

CHAIR'S FOREWORD

A PLATFORM FOR GROWTH

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JAMES RUTHERFORD
NON-EXECUTIVE CHAIR



Having successfully navigated our way through a two-year period, that was dominated by the global COVID pandemic, 2022 proved to be equally challenging. No sooner had the threat posed by COVID started to abate, than the global economy found itself facing two equally serious issues, the impact of which continue to be very evident.

On 24th February 2022, in a major escalation of a conflict that dated back to its unilateral annexation of Crimea in 2014, Russia launched a full-scale, unprovoked invasion of Ukraine, initiating the largest and most bloody military conflict that we have witnessed in mainland Europe since World War 2.

This was followed, less than four weeks later, by the US Federal Reserve embarking on its most aggressive monetary tightening cycle since the late 1970s. From a starting point of close to zero, the Federal Reserve proceeded, in eight separate moves over just eight months, to raise the Federal Reserve Funds rate by an unprecedented 450 basis points. This represented a rear-guard attempt to play catch-up on soaring US inflation, which peaked in June 2022 at over 9%, well above the Federal Reserve's longstanding 2% target.

GOLD MARKET

Those events presented two very contrasting backdrops for the gold market. In what was an understandable reaction to heightened geopolitical concerns, the gold price rose sharply in the immediate aftermath of the Ukraine invasion, peaking at over US\$2,000/oz in early March.

That price buoyancy, however, proved to be short-lived, as the US Federal Reserve rate hikes, accompanied not surprisingly by a strengthening in the US dollar, resulted in an eight-month long downtrend for gold, with the price eventually reaching a low of close to US\$1,600/oz in early November.

That downtrend was then reversed in late 2022, as the US dollar started to weaken, reflecting a perceived less hawkish tone from the Federal Reserve. By year end, the gold price recovered to over US\$1,800/oz, coincidentally almost unchanged from its level at the start of the year.

Despite interest rate headwinds, the LBMA gold price averaged US\$1,800/oz for 2022, which represented a record, not just in US dollar terms but in virtually every other major currency.

One notable feature that helped underpin the gold market during 2022, was the elevated level of Central Bank purchases, which, based on World Gold Council data, reached a record high of 1,136 tonnes, more than twice the average annual level of 509 tonnes for the preceding decade. This very visible statement of intent by Central Banks provided a timely reminder of the role of gold as a store of value during times of political and economic turmoil.

PERFORMANCE: A YEAR OF ACHIEVEMENT

In the 2020 Annual Report, we outlined the three-year reset plan to unlock the true potential of the Sukari Gold Mine, our flagship asset, a plan that was grounded in operational discipline and rigorous long-term planning.

I am pleased to report that the management team, under the leadership of our CEO Martin Horgan, has made impressive progress on delivering on that plan and during 2022 achieved several important milestones. We reported a strong operational performance for the year, with gold production at Sukari growing by 6% to 440,974 ounces (FY21:415koz), a further step in our goal to return production to 500,000 ounces per annum. More importantly the intense focus on safety was reflected in an 83% improvement in the Lost Time Injury Frequency Rate to just 0.08 per million hours worked.

Despite continuing inflationary pressures, we remain firmly focused on cost control and productivity improvements and as of 31 December 2022 we had delivered US\$116 million of the US\$150 million cost-savings programme targeted by the end of 2023. We made impressive progress on key projects designed to support those initiatives, most notably the 36MWdc solar plant, which was commissioned in the fourth quarter. This will not only save on energy costs but will also result in a significant reduction in carbon emissions.

Reflecting the higher gold sales, revenue for the year rose 8% to US\$788 million (FY21: US\$733m), while profit after tax was 11% higher at US\$171 million (FY21: US\$154m). Earnings per share was 6.29 US cents. Operating cash flow before capital expenditure for the year was US\$292 million (FY21:US\$309m). However, reflecting the elevated reinvestment into Sukari as part of the reset plan, free cash flow for the year was negative US\$18 million (FY21: negative US\$6m). At year end, the cash and liquid assets position was US\$157 million.

For 2023, we are guiding for higher gold production in the range of 450,000 to 480,000 ounces. We also have several cost-savings and operational efficiency initiatives underway, which are designed to offset the impact of continuing industry wide inflationary and logistical pressures.

