



# PetraDiamonds

20 February 2024

LSE: PDL

## Petra Diamonds Limited

### Interim results for the six months ended 31 December 2023

#### Building a resilient business through improved efficiencies and cost control

Petra Diamonds Limited ("Petra" or the "Company" or the "Group") announces its unaudited interim results for the six months ended 31 December 2023 (the "Period" or "H1 FY 2024").

#### Richard Duffy, Chief Executive Officer at Petra Diamonds commented:

*"Petra has reacted swiftly to diamond market uncertainty, taking steps to improve resilience through ongoing cost and capital optimisation. Whilst we believe that prices have now bottomed, we expect pricing to recover more slowly than initially thought. We continue to see a supportive market in the medium to longer-term.*

*We are on track to deliver the US\$75 million cash savings announced in November 2023, with cost savings expected to contribute c.US\$10 million. We are replanning the resumption of our capital projects to deliver a smoothed capital and growth profile, with a commensurately lower cost structure to be sustainably net cash generative from FY 2025.*

*We have progressed towards our target of a zero harm workplace in delivering an improved LTIFR of 0.15 in H1 FY2024 as compared to 0.19 in H1 FY2023 and 0.24 for the full year FY 2023. Production at Cullinan Mine has largely stabilised and the ramp-up at Williamson is now complete. Post-period end, as a result of underground mechanical issues at Finsch, Group production in FY 2024 is expected to be 2.75 – 2.85Mcts, compared to prior guidance of 2.9 to 3.2Mcts.*

*We have also commenced trials to further support the traceability of our product. We believe that offering verifiable origin and provenance has potential to significantly enhance the purchase experience, highlighting the inherent rarity and uniqueness of natural diamonds to consumers."*

#### Mining and processing costs in-line with expectations; reduction in capex owing to project deferrals with further reductions expected in H2 FY 2024

- Revenue amounted to US\$187.8 million (H1 FY 2023: US\$208.5 million) with no contribution from profit share arrangements in the Period (H1 FY 2023: US\$1.4 million)
- The average realised price per carat in H1 FY 2024 was US\$113/ct, in line with prices achieved in H2 FY 2023 but down 29% from US\$159/ct in H1 FY 2023, partly driven by a 13.3% reduction in like-for-like prices with the balance due to product mix
- Adjusted mining and processing costs remained within expectations despite inflationary pressures. The year-on-year increase was largely attributable to diamond inventory release following the deferral of diamond sales from FY 2023, while cash on-mine costs remained largely flat
- Adjusted EBITDA (excluding discontinued operations) reduced to US\$38.9 million (H1 FY 2023: US\$85.7 million) due to lower revenues and an increase in mining and processing costs driven by diamond inventory release; although the EBITDA margin reduced from 41% in H1 FY 2023

to 21% in the Period, the margin was only slightly below the 23% margin recorded in H2 FY 2023 at similar price levels

- Basic loss per share from continuing operations of US\$4.87 and US\$4.72 on an adjusted basis after accounting for non-controlling interests
- Capital expenditure reduced to US\$50.5 million, down from US\$51.9 million in H1 FY 2023 and US\$65.2 million in H2 FY 2023
- Operational free cash outflow of US\$21.1 million compared to US\$12.5m inflow in H1 FY 2023, due mainly to lower average prices received on diamond sales in H1 FY 2024, but improving from the US\$79.0 million outflows recorded in H2 FY 2023, partially attributed to the deferral of sales from H2 FY 2023
- During December 2023, the Company announced Absa Bank's approval to increase commitments under the existing ZAR 1 billion (c. US\$53m) revolving credit facility to ZAR1.75 billion (c. US\$93m), providing an additional c. US\$40 million of liquidity headroom; this increase in the facility is now fully available following execution and completion of the associated amendment agreement
- Unrestricted cash increased to US\$56.6 million (from US\$44.1 million at 30 June 2023) largely due to the US\$45.5 million drawdown on the Company's revolving credit facility and US\$29.4 million of cash generated from operations (H1 FY 2023: US\$63.4 million), partly offset by US\$50.5 million of capital expenditure (H1 FY 2023: US\$50.9 million) and US\$12.0 million of net cash finance charges for the Period (H1 FY 2023: US\$1.3 million net cash finance income with the Loan Notes coupon settled via PIK)
- Consolidated net debt increased to US\$212.4 million from US\$176.8 million as at 30 June 2023 due to negative operational free cash flow, cash coupon settlement on the Loan Notes, working capital funding for the resumption of mining at Williamson and continued capital expenditure, albeit slightly curtailed following the project deferrals announced in November 2023
- In December 2023, Petra announced the potential sale of Koffiefontein after entering into a Non-Binding Term Sheet. The Company continues to work closely with the prospective buyer, the Department of Mineral Resources and Energy, community representatives and other key stakeholders and will provide further updates as appropriate

