



# ADAMAS ONE CORP

The Original Lab-Grown Diamond Company™



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ADAMAS ONE CORP

June 2023

NASDAQ: JEWL

**INVESTOR PRESENTATION**

# FORWARD-LOOKING STATEMENTS

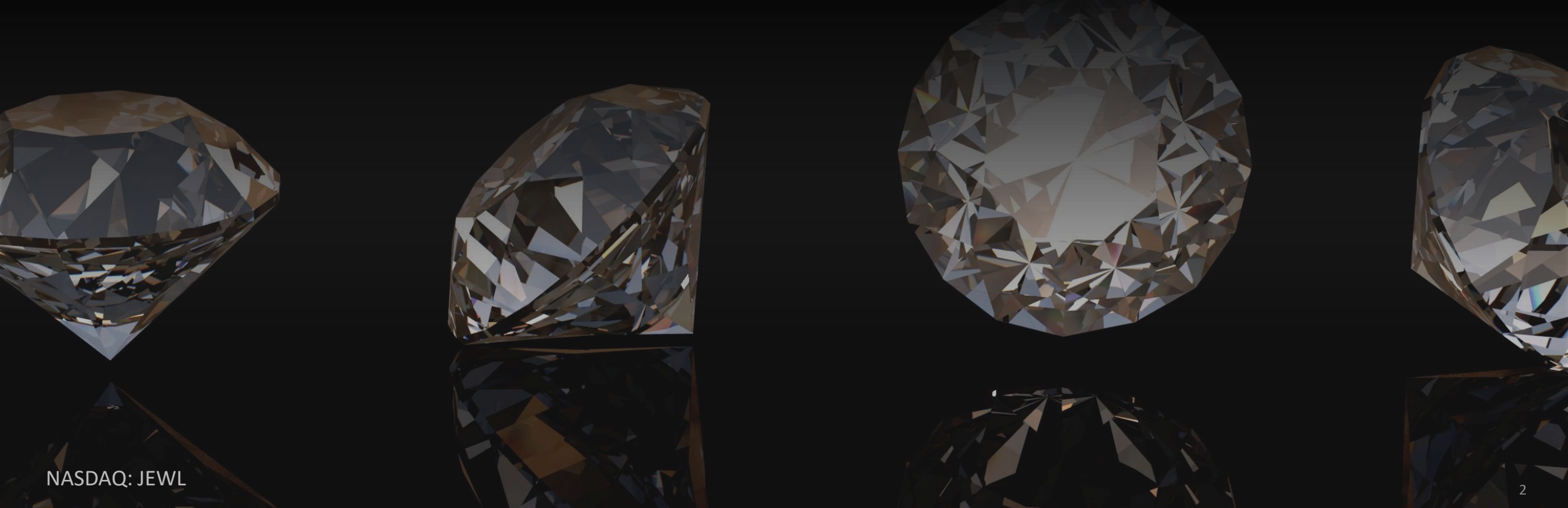
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ADAMAS ONE CORP

## Forward-Looking Statements

This presentation should be read in conjunction with the section captioned "Risk Factors" in the Company's prospectus referenced above. This presentation contains forward-looking statements or information regarding future events and the future results of Adamas One Corp. (the "Company") based on current expectations, estimates, forecasts, and projections about the markets in which the Company operates and current beliefs and assumptions of the Company's management. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "may," "will," or similar words, or in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts such as express predictions of future events and trends. The assumptions and estimates underlying these forward-looking statements are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in those statements. In sum, forward-looking statements should not be relied upon as necessarily being indicative of future results, and the inclusion of these statements should not be regarded as a representation that the results reflected therein will be achieved.



## The Original Lab Grown Diamond Company

Adamas One Corp. is a high-tech diamond company that utilizes proprietary technology to produce high-quality, single crystal diamonds and diamond materials through a CVD process. The company utilizes its Diamond Technology to produce finished diamonds to sell at wholesale and retail for jewelry and rough unfinished diamond materials to sell at wholesale and retail for industrial uses.

