FINANCIAL REVIEW

INVESTING IN THE FUTURE FOR OUR STAKEHOLDERS

ROSS JERRARD
CHIEF FINANCIAL OFFICER

The last three years have been about delivering the bold capital reinvestment plans required to sustain our business and drive both higher production and improved margins for the next decade and beyond. We exit this reinvestment period with a much improved business which is well set for the future.

The significance of having a tier one asset is evident when faced with economic challenges. Inflation was the one common threat that had an impact across the whole industry in 2023. Despite these pricing pressures and persisting global supply-side issues, our focus was firmly on what we could control. We did this through rigorous planning and subsequent disciplined compliance to plan, underpinned by our culture of continuous improvement disciplined execution on plans, and supported by a robust risk and opportunity assessment to ensure we were always striving to improve.

FINANCIAL PERFORMANCE

Centamin delivered a resilient financial performance that was in line with our expectations and guidance for the year. The Company's strong operational performance throughout the year was supported by the healthy gold price environment, which remained robust in 2023.

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. All of which are external factors of which we need to minimise the impact. We have protected our exposure to the gold price through the gold price protection programme from July 2023 through to June 2024 (240,000 ounces at a US$1,900 gold price per ounce) to match the remaining significant capital investment period through to June which ends in H1 2024.

Revenues increased year-on-year by 13% to US$891 million, generated from annual gold sales of 456,625 ounces, up 4%, at an average realised price of US$1,948 per ounce, up 9% year-on-year. A total of 6,915 ounces of unsold gold bullion was held onsite at year end, due to the timing of gold shipments across the year end.

As a Group, Adjusted EBITDA increased by 25% to US$398 million, at a 45% EBITDA margin, principally driven by;

- a 2% increase in gold production, as scheduled, at an average realised gold price that was 9% higher as compared to last year
- cost of sales (excluding the effect of depreciation and amortisation) remaining flat year-on-year which was due to a 5% decrease in the combined open pit and underground material mined at a slightly higher cost per tonne, part of this cost has been capitalised to mining properties as a waste stripping asset

Profit before tax increased by 14% to US$195 million, due to;

- a 13% increase in revenue of US$103 million as compared to 2022, in line with both increased gold sales and gold prices
- a 10% increase in cost of sales driven by a marginal change in mine production costs, however a 25% movement of mining inventory (decrease) against a 35% movement depreciation and amortisation costs (increase), accounts for the net change
- a 240% increase in interest income due to higher interest rates on amounts placed in interest bearing deposit products in 2023 as compared to deposit yields in 2022
- a 12% decrease in other income, mainly driven by foreign exchange movements during the year
- a 40% increase in other operating costs of US$20 million mainly due to a non-cash US$4 million inventory write off, a US$3 million increase in royalties (due to the higher gold sales) and an US$9 million non-cash loss on asset disposals

  The Group implemented a new Enterprise Resource Planning ("ERP") software system, SAP (S4 HANA) during the year. As part of the implementation and migration from the legacy system, an extensive review process of the fixed assets was performed as part of the fixed asset register and operational records clean up. Consequently assets that were identified as not being in use and/ or had been previously replaced by other assets (e.g. mobile equipment rebuilds) had their carrying values derecognised from the statement of financial position resulting in a US$9 million loss on asset disposals, a 6% increase in greenfield exploration and evaluation expenditure.

As expected, and in line with our three-year reinvestment plans, Centamin's cash flows and earnings were positively impacted in 2023 by higher gold production and sales, offset by higher costs.

CASH FLOWS

Operational cash flow increased by 21% to US$354 million. Cash flows from investing activities were impacted mainly by gross capital expenditure of US$204 million, predominantly invested in sustaining the long-term production from Sukari.

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During 2023 each partner received Profit share distributions of US$112 million (2022: US$36 million (EMRA) and US$46 million (Centamin).

In addition to the profit share distributions, Centamin also received cost recovery payments totalling US$45 million from SGM.