## Summary of financial results

US\$m unless stated otherwise	H1 FY 2024	H1 FY 2023 <sup>2</sup> (restated)	H2 FY 2023 <sup>2</sup>	FY 2023 <sup>2</sup>
Rough diamonds sold (carats)	1,659,620	1,304,969	1,024,848	2,329,817
Revenue	187.8	208.5	116.8	325.3
Average realised price per carat (US\$/carat)	113	159	114	139
Adjusted mining and processing costs	144.1	118.5	83.6	202.1
Adjusted EBITDA <sup>1</sup>	38.9	85.7	27.4	113.1
Adjusted EBITDA margin (%) <sup>1</sup>	21%	41%	23%	35%
Adjusted (loss) / profit before tax <sup>1</sup>	(16.0)	40.5	(32.2)	8.3
Adjusted net (loss) / profit after tax <sup>1</sup>	(11.5)	26.1	(28.4)	(2.3)
Net loss after tax	(11.3)	(17.6)	(84.8)	(102.4)
Basic loss per share (USc)	(4.87)	(9.86)	(28.24)	(38.10)
Adjusted basic (loss) / earnings per share <sup>1</sup> (USc)	(4.72)	9.46	(12.42)	(2.96)
Capital expenditure	50.5	51.9	65.2	117.1
Operational free cash flow <sup>1</sup>	(21.1)	12.5	(79.0)	(66.5)
Consolidated net debt <sup>1</sup>	212.4	90.2	176.8	176.8
Unrestricted cash & available facilities	64.8 <sup>3</sup>	189.2	97.2	97.2
Consolidated net debt : Adjusted EBITDA <sup>1</sup>	3.2x	0.5x	1.6x	1.6x

Note 1: For all non-GAAP measures refer to the Summary of Results table within the Financial Results section below

Note 2: During FY 2023, Koffiefontein was placed on care and maintenance activities in the run-up to a responsible closure. Koffiefontein was classified as a discontinued operation in FY 2023 as it has been 'abandoned' in terms of IFRS 5. For comparative purposes, the relevant H1 FY 2023 results have been re-presented to exclude Koffiefontein.

Note 3: In December 2023, the Group announced that Absa Bank had approved an increase in the commitments under the Group's revolving credit facility by ZAR750 million. This increase was subject to the completion of an amendment to the existing facility agreement, which became effective 15 February 2024. The ZAR750 million increase has been excluded from the numbers in the table above.

## Safety

5 lost time injuries (LTIs) were recorded, a 29% decrease on the prior year Period, which translated to a lost time injury frequency rate (LTIFR) of 0.15 per 200,000 hours worked. Petra continues to strive towards a zero-harm environment in focusing on behaviour-based intervention programmes across its operations

## Adjusted profit contribution per mine

US\$ millions	H1 FY 2024 <sup>1</sup>					H1 FY 2023 Restated <sup>1,2</sup>				
	CDM	FDM	WDL	Central	Total	CDM	FDM	WDL	Central	Total
<b>Revenue</b>	<b>96.5</b>	<b>67.0</b>	<b>24.3</b>	—	<b>187.8</b>	<b>104.1</b>	<b>55.3</b>	<b>49.1</b>	—	<b>208.5</b>
Adjusted mining and processing costs <sup>3</sup>	(60.5)	(56.7)	(26.9)	—	(144.1)	(38.3)	(37.3)	(43.2)	0.3	(118.5)
Other direct income/(expenses)	0.6	—	0.2	—	0.8	—	0.5	0.1	—	0.6
<b>Adjusted profit from mining activities</b>	<b>36.7</b>	<b>10.2</b>	<b>(2.4)</b>	—	<b>44.5</b>	<b>65.8</b>	<b>18.5</b>	<b>6.0</b>	<b>0.3</b>	<b>90.6</b>
<i>Adjusted profit margin</i>	<i>38%</i>	<i>15%</i>	<i>-10%</i>		<i>24%</i>	<i>63%</i>	<i>33%</i>	<i>12%</i>		<i>43%</i>
Other corporate income										
Adjusted Group G&A	Not allocated per mine					Not allocated per mine				
<b>Adjusted EBITDA<sup>1</sup></b>										
	<b>38.9</b>					<b>85.7</b>				

Note 1: For all non-GAAP measures refer to the Summary of Results table within the Financial Results section below.