### LAB GROWN QUALITIES

- Lab-grown diamonds have the exact physical, chemical, and optical properties of the best mined diamonds
- Lab-grown diamonds are composed of a pure carbon lattice, just like mined diamonds, and are not considered synthetic or simulant diamonds like cubic zirconia and moissanite
- Lab grown diamonds offer flexibility for color & size combinations rarely found in nature
- Eco-friendly with minimal carbon footprint



# KEY INVESTMENT HIGHLIGHTS



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- State of the Art Technology that is proprietary and patent protected for both equipment and processes
- Potential \$100B retail market (TAM), addressed \$20B segment (SAM)
- 8.74% CAGR in the lab-grown industry through 2028
- Luxury manufacturers such as LVMH and DeBeers are pumping hundreds of millions of dollars into the lab-grown industry
- Lab-grown diamond market volume expected to be 19.2 million carats by 2030
- Scalable business model gives us the ability to enter new markets fast
- Vertically integrated and in a position to drive revenue and margins



# KEY METRICS



ADAMAS ONE CORP

**Stock Symbol: NASDAQ: JEWL**

**RECENT PRICE** *(as of 6/7/23)* \$0.91

**MARKET CAP** \$21M

**SHARES OUTSTANDING** *(as of 5/10/23)* 23.1M

**Avg Daily Volume** *(1-month)* 177K



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# NEW GROWTH SEGMENT IN ESTABLISHED MARKET

## Global Lab Grown Diamond Market Overview



### GLOBAL MARKET VALUE 2028

**32,743.34 (US\$MM)**

### GROWTH RATE

**8.74% CAGR (2021-2028)**

### KEY PLAYERS IN THE MARKET

Element Six UK Ltd. (De Beers Group), Sumitomo Electric Industries, Ltd., Swarovski AG, NEW DIAMOND TECHNOLOGY LLC, Pure Grown Diamonds, Sarine Group of Companies, Applied Diamond Inc., and others.

### GROWTH RATE

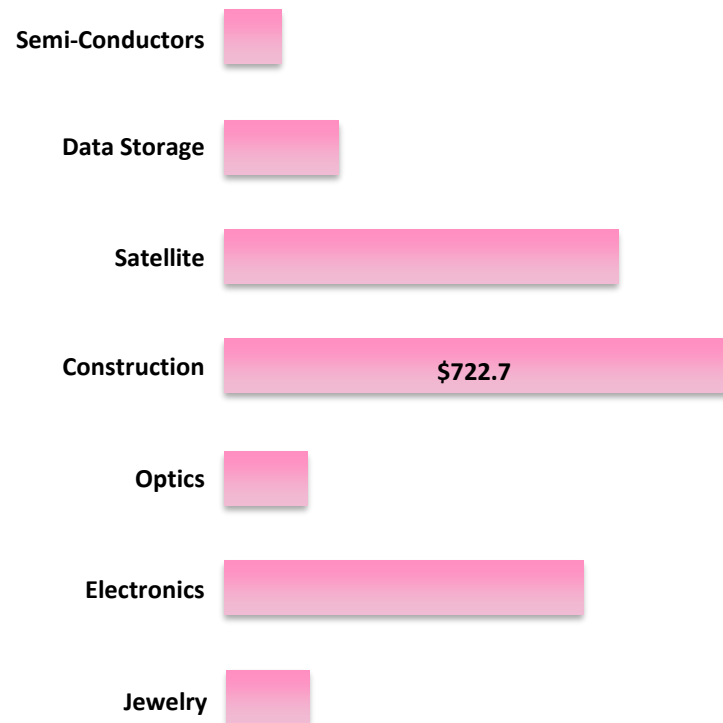
- Increasing demand for lab-grown diamonds from end-use industries

### CHALLENGES

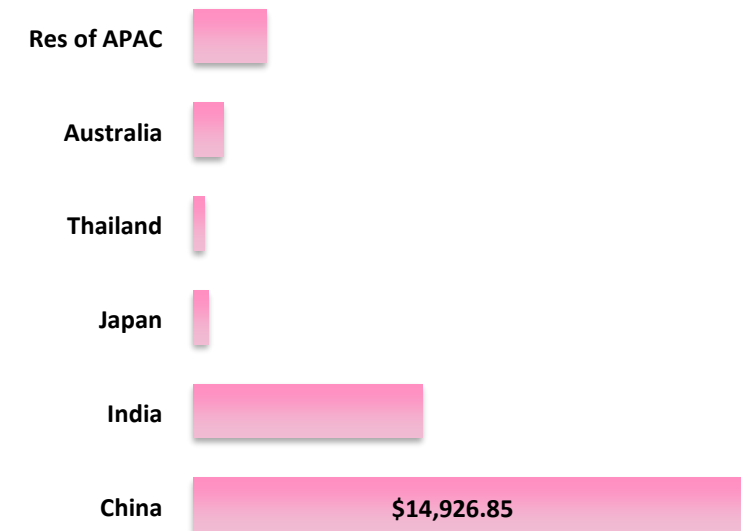
- Complex manufacturing process

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### GLOBAL MARKET VALUE (US\$MM), BY DISTRIBUTION CHANNEL, 2028



### ASIA PACIFIC MARKET VALUE (US\$MM), BY COUNTRY, 2028



Asia Pacific region to touch the largest revenue of USD 24,603.35 Million by the end of 2028 owing to the presence of nations, such as China, which is known to be the leading producer of synthetic industrial diamond worldwide.