Centamin financed growth projects of US$36 million into Sukari, spent US$31 million in greenfield exploration related costs, advancing of our organic growth pipeline at our exploration projects Doropo, EDX and ABC, plus paid for our corporate activities.

COST MANAGEMENT

Our approach to forecasting and stringent cost management meant we were able to counter some of the global inflationary cost pressures last year and delivered costs either below or as stated in our guidance (albeit that the ounce profile was at the lower end of the range).

Continued good progress was made during the year on the cost savings programme. At 31 December 2023 we had extracted US$185 million of sustainable cost savings from the business over the period of the programme. We remain motivated to find further opportunities, initiatives included the solar plant, light weight truck trays, re-ripping of dump leach material and appointment of a new underground drilling contractor.

The most significant future opportunity remains the national grid power tie in. The tender for connection to the national grid was successfully completed, and the Sukari leadership is busy drafting a definitive agreement with the winning bidder, with an estimated energisation date at the beginning of 2025.

Programme 2020 -2023 Cost savings achieved per year	31 Dec 2023 US$'000
2020	44,000
2021	28,870
2022	43,273
2023	68,777
Cumulative total cost savings since start of initiative	**184,920**

Cash costs of production were US$875 per ounce produced, down 4%, reflecting a 5% decrease in total open pit material mined tonnes, and a 2% decrease in tonnes processed, offset by a 36% year-on-year increase in total underground mined tonnes and a 2% increase in gold ounces produced.

AISC was US$1,205 per ounce sold, down 14%, mainly due to a 63% decrease in other sustaining capital expenditure, partially offset by a 12% increase in royalties on gold sales paid to the Egyptian government, a 36% increase in corporate administration costs which was driven by a number of one off projects. This was also complemented by a 4% increase in gold ounces sold (which was as scheduled and in line with guidance).

FUEL PRICES

Major macroeconomic and geopolitical events influenced the oil price throughout 2023 with rising interest rates and the risks of recessions weighing on oil price demand outlooks.

Oil price is the most significant commodity assumption materially affecting the cost base of our business. The average price realised for the 2023 year was US$0.80 per litre which was below actual spend and what we had budgeted for and resulted in savings of US$15m despite using 2.3 million litres more than budgeted (actual fuel used in 2023 was 165m litres) with majority being used in the underground operations due to increased activity.

Total diesel consumption across the Sukari operation in 2024 is expected to be 160m litres equating to US$145 million at US$0.90/litre. The solar plant performance has resulted in a significant reduction in diesel consumption compared to historical averages, while the mining contractor's diesel consumption is reduced by 50% as the waste mining contract comes to an end by June 2024.

Further fuel savings are expected beyond 2024 with the Grid Connection Project and solar expansion opportunities. Refer to our Decarbonisation Roadmap on page 21 or more information on the initiatives underway to fully displace the use of diesel oil for power generation at Sukari.

IMPACT OF FOREX

Some of Egypt's more long-standing challenges have intersected with multiple global shocks causing a foreign exchange crisis, historic inflation, and pressures to worsen the already-stretched fiscal and external accounts.

While triggered by the global polycrisis, the rising macroeconomic imbalances in Egypt reflect pre-existing domestic challenges, including the sluggish non-oil exports and FDI, constrained private sector activity and job-creation, as well as the elevated and rising government debt. Egypt's overall macroeconomic environment during FY2023/24 is expected to be undermined by the concurrent global shocks and domestic macroeconomic imbalances and regional instability, before starting to improve over the medium-term as the country continues to push ahead with stabilisation and structural reforms.

The three pillars of Egypt's path forward focus on foreign exchange management, inflation targeting at the central bank, and private sector development / State Owned Enterprises ("SOE") reform. There remain notable opportunities for Egypt to attract foreign capital and investment which will drive much-needed sustainable inflows for a medium-term solution to the current economic imbalances. A significant step forward was made on the reform programme when the Egyptian pound ("EGP") was free floated on 6 March 2024.

