meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. This measure is not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and other companies may calculate this measure differently.

	31 December 2022 US$'000	31 December 2021 US$'000
Net cash generated from operating activities	291,936	309,878
Less:		
Net cash used in investing activities	(274,583)	(240,676)
Dividend paid – non-controlling interest in SGM	(35,492)	(75,200)
Free cash flow	(18,139)	(5,998)
Add back:		
Transactions completed through specific available cash resources[1]	–	–
Adjusted free cash flow	(18,139)	(5,998)

(1) Adjustments made to free cash flow, for example acquisitions and disposals of financial assets at fair value through profit or loss, which are completed through specific allocated available cash reserves.