# TRADITIONAL MINING INEFFICIENCIES



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## Natural Diamond mining has wreaked environmental havoc all over the world

- Significant ecological footprint that causes damaging effects on the Earth
- Causes soil erosion, which leads to deforestation and forces local populations to relocate
- In some cases, entire lakes have been removed in order to reach diamonds
- Mines are often built in environmentally fragile ecosystems, causing significant impact upon caribou, wolverines, bears, and fish that provide food for Aboriginal people
- Over 2,000,000 pounds of earth are moved to mine one carat of diamond, and less than 30% are gem quality
- The average engagement ring diamond size in 1920 was 0.30ct, and today the average is 1.25ct; larger stones are more difficult to source
- Mir Mine (pictured right) is 3,600ft in diameter with a depth of 1,575ft; because it is so large it has no-fly zone



Aikhal Mine – Russia  
Largest Diamond Mine in World



Mir Mine - Russia



Mir Mine - Russia

## ALLUVIAL

- Takes place in riverbanks, beaches and other secondary deposits
- Walls are built to divert the flow of water to collect it in one area
- Bulldozers are used to dig through the grounds of riverbanks once the water is removed from the rivers
- Diamonds often found in gravel layer



## ARTISANAL

- This is a form of alluvial mining except that there is a straining of mud
- Process takes longer due to the use of manual labor and low-tech mining equipment



## DIAMOND PIPE

- Secondary deposits used to trace primary source of pipe deposits
- Shanks inserted into ground when ore-bearing pipes are found
- Huge amounts of soil are extracted and brought to special plants for processing
- Includes open-pit and underground mining



## MARINE

- Impacts plankton reproduction, which form the base of the marine food web, could have wide-reaching effects on ocean life
- Introduces sediment clouds, noise, toxic chemicals, vibration and other forms of pollution into pristine environments. Ecosystem and species will take decades to centuries to recover



# ENVIRONMENTAL IMPACT



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- Improper regulations and oversight encourages mining companies to ruin and endanger the environment
- Contributes to soil erosion and creates agricultural destruction, since nutrients from the upper soil are removed, preventing future farming on the land
- Soil erosion causes deforestation and amplifies airborne dust pollution, which includes dust particles from toxic chemicals
- Carbon emissions from mined diamonds are 57,000 grams vs. 0.028 grams from Lab Grown Diamonds (Frost & Sullivan 2021)
- Polluted bodies of water destroy aquatic plants and animals. A mined diamond guzzles more than 126 gallons of water per carat (Frost & Sullivan 2021). Adamas One lab grown diamonds use approximately 2 ounces of water per carat
- Mining pits becomes filled with stagnant water, which become breeding grounds for mosquitoes and spread diseases like malaria and dengue fever



Finsch Mine - South Africa



Jwaneng Mine - Botswana



Udachny Mine - Russia



Koidu Mine - Sierra Leone

## Conflict “Blood” Diamonds – Funding Insurgencies and Wars

- Conflict diamonds are used by rebel forces to fund wars, whereas blood diamonds are mined by enslaved people
- 65% of the world’s diamonds originate from African countries - Sierra Leone, Angola, Liberia, Cote d'Ivoire, Congo, and Zimbabwe
- Miners work in slave-like conditions for long hours, earning merely pennies per day
- Zimbabwe: NGOs have reported thousands of children being forced to dig in diamond mines
- Blood diamonds are estimated to contribute to more than 70% of annual global production of mined diamonds
- Workers forced to use primitive back-breaking methods, such as digging into mud or gravel along riverbanks with bare hands
- These inhumane conditions have caused nearly 4 million deaths and displaced millions more from their homes
- Thousands of men, women, and children in countries like Sierra Leone are used as slaves to extract diamonds





