



21 January 2025

ALSE: PDL

Petra Diamonds Limited

H1 FY 2025 Operating Update

Petra reports its operating results for the first half of FY 2025

Richard Duffy, Chief Executive Officer of Petra, commented:

"Petra delivered a solid operating performance in Q2 FY 2025, leading to total tonnes treated increasing 7% in H1 FY 2025 compared to H1 FY 2024. As a result, we are reiterating our FY 2025 production guidance of 2.8 – 3.1 Mcts for the Group.

Finsch's performance improved through the first half as mining successfully transitioned into fresher ore associated with the 78-Level Phase II, resulting in reduced dilution and more predictable operations, while Cullinan Mine and Williamson continued to perform well and according to plan. At Cullinan Mine, we continued to make good progress on the CC1E development project, with first contribution of higher grade ore taking place in the second quarter. This project is expected to ramp-up over the next 16-18 months.

In terms of safety, I am pleased that our safety performance has recovered following a temporary increase in LTIs and the LTIFR early in FY 2025, largely relating to the implementation of a new shift configuration at Finsch. Safety remains our top priority and we continue to focus on behaviour-based interventions in support of our goal of zero harm.

Our third Tender of FY 2025 showed ongoing diamond price weakness at the end of CY 2024, although we are encouraged by recent reports of stronger online jewellery demand in the US and stronger jewellery demand in India over the festive season and Diwali, respectively. This, together with reduced supply from the major producers and industry-wide marketing efforts, should help rebalance inventories. On the back of the last tender results, the continued demand weakness from China and the current product mix at Finsch, we have revised our FY 2025 pricing assumptions for Finsch from US 80/ct – US 90/ct to US 70/ct – US 80/ct.

We remain committed to our target of sustainable net cash generation from FY 2025 and have commenced additional cash generation and savings initiatives, as announced in our Tender 3 results. A multi-stream Restructuring Plan has been initiated, which includes fixed and variable labour cost reductions, non-labour cost reductions, capital optimisation and additional revenue generation initiatives. The Restructuring Plan will form the basis of re-engaging with our lenders to execute on refinancing our debt in 2025. Further details will be provided at our interim results in February 2025.

Notwithstanding the continued market weakness, our consolidated net debt reduced from US 285 million at Q1 FY 2025 to US 225 million at Q2 FY 2025, with the amount drawn on the RCF increasing by US 18 million from 30 June 2024 mainly due to the repurchase of bonds through the Open Market Repurchase Programme."

Highlights vs H1 FY 2024

- LTIFR and LTIs increased to 0.23 and 6, respectively (H1 FY 2024: 0.15 and 5, respectively) resulting in Petra implementing a number of behaviour-based interventions in Q2 FY 2025 improving health and safety performance
- Ore processed increased 7% to 6.2Mt from 5.8Mt, largely due to improved performance at Finsch and Williamson
- Total diamond production decreased marginally by 2% to 1.40Mcts from 1.43Mcts
- The South African Rand strengthened during the period, averaging ZAR17.93 : US 1 (H1 FY 2024: ZAR18.69 : US 1) following the post-election period, with a weakening trend resuming towards the end of CY 2024, closing at ZAR18.85 : US 1
- Revenue (including profit share agreements) amounted to US 146 million (H1 FY 2024: US 188 million)
 - Diamond sales in H1 FY 2024 benefitted from 456kcts of FY 2023 sale parcels that were deferred and sold in H1 FY 2024
 - Like-for-like prices were down 10% compared to H1 FY 2024 mainly from smaller size categories
- Consolidated net debt increased to US 225 million as at 31 December 2024 (30 June 2024: US 201 million), mainly due to the continued weak diamond market and timing of tender sales, with three tenders scheduled for H1 FY 2025 and four tenders for H2 FY 2025. The effect of the lower diamond pricing environment was partly offset by cost control and efficiencies in capital spend profiles

Operating Summary

Safety, sales and production	Unit	H1 FY 2025			H1 FY 2024		
		Q2	Q1	Total	Q2	Q1	Total
Safety							
LTIFR	-	0.16	0.28	0.23	0.18	0.12	0.15

LTI's	Number	2	4	6	3	2	5
Å	Å	Å	Å	Å	Å	Å	Å
Sales	Å	Å	Å	Å	Å	Å	Å
Diamonds sold	Carats	1,215,515	85,449	1,300,964	727,189	932,431	1,659,620
Revenue ¹	US m	124	23	146	90	98	188
Å	Å	Å	Å	Å	Å	Å	Å
Production	Å	Å	Å	Å	Å	Å	Å
ROM tonnes	Tonnes	2,842,305	3,112,645	5,954,950	2,875,410	2,717,486	5,592,896
Tailings and other tonnes	Tonnes	110,625	98,002	208,627	96,235	91,008	187,243
Total tonnes treated	Tonnes	2,952,930	3,210,647	6,163,577	2,971,645	2,808,494	5,780,139
Å	Å	Å	Å	Å	Å	Å	Å
ROM diamonds	Carats	655,770	630,768	1,286,538	694,884	652,021	1,346,905
Tailings and other diamonds	Carats	65,144	48,857	114,001	36,018	44,618	80,636
Total diamonds	Carats	720,914	679,625	1,400,539	730,902	696,639	1,427,541