Our business is primarily USD denominated so largely protected against the EGP devaluation, but local supply chain costs and availability of goods becomes challenging. The workforce in Egypt were awarded two sets of increases during 2023 with a 15% increase in January 2023 and a further 30% increase in October 2023. We continue to focus on and manage these challenges as a business to ensure that our EGP component cost base remains well managed (circa 15% of the Group spend) and anticipate that while inflation remains a challenge in the short term, expect it to settle over the longer term.

FINANCIAL REVIEW CONTINUED

CAPITALISATION OF OPEN PIT WASTE-STRIPPING

The largest investment in 2023 was on the accelerated waste-stripping (deferred waste-stripping) which added US$90 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$1 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.

Refer to note 2.10 to the financial statements for further information.

STRONG BALANCE SHEET

Centamin closed the 2023 financial year with cash and liquid assets of US$153 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 and funded by Centamin, is recovered over three years, making these investments ideally suited for the structure of the RCF. Due to the strong operational performance supported by the gold price we were able to manage our investments without drawing on the RCF facility during 2023.

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 a key consideration 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 2023, a key focus was on improving operational efficiencies to achieve consistent operational performance with US$88 million spent on sustaining capital expenditure and US$116 million on non-sustaining, or 'growth' capital expenditure.

Impressive progress was made on project delivery as we achieved several further important milestones, most notable the successful implementation of the SAP (S4 HANA) ERP system which will greatly assist in centralising our accounting and internal control systems across the Group and will enable faster and more efficient reporting.

ACCELERATING BUSINESS TRANSFORMATION:

2023 has been pivotal in our ongoing digital transformation journey, marking a significant step in enhancing operational efficiency and financial oversight across our Group.

The successful implementation of SAP across our key operational areas – finance, procurement, human resources, and maintenance, marks a transformative step in our commitment to operational efficiencies, financial excellence and strategic growth.

Enhanced financial oversight

Integrating SAP's financial management solutions has started and will continue to evolve and transform our approach to fiscal operations, centralising financial activities across all our entities, enabling real-time, integrated financial reporting and providing greater transparency and control. This streamlined financial consolidation will facilitate strategic decision making, particularly in cost management, and is a good foundation for robust financial governance.

Revitalising procurement and supply chain management

SAP's advanced procurement solutions are expected to significantly enhance our procurement and supply chain management processes. This will lead to increased time and cost efficiencies and strengthened supplier relationships, further bolstering our supply chain resilience and strategic purchasing capabilities.

Human resources

The SAP suite has brought a new dimension to our human resources management. By automating and streamlining HR processes, we will enhance employee engagement and efficiency, whilst aligning our workforce strategy with our broader business objectives.

Transforming maintenance operations

A notable addition to our SAP integration is through our maintenance teams. The SAP Maintenance module will improve how we manage and optimise our maintenance activities. This integration ensures more efficient scheduling, tracking, and execution of maintenance tasks, and is expected to significantly reduce downtime and increase operational reliability. The enhanced visibility and control over maintenance operations will improve asset longevity and contribute to overall operational cost savings.

Future proofing our business

The strategic implementation of SAP solutions across our diverse operational areas signifies our commitment to leveraging technology for sustainable and scalable growth. This comprehensive digital transformation enhances our day-to-day operations, long-term strategic planning and execution capabilities.

As we move forward, the SAP implementation will continue to support the redefinition of our business processes and will be instrumental in driving our success whilst maintaining our commitment to excellence within our sector.

2023 DIVIDEND

Stakeholder, and specifically shareholder returns, are central to our Company strategy. We have built a ten-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 2023 as the final full year of reset of Sukari, the Board proposes a 2023 final dividend, for the year ended 31 December 2023 of 2.0 US cents per share (circa.US$23 million), bringing the proposed total dividend for 2023 to 4 US cents per share (circa.US$46 million):

- Interim 2023 dividend paid: 2.0 US cents per share
- Final 2023 dividend proposed: 2.0 US cents per share

The final 2023 dividend is subject to shareholder approval at the AGM on 21 May 2024 and following approval would be paid on 19 June 2024.