## ADAMAS ONE

- We manufacture high-end single crystal diamonds that are colorless and near-colorless type 2A whites at high clarity
- Our U.S.-based operations grow eco-friendly, conflict-free diamonds in a controlled lab environment in Greenville, South Carolina
- Utilizing the technology and proprietary processes from our extensive patent portfolio, we can produce larger, high-quality diamonds at maximum capacity
- Our patented proprietary technology delivers more cost-effective lab-grown diamonds (with the lowest cost structure) than competitive lab-grown diamonds because our proprietary growers can precisely control diamond deposition over a larger growth area, resulting in large batches of diamonds



# PATH TO AN ADAMAS ONE LAB-GROWN DIAMOND



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Thin slices of diamond seeds are carefully prepared



Diamond seeds are loaded on proprietary grower plate in a reactor



Diamond growth in one of Adamas' proprietary reactors



White Diamond "core" that has been laser cut



Laser cut Diamond preform is sent for polish



Round Brilliant Cut 1.25 ct white diamond

## HIGHLIGHTS

- All R&D and manufacturing is performed at the company's state of the art facility located in Greenville, South Carolina
- Developmental focus on improving diamond quality, quantity, growth rates, and batch sizes using patented Diamond Technology
- Automated proprietary manufacturing processes (CVD) and equipment designed to enhance manufacturing facilities and reduce costs while increasing yield
- High scalability / low carbon footprint



## CVD PROCESS

- Adamas' heritage is directly linked to the invention of the CVD manufacturing process
- Designed and patented

## INTELLECTUAL PROPERTY

**8** Foreign Patents

**28** U.S. Patents

**36** TOTAL PATENTS

## PROPRIETARY INFORMATION AND TRADE SECRETS

- Custom-designed reactors and equipment
- Diamond recipes
- Seed recipes and replication
- Laser equipment and slicing techniques





## THE WALL STREET JOURNAL

THE FUTURE OF EVERYTHING

### Diamond Mines Are Drying Up. Are Lab-Grown Gems the Answer?

### Demand in US leads to 40% jump in lab-grown diamond exports in Aug

TNN / Sep 27, 2020, 04:00 IST



NEWS & TRENDS - HOW TO - MAGAZINE - SHOWS - AWARDS -

DIAMONDS / INDUSTRY

### The Argyle Diamond Mine Is Shutting Down

November 3, 2020 by ROB BATES

FUTURE PLANET | SUSTAINABILITY

### The sparkling rise of the lab grown diamond

WWD

### Lab-Grown Diamonds 'Poised to Reach Mass Market' as Popularity Grows



Misty White Sidell  
November 18, 2020 · 3 min read

Advertisement



### LVMH invests \$90 Million in lab-grown diamond company Lusix

Published June 14, 2022

Oct 30, 2020, 10:18am EDT | 3,538 views

### Lab-Grown Diamonds Need To Be On Every Jewelry Store's Shopping List



Pamela N. Danziger Senior Contributor

Retail

I study the world's most powerful consumers -- The American Affluent

INSTORE NEWS - INSTORE+ - EDUCATION - EVENTS - MORE -

BIG SURVEY

### More Than Half of Independent Jewelers Now Stocking Lab-Grown Diamonds

That's up from 10% just four years ago.



Published 2 months ago on November 1, 2020  
By INSTORE Staff

Bloomberg

### Real Diamond Jewelry for 50 Percent Less! Just Don't Call It Natural

The centuries-old diamond industry is getting shaken up by small producers and industry giants alike.

By Hyla Bauer

August 22, 2018 11:33 PM

# MARKET SUMMARY



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SEGMENT	SIZE	GROWTH 2021
Retail Diamond Jewelry	\$84B <sup>1</sup>	Decade high growth, 29%, above pre pandemic levels
Wholesale Polished Diamonds	\$34B <sup>4</sup>	Up 55% in 2021 <sup>1</sup>
Lab Grown Diamonds	\$19.3B <sup>2</sup>	High Estimated 9.4% from 2021 – 2030
Lab Grown Industrial	\$15B <sup>3</sup> (grit and polycrystalline) \$500B <sup>4</sup> (estimate large single crystal)	
<b>Total Addressable Market</b>	<b>+\$100B</b>	

NOTES:

- (1) Bain and Company, "The Global Diamond Industry, a Brilliant Recovery Shapes UP"
- (2) Allied Market Research, "Lab Grown Diamonds Market by Manufacturing Method, Size, Nature and Application: Global Opportunity Analysis and Industry Forecast, 2021 – 2030"
- (3) Transparency
- (4) Adamas One estimate