¹ Revenue reflects proceeds from the sale of rough diamonds and excludes revenue from profit share arrangements

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Our revised pricing assumptions for FY 2025 are:

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US per carat	FY 2025 Previous	FY 2025 Revised
Cullinan Mine	120 â€" 130	120 â€" 130
Finsch	80 â€" 90	70 â€" 80
Williamson	170 â€" 200	170 â€" 200

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Future diamond prices are influenced by a range of factors outside of Petraâ€™s control and so these assumptions are internal estimates only and no reliance should be placed on them. The Companyâ€™s pricing assumptions will be considered on an ongoing basis and may be updated as appropriate.

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INVESTOR WEBCASTS

Webcast presentation for institutional investors and analysts at 09:30am GMT today

Petraâ€™s CEO, Richard Duffy, CFO, Johan Snyman, and Chief Restructuring Officer (â€"CROâ€"), Vivek Gadodia, will host a webcast for institutional investors and analysts to discuss this operating update.

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Lines will be open from 09:15am GMT and participants are encouraged to register early to avoid queues around the start time of 09:30am GMT.

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To join: <https://events.teams.microsoft.com/event/f94c5334-91de-49d7-9e21-98996e39ca09@3c08cd12-de9b-4814-9ea3-392066758217>

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Link for recording (available later in the day):Å

<https://www.petradiamonds.com/investors/results-reports/>

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Investor Meet CompanyÅwebcast atÅ 14.30pm GMTÅ today

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Petra's CEO, Richard Duffy, CFO, Johan Snyman, and CRO, Vivek Gadodia, will also present these results live on theÅ Investor Meet CompanyÅ platform, predominantly aimed at retail investors.

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To join:Å <https://www.investormeetcompany.com/petra-diamonds-limited/register-investor>

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FURTHER INFORMATION

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Companyâ€™s portfolio incorporates interests in two underground mines in South Africa (Cullinan and Finsch Mines) and one open pit mine in Tanzania (Williamson).

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Petra's strategy is to focus on value rather than volume production by optimising recoveries from its high-quality asset base in order to maximise their efficiency and profitability. The Group has a significant resource base which supports the potential for long-life operations.

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Petra strives to conduct all operations according to the highest ethical standards and only operates in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-

economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

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Petra is quoted on the Main Market of the London Stock Exchange under the ticker 'PDL'. The Company's loan notes, due in 2026, are listed on EuroNext Dublin (Irish Stock Exchange). For more information, visit www.petradiamonds.com.

Corporate and financial summary 31 December 2024

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Â	Unit	As at 31 December 2024	As at 30 September 2024	As at 30 June 2024	As at 31 March 2024	As at 31 December 2023
Â	Â		Â	Â	Â	Â
Cash at bank â€" (including restricted amounts)Â¹	US m	42	36	40	37	75
• Petra Group (excl. Williamson)	US m	52	47	47	42	85
• Williamson	US m	(10)	(11)	(7)	(5)	(10)
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Diamond debtors	US m	â€"	â€"	31	11	8
Diamond inventories²	US m Carats	40 385,878	92 880,479	32 286,303	71 671,989	54 483,142
2026 Loan Notes³	US m	225	245	246	256	249
Bank loans and borrowings⁴	US m	43	76	25	24	47
Consolidated Net Debt⁵	US m	225	285	201	232	212
Bank facilities undrawn and available⁴	US m	50	26	72	69	8

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Note: The following exchange rates have been used for this announcement: average for 6MFY 2025 US 1: ZAR17.93 (FY 2024: US 1: ZAR18.71); closing rate as at 31 December 2024 US 1: ZAR18.85 (30 June 2024: ZAR18.19; 31 March 2024 US 1: ZAR18.92; 31 December 2023: US 1: ZAR18.28; and 30 September 2023: ZAR18.92).

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Notes:

- The Group's cash balances excluding Williamson comprise unrestricted balances of US 35 million, and restricted balances of US 17 million.
- Recorded at the lower of cost and net realisable value.
- The 2026 Loan Notes, originally issued following the capital restructuring (the â€"Restructuringâ€") completed during March 2021, have a carrying value of US 225 million which represents the outstanding principal amount of US 186 million (after the repurchases concluded during H1 FY 2025) plus US 42 million of accrued interest and is stated net of unamortised transaction costs capitalised of US 3 million. During H1 FY 2025, Petra purchased and cancelled 2026 Loan Notes with a nominal value of US 24 million through an open market repurchase programme.
- Bank loans and borrowings represent the Group's ZAR1.75 billion (US 93 million) revolving credit facility (RCF). In August and September 2024, the Group drew down ZAR855 million (c. US 48 million) from the RCF as a result of the deferral of South African goods from Tender 1 FY 2025. ZAR500 million (c. US 28 million) was repaid during November and December 2024. As at 31 December 2024, a total of ZAR805 million (US 43 million) was drawn leaving a further balance of ZAR945 million (US 50 million) available for drawdown.
- Consolidated Net Debt is bank loans and borrowings plus loan notes, less cash and diamond debtors.

