

SECTION 2.3.3

Operations Review

Fabergé Limited

Fabergé Limited (“Fabergé”) is one of the world’s most recognised luxury brand names, underscored by a well-documented and globally respected heritage. As a wholly owned subsidiary of Gemfields, Fabergé provides direct access to the end consumer of coloured gemstones through directly operated boutiques, international whole-sale partners, faberge.com and other online marketplaces, as well as boosting the international presence and perception of coloured gemstones through its consumer-focussed marketing campaigns.

FINANCIAL PERFORMANCE

Fabergé achieved record revenues of USD13.8 million in the year to 31 December 2021, compared to USD7.1 million in 2020 and USD10.5 million in 2019.

During the same period, Fabergé recorded a gross profit (calculated as revenue less change in inventory and cost of goods sold) of USD3.3 million (compared to USD3.9 million in 2020), and an EBITDA loss of USD4.9 million (compared to a loss of USD3.7 million in 2020). Operating expenses in the year were USD8.3 million (USD7.6 million in 2020).

POINTS OF SALE

For the year to 31 December 2021, Fabergé directly operated three points of sale: a concession in the Harrods Fine Jewellery Room, London, a mono-brand boutique located in The Galleria Mall, Houston, Texas, USA, which is the state’s premier retail destination, and a mono-brand boutique located in the world-famous Dubai Mall, Dubai, UAE.

Fabergé products were also available throughout partner-operated multi-brand boutiques in Albania, Andorra, Australia, Austria, Azerbaijan, Bahrain, Belgium, Canada, China, Czech Republic, Finland, France, Germany, Greece, India, Italy, Jordan, Japan, Kuwait, Malta, Moldova, New Zealand, Norway, Holland, Qatar, Romania, Saudi Arabia, Sint Maarten, South Africa, Spain, Switzerland, Portugal, Thailand, UAE, UK, Ukraine and the USA. The total number of Fabergé outlets increased from 81 to 116 during the year.

In addition, Fabergé products are also available for purchase online via Faberge.com, and a host of other third-party online market-places including Net-A-Porter, Saks, JD.com and TMall.com. In 2021, Fabergé has focussed on growing the number of third-party online marketplaces it sells through, which now significantly surpasses the pre-pandemic level.



IMAGE The Fabergé x Game of Thrones Egg, featuring a Gemfields Mozambican ruby



PRODUCT DEVELOPMENTS

To commemorate 100 years since Peter Carl Fabergé passed away, Fabergé crafted an extraordinary, one-of-a-kind egg objet. Handcrafted in 18k yellow gold, and weighing an astonishing 10 kg, this unique objet took inspiration from the first-ever Imperial egg, the 1885 Hen Egg, as well as the 1887 Third Imperial Egg. The Centenary Egg, set to be a future heirloom, features gold fluting, a technique for which Peter Carl Fabergé was renowned and which featured heavily in his early works of art. The egg is also set with spectacular Gemfields Mozambican rubies and Zambian emeralds, giving it a contemporary and colourful twist and complementing the white diamonds which line its circumference.

Fabergé also introduced the latest addition to its Visionnaire timepiece collection, the DTZ Dynamist – a new creation fusing the energy of movement with surprise. Featuring an award-winning movement developed exclusively for Fabergé, this timepiece elegantly merges modern technology with Fabergé’s culture and heritage. The

IMAGE Rachel Zegler wearing Fabergé featuring Gemfields Colours of Love Rings, featuring Gemfields Zambian emeralds, courtesy of Getty Images

design features a case comprising ceramic and titanium, complemented by a classic black fascia which, when coupled with the yellow gold elements, makes for a strong, contemporary, bold colour combination.

During the year Fabergé also expanded upon its chic, contemporary, *Colours of Love* collection to include new multi-coloured, fluted rings containing an array of vibrant coloured gemstone combinations.

MARKETING AND COMMUNICATIONS

In April 2021, in keeping with Fabergé’s iconic legacy of creating exquisite objets d’art, Fabergé announced to the world’s press the commission of its next Imperial class objet egg, through a unique collaboration with Warner Bros. to commemorate the extraordinary story of HBO’s award-winning television series Game of Thrones. This surprise collaboration fused Fabergé’s superior craftsmanship and artistic ingenuity with one of the 21st century’s most popular shows. This exquisite creation was unveiled for the first time at a star-studded event in Los Angeles in December 2021.

In addition to the Fabergé x Game of Thrones Egg, a number of other extraordinary objets were also revealed in 2021. In February, the release of the Fabergé x Craft Irish Whiskey Co. partnership set a world record for the world’s most expensive whiskey set. This set included a Fabergé Celtic Egg and Fabergé Altruist Timepiece. In May, the Fabergé Centenary Egg was revealed. This is a unique egg objet crafted from 10kg of yellow gold, commemorating 100 years since Peter Carl Fabergé passed away. In October, the Fabergé Majesty Clutch Bag was unveiled, marking the first time Fabergé has made a bag since 1917.

Fabergé had a strong year for celebrity dressing, working with the likes of Dua Lipa, Carrie Underwood, Olivia Culpo, Rachel Zegler, Rita Ora, Kim Petras, Abby Roberts, Julia Michaels, Indya Moore, Saweetie and Nathaniel Curtis, to name just a few.

A new jewellery collection, titled ‘Fabergé 1842’, was announced in May. This collection of 18k yellow gold fine jewellery celebrates the Fabergé hallmark, and was designed to be versatile for everyday wear and mixed-and-matched with other Fabergé creations to create a unique look.

Charitable endeavours were also a core focus for Fabergé in 2021, including partnerships with the Trans Wellness Centre, and the Gemfields Foundation.

Throughout 2021, Fabergé also maintained a blend of digitally focussed marketing to support online sales.