# STRONG GEMSTONE ECONOMICS

NUMBER OF GROWERS <i>PLATE SIZE</i>	Current Factory Economics	Factory In Transition & At Scale <sup>4</sup>		
	10 <sup>c</sup>  50% 4-inch	25  <i>Transition to 100% 6-inch<sup>1</sup></i>	50  <i>Transition to 100% 6-inch<sup>2</sup></i>	100  <i>Transition to 100% 6-inch<sup>3</sup></i>
Annual Revenue	\$10.2M	\$75M	\$150M	\$300M
Gross Profit	\$5.95M	\$48M	\$110M	\$220M
Gross Profit Margin	59%	64%	73%	73%
EBITDA <sup>5</sup>	\$2.3M	\$36.75M	\$90M	\$150+M
EBITDA Margin	33%	49%	60%	50+%

NOTES:

- (C) Current set up for production on 10 machines
- (1) Increase to 6 inch plate on 25 machines based on an \$8.5 million investment in new equipment
- (2) Increase to 6 inch plate on 50 machines based on an \$8.5 million investment in new equipment
- (3) Increase to 6 inch plate on full scale production of 100 machines
- (4) Assumes sales of rough diamonds only; does not contemplate strategic growth into new channels or efficiencies gained from vertical integration
- (5) EBITDA and excluding non-cash compensation and expense

## **John “Jay” Grdina – Chairman & Chief Executive Officer**

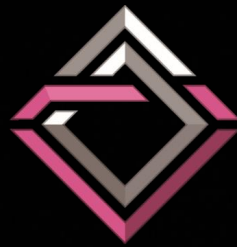
Mr. Grdina is the founder of Adamas One and has served as President, Chief Executive Officer, and Chairman of the Board since September 2018. Prior to founding the Company, Mr. Grdina was a founder of AMMO, Inc. (NASDAQ: POWW), a publicly traded ammunition company, where he served as Chief Marketing Officer from 2016 to 2019. From 2012 through 2015, Mr. Grdina served as a director and Chief Executive Officer of NOHO, Inc., a former publicly traded lifestyle beverage company. In 2008, Mr. Grdina helped create and the celebrity blogs TheDirty.com and Kikster.com. Mr. Grdina is the founder and former Chief Executive Officer of Club Jenna, Inc., which was sold to Playboy Enterprises in 2006. While at Playboy Enterprises from 2006 to 2009, Mr. Grdina was a Senior Vice President and the President of Production.

## **Steven Staehr – Chief Financial Officer**

Mr. Staehr has served as the company’s Chief Financial Officer since September 2019. Mr. Staehr served as Chief Financial Officer for Mix 1 Life, Inc., a former publicly traded nutritional supplement company, from October 2016 to August 2018 and served as the sole officer and director from February 2017 to August 2018. Mr. Staehr served as Chief Financial Officer of NOHO, Inc., a former publicly traded beverage company, from October 2013 to May 2015. Mr. Staehr served as sole officer and director of Monarchy Resources, Inc., a former publicly traded company, from June 2013 to August 2013. From 2007 to 2014, Mr. Staehr also served as Corporate Controller of Cash Systems, Inc., a publicly traded provider of cash access products and related services to the gaming industry until its merger with a subsidiary of Global Cash Access Holdings, Inc. in August 2008. Mr. Staehr served as Chief Financial Officer of Western Capital Resources, Inc., a publicly traded company operating in the cellular retail and consumer finance industries, from November 2007 to December 2008. Mr. Staehr served as a Senior Vice President of Encore Productions, a Las Vegas-based event planning and production entertainment and convention provider, from 1998 to 2007. From 1990 to 1998, Mr. Staehr served in various chief financial officer and principal accounting officer roles with several Las Vegas gaming companies, including MGM Mirage Resorts, Boyd Gaming, and Caesars World. Mr. Staehr worked with the public accounting firm Deloitte Touche Tohmatsu Limited until 1998 after attending the University of Nevada, Las Vegas, where he received a BSBA degree. Mr. Staehr is currently a licensed Certified Public Accountant in the state of Nevada.

## **Gerald McGuire – Chief Operating Officer**

Mr. McGuire brings over 30 years of executive and high-tech experience commercializing new technologies and delivering differentiated products to market. Mr. McGuire has started and grown profitable businesses and created lasting product brands. He is particularly adept at mastering new business models and managing businesses with high levels of R&D investment. Mr. McGuire’s semiconductor experience at Analog Devices, Inc and Fairchild Semiconductor as well as his lab-grown diamond experience with Scio Diamond, make him well-suited to drive the commercialization of lab-grown diamond at Adamas One.



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