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Mine-by-mine tables:

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Cullinan Mine â€" South Africa

Â	Â	H1 FY 2025			H1 FY 2024		
	Unit	Q2	Q1	Total	Q2	Q1	Total
Sales	Â	Â	Â	Â	Â	Â	Â
Revenue	US m	69	9	78	46	51	97
Diamonds sold	Carats	640,050	19	640,069	345,867	519,362	865,229
Average price per carat	US	108	450,928	121	131	98	112
Â	Â	Â	Â	Â	Â	Â	Â
ROM Production	Â	Â	Â	Â	Â	Â	Â
Tonnes treated	Tonnes	1,107,787	1,089,570	2,197,357	1,078,409	1,137,435	2,215,844
Diamonds produced	Carats	331,079	314,126	645,205	331,349	318,261	649,610
Grade¹	Cpht	29.9	28.8	29.4	30.7	28.0	29.3
Â	Â	Â	Â	Â	Â	Â	Â
Tailings Production	Â	Â	Â	Â	Â	Â	Â
Tonnes treated	Tonnes	110,625	98,002	208,627	96,235	91,008	187,243
Diamonds produced	Carats	65,143	48,847	114,000	36,018	44,618	80,636
Grade¹	Cpht	58.9	49.9	54.6	37.4	49.0	43.1
Â	Â	Â	Â	Â	Â	Â	Â
Total Production	Â	Â	Â	Â	Â	Â	Â
Tonnes treated	Tonnes	1,218,412	1,187,572	2,405,984	1,174,644	1,228,443	2,403,087

Diamonds produced	Carats	396,222	362,983	759,205	367,367	362,879	730,246
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Note: 1. Petra is not able to precisely measure the ROM/ tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.

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Finsch â€“ South Africa

Å	Å Unit	H1 FY 2025			H1 FY 2024		
		Q2	Q1	Total	Q2	Q1	Total
Sales	Å	Å	Å	Å	Å	Å	Å
Revenue	US m	36.9	-	36.9	28	39	67
Diamonds sold	Carats	473,314	-	473,314	298,889	375,214	674,103
Average price per carat	US	78	-	78	94	104	99
Å	Å	Å	Å	Å	Å	Å	Å
ROM Production	Å	Å	Å	Å	Å	Å	Å
Tonnes treated	Tonnes	532,849	477,267	1,010,116	635,872	544,140	1,180,012
Diamonds produced	Carats	236,222	204,238	440,460	276,842	259,864	536,706
Grade	Cpht	44.3	42.8	43.6	43.5	47.8	45.5

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Williamson â€“ Tanzania

Å	Å Unit	H1 FY 2025			H1 FY 2024		
		Q2	Q1	Total	Q2	Q1	Total
Sales	Å	Å	Å	Å	Å	Å	Å
Revenue	US m	18	14	32	17	8	24
Diamonds sold	Carats	102,151	85,430	187,581	82,432	37,856	120,288
Average price per carat	US	174	164	170	201	203	202
Å	Å	Å	Å	Å	Å	Å	Å
ROM Production	Å	Å	Å	Å	Å	Å	Å
Tonnes treated	Tonnes	1,201,668	1,545,808	2,747,476	1,161,129	1,035,911	2,197,040
Diamonds produced	Carats	88,469	112,404	200,873	86,693	73,896	160,589
Grade ¹	Cpht	7.4	7.3	7.3	7.5	7.1	7.3

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Capital expenditure breakdown

US m	H1 FY 2025			FY 2024 Å
Å	Extension	Stay-in-Business	Total	Total
Cullinan Mine	16	1	17	48
Finsch	11	2	13	25
Williamson	0	6	6	10
Total	27	9	36	83

Notes:

1. The following definitions have been used in this announcement:
 - a. cpht: carats per hundred tonnes
 - b. LTIs: lost time injuries
 - c. LTIFR: lost time injury frequency rate, calculated as the number of LTIs multiplied by 200,000 and divided by the number of hours worked
 - d. FY: financial year ending 30 June
 - e. CY: calendar year ending 31 December
 - f. H: half of the financial year
 - g. ROM: run-of-mine (i.e. production from the primary orebody)
 - h. m: million
 - i. Mt: million tonnes
 - j. Mcts: million carats
 - k. ktc: thousand carats

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