MANAGING OUR RISKS AND OPPORTUNITIES

In an unpredictable world, due to increasing macroeconomic and geopolitical pressures, you can read in the Principal Risks and Uncertainties on page 44 some of the main areas we consider to enable more effective decision making that supports the delivery of our objectives and improves our performance as a responsible mining company.

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 2024 as 2023, 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.

ROSS JERRARD
CHIEF FINANCIAL OFFICER

PRIMARY STATEMENTS HIGHLIGHTS

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Revenue	891,262	788,424

Revenue from gold and silver sales for the year increased by 13% year-on-year to US$891 million (2022: US$788 million) with the year-on-year average realised gold price also increasing by 9% to US$1,948 per ounce sold (2022: US$1,794 per ounce sold) complemented by a 4% increase in gold ounces sold of 456,625 ounces (2022: 438,638 ounces).

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Cost of sales	(596,836)	(544,075)

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 10% year-on-year to US$597 million, mainly as a result of:

- 35% increase (US$51 million) in depreciation and amortisation charge which increased from US$146 million to US$197 million (+ve), primarily due to the following drivers:
  - increase in the depreciation and amortisation base from new fixed assets capitalised during the year in addition to increased charges due to additional volumes moved; and importantly
  - SAP (S4 HANA) was implemented during the year, an extensive review process of the fixed asset components and useful lives was performed as part of the implementation and migration from the legacy system to the new SAP fixed asset register, this accelerated the depreciation of some assets resulting in a higher depreciation charge in the year as asset categories were depreciated at a much more granular component level.

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Dividend paid – non-controlling interest in SGM	(112,000)	(35,492)

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 2023 financial statements have been audited and signed off.

Refer to note 1.2.1.2 in the notes for details of the treatment and disclosure of the EMRA profit share.

FINANCIAL REVIEW CONTINUED

CAPITAL EXPENDITURE

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

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Underground exploration	9,225	8,636
Underground mine development	32,350	32,107
Other sustaining capital expenditure	46,241	124,162
Total sustaining capital expenditure	87,816	164,905
Non-sustaining exploration expenditure	2,947	3,539
Other non-sustaining capital expenditure(1)	113,348	115,099
Total gross capital expenditure	204,111	283,543
Less:		
Sustaining element of waste stripping capitalised(2)	(843)	(51,527)
Capitalised Right of Use Assets	(1,216)	(7,746)
Adjusted capital expenditure (after reclassification)	202,052	224,270

(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 2023 US$'000	Year ended 31 December 2022 US$'000
Greenfield exploration		
Burkina Faso	869	2,928
Côte d'Ivoire	25,226	25,120
Egypt – Eastern Desert Exploration	5,558	1,675
Total greenfield exploration expenditure	31,653	29,723
Brownfield exploration		
Sukari Tenement	12,172	12,175
Total brownfield exploration expenditure	12,172	12,175
Total exploration expenditure	43,825	41,898

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$2 million or 6% as more exploration and evaluation work specifically drilling and assaying at the two Côte d'Ivoire sites was done in 2023 as compared to 2022 as well as the expansion of exploration work in the Eastern Desert Exploration area under the new Egypt permit areas. The brownfield capitalised exploration costs on the the Sukari Mining Concession area remained flat year-on-year.

The spend in Burkina Faso was on key services, wind down procedures and other regulatory obligations to formally exit the country. The process to formally exit and wind-up the in country incorporated entities is at an advanced stage.

SUBSEQUENT EVENTS

As referred to in note 5.3 of the Group Consolidated Financial Statements, subsequent to the year end, the Board proposed a final dividend for 2023 of 2.0 US cents per share. Subject to shareholder approval at the Annual General Meeting on 21 May 2024, the final dividend will be paid on 19 June 2024 to shareholders on record date of 31 May 2024.

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 flows 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 under IFRS.