STRATEGY: A PLATFORM FOR GROWTH

Centamin's stated strategy remains clear and consistent and is centred on value maximisation at Sukari, thereby providing the foundation to deliver growth and diversification, while at the same time maintaining the longstanding commitment to returns for our stakeholders.

Having made significant progress on the turnaround at Sukari, the focus has increasingly shifted to unlocking numerous growth opportunities. An important development was the announcement of the second successive year of reserve growth at Sukari, with overall Proven & Probable Reserves increasing by 5% to 6.0Moz, as a result of which we have identified the potential to expand the underground mine at Sukari.

At the same time, we have made significant progress on the pre-feasibility study for the Doropo Project in Côte d'Ivoire, which is due to be published in the first half of the current year.

SUSTAINABILITY: ENTRENCHED AT THE CORE OF OUR BUSINESS

As a company, we have put enormous emphasis on positioning sustainability at the heart of the business and that it should clearly reflect our purpose statement, which is 'to create opportunity for people through responsible mining'. This is discussed in greater detail in the CEO statement.

From a governance standpoint, in 2022 we took further steps to introduce environmental and social issues as components of our Remuneration Policy, by adding carbon abatement initiatives to the long-term incentive plan and social targets within the short-term incentive plan, including gender diversity and inclusion.

We have also formalised sustainability within our Capital Allocation Policy. In December, we announced a US\$150 million sustainability-linked revolving credit facility ("RCF") with a syndicate of leading international banks, designed primarily to provide greater financial flexibility to fund our growth opportunities. An important feature of this facility is that a series of tangible sustainability metrics are factored into the pricing mechanism, aligned to three priority targets: gender diversity; workplace training and development; and reduction in carbon emissions.

BOARD AND STAKEHOLDER ENGAGEMENT

The strict travel restrictions that were in place during the COVID pandemic, meant that for two years, all Board and committee meetings had to be conducted via videoconferencing. While the virtual world proved to be very efficient, it did nonetheless create several organisational challenges and it was with no small measure of relief that we were able to resume in person meetings during 2022.

With that in mind, we took the opportunity to accelerate the normal three-year cycle and to bring forward by one year the full external Board review. The main conclusion of the review was that the Board was exercising its duties in an effective and constructive manner. It also confirmed our view that, having had to take more of a short-term approach during the operational reset at Sukari, it was the appropriate time to shift the focus of the Board towards delivery of our long-term vision.

Following the Board refresh that took place in 2020, as Chair I feel that the Board possesses the right blend of skills, experience and diversity to support and guide the Company and management. Nonetheless, we will continue to examine

ways in which we might add appropriate skills to the Board as is felt to be required.

In a departure from its normal practice, the Board has decided to alternate the Annual General Meeting between London and Jersey. We recognise the logistical hurdles that shareholders face in travelling to Jersey and wish to improve accessibility. This year's AGM will therefore be held at Duke's Hotel in London on 23 May 2023: this will be a hybrid event, offering the opportunity to attend in-person or virtually, via a webcast.

DIVIDEND

While the last two years have involved a programme of significant reinvestment into the Sukari Mine, the Board also recognises the importance of delivering returns to shareholders through a period of negative free cash flow. The Board is therefore proposing a final dividend for 2022 of 2.5 US cents per share, subject to shareholder approval at the forthcoming Annual General Meeting on 23 May 2023. This would represent a proposed full-year dividend of 5.0 US cents per share, equating to US\$58 million or equivalent to US\$132 per gold ounce sold in 2022. The long-term dividend policy of paying out a minimum of 30% of free cash flow remains unchanged.

THANK YOU

As a result of the impressive work undertaken over what have been three challenging years, Centamin today is in a much stronger position and is now well placed to focus on and develop its growth potential. On behalf of the Board, I would like to thank the senior management team and broader workforce for their diligence and dedication and our wider stakeholders for their support and commitment during what has been a successful year.

It is particularly important to acknowledge the tremendous support of the Egyptian government, who are our partners at Sukari. The history of gold mining in Egypt is a long and illustrious one, dating back several thousand years. Through the Sukari Mine, Centamin is the modern day custodian of that legacy and one that we have clear ambitions to develop further.

We share a common vision around unlocking Egypt's undoubted exploration potential and to be at the forefront of the development of a modern thriving Egyptian gold industry, which will bring long-term economic benefits to the country.

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