EBITDA excludes the impact of depreciation and amortisation, income from 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 fair value movements on derivative financial instruments, 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 2023 US$'000	31 December 2022 US$'000
Profit for the year before tax	195,140	171,001
Finance income	(4,127)	(1,214)
Finance costs	3,526	2,459
Depreciation and amortisation	198,127	146,769
EBITDA	392,666	319,015
Add back:		
Net fair value loss on derivative financial instruments	5,509	–
Adjusted EBITDA	398,175	319,015

FINANCIAL REVIEW CONTINUED

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 would choose 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.

RECONCILIATION OF CASH COST OF PRODUCTION PER OUNCE PRODUCED:

		31 December 2023	31 December 2022
Mine production costs (note 2.3)	US$'000	412,827	408,543
Less: Refinery and transport	US$'000	(1,871)	(2,324)
Movement in inventory[1]	US$'000	(17,133)	(3,673)
Cash cost of production – gold produced	US$'000	393,823	402,546
Gold produced – total (oz.)	oz	450,058	440,974
Cash cost of production per ounce produced	US$/oz	875	913

(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 2023	31 December 2022
Mine production costs (note 2.3)	US$'000	412,827	408,543
Royalties	US$'000	26,682	23,842
Movement in inventory[1]	US$'000	(9,536)	(6,789)
Cash cost of production – gold sold	US$'000	429,973	425,596
Gold sold – total (oz.)	oz	456,625	438,638
Cash cost of production per ounce sold	US$/oz	942	970

		31 December 2023[1]	31 December 2022[1]
Movement in inventory			
Movement in inventory – cash (above)	US$'000	(9,536)	(6,789)
Effect of depreciation and amortisation – non-cash	US$'000	22,855	17,448
Movement in inventory – cash & non-cash (note 2.3)	US$'000	13,319	10,659

(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 2023	31 December 2022
Mine production costs (note 2.3)	US$'000	412,827	408,543
Movement in inventory	US$'000	(9,536)	(6,789)
Royalties (note 2.3)	US$'000	26,682	23,842
Corporate administration costs	US$'000	33,110	24,282
Rehabilitation provision interest expense – unwinding of discount	US$'000	1,333	588
Sustaining underground development and exploration	US$'000	41,575	40,743
Other sustaining capital expenditure	US$'000	46,241	124,162
By-product credit	US$'000	(1,878)	(1,503)
All-in sustaining costs[1]	US$'000	550,354	613,868
Gold sold – total (oz.)	oz	456,625	438,638
AISC per ounce sold	US$/oz	1,205	1,399

(1) Includes refinery and transport.

FINANCIAL REVIEW CONTINUED

3) Cash and cash equivalents, bullion on hand and gold and silver sales debtor silver sales debtor and financial assets at fair value through profit or loss

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 AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

	31 December 2023 US$'000	31 December 2022 US$'000
Cash and cash equivalents (note 2.17(a))	**93,322**	102,373
Bullion on hand (valued at the year-end spot price)	**14,261**	24,440
Gold and silver sales debtor (note 2.8)	**44,917**	29,832
Derivative financial instruments	**654**	–
Cash and cash equivalents, bullion on hand, gold and silver sales debtor and financial assets at fair value through profit or loss	**153,154**	156,645

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 2023 US$'000	31 December 2022 US$'000[1]
Net cash generated from operating activities	**353,600**	292,524
Less:		
Net cash used in investing activities	**(198,768)**	(274,583)
Dividend paid – non-controlling interest in SGM	**(112,000)**	(35,492)
Free cash flow	**42,832**	(17,551)
Add back:		
Transactions completed through specific available cash resources[2]	**6,163**	–
Adjusted free cash flow	**48,995**	(17,551)

(1) The comparatives in the Consolidated Statement of Cash Flows for the year ended 31 December 2022 have been restated to reflect an increase of cash generated from operating activities of $2.5m, interest paid of $1.9m and a reduction of the effect of foreign exchange rate changes of $0.6m.

(2) Adjustments made to free cash flow, for example the cost of the put options under the gold price protection programme, acquisitions and disposals of financial assets at fair value through profit or loss, which are completed through specific allocated available cash reserves.