Note 2: H1 FY 2023 re-presented to exclude Koffiefontein which is classified as a discontinued operation.

Note 3: Adjusted mining and processing costs include certain technical and support activities which are conducted on a centralised basis; these include sales & marketing, human resources, finance and supply chain, technical, and other functions. For purposes of above, these costs have been allocated 60% to Cullinan Mine and 40% to Finsch. For more information, refer to operational cost reconciliation available on the analyst guidance pages on our website.

Adjusted profit from mining activities decreased 51% to US\$44.5 million (H1 FY 2023: US\$90.6 million), mainly due to diamond prices being 29% lower and higher costs owing to the release of inventory during H1 FY 2024 as a result of the deferral of the June 2023 tender to H1 FY 2024

## Capital expenditure breakdown

US\$ millions	H1 FY 2024 <sup>1</sup>					H1 FY 2023 Adjusted <sup>1</sup>				
	Cullinan Mine	Finsch	Williamson	Central	Total	Cullinan Mine	Finsch	Williamson	Central	Total
Extension	22.8	11.7	—	—	34.5	20.1	18.2	—	—	38.3
Stay in Business	4.5	4.2	6.6	0.7	16.0	3.5	4.9	3.2	2.0	13.6
<b>Total</b>	<b>27.3</b>	<b>15.9</b>	<b>6.6</b>	<b>0.7</b>	<b>50.5</b>	<b>23.6</b>	<b>23.1</b>	<b>3.2</b>	<b>2.0</b>	<b>51.9</b>

Note 1: H1 FY 2023 adjusted to exclude Koffiefontein, which is classified as a discontinued operation.

Total capital expenditure amounted to US\$50.5 million for the Period mainly due to the ongoing underground extension projects at both Cullinan Mine and Finsch. These extension projects were affected by the deferrals to capital programmes announced by the Company during H1 FY 2024.

## Group production summary

Below is a summary of Group production for H1 FY 2024 (excluding Koffiefontein)

Production		H1 FY 2024	H1 FY 2023
ROM tonnes	Tonnes	5,592,896	5,156,124
Tailings and other tonnes	Tonnes	187,243	187,252
<b>Total tonnes treated</b>	<b>Tonnes</b>	<b>5,780,139</b>	<b>5,343,376</b>
ROM diamonds	Carats	1,346,905	1,331,816
Tailings and other diamonds	Carats	80,636	61,563
<b>Total diamonds</b>	<b>Carats</b>	<b>1,427,541</b>	<b>1,393,379</b>

## Group pricing assumptions FY 2024

Given the likely slower recovery in diamond prices, we have slightly lowered our FY 2024 pricing assumptions as reflected in the table below. Future diamond prices are influenced by a range of factors outside of Petra's control and so these assumptions are internal estimates only and no reliance should be placed on them. The Company's pricing assumptions will be considered on an ongoing basis and may be updated as appropriate.

US\$ per carat	Previous Oct 2023	Current Feb 2024
Cullinan Mine	110 – 130	105 – 125
Finsch	100 – 115	95 – 110
Williamson	225 – 250	200 – 225

## Outlook

Given the revised diamond pricing assumptions, we are focusing on improved business resilience. Work is ongoing to further optimise costs and future extension capital expenditure, the results of which will be presented at an Investor event later in 2024, along with details of the life-of-mine potential of Petra's assets.

In respect of FY 2024 Group production guidance, unforeseen underground mechanical issues which emerged at Finsch post-Period end, relating to the protracted replacement of a winder rope and accelerated wear on the chute feeding the material sizer on 78 level, are likely to see Group production for the year being between 2.75 and 2.85 Mcts compared to the previous guidance of 2.9 to 3.2Mcts.

The traceability of natural diamonds is a priority for the Company, and the group continues to monitor consumer requirements for greater transparency around provenance. The G7 requirement for certification of origin, due to be phased in by September 2024, further supports the need for traceability and verification. Petra is now trialling technologies to enable tracing of our diamonds from

mine-to-finger, which will considerably enhance our product offering by giving consumers confidence in the provenance of our diamonds.

## RESULTS PRESENTATION DETAILS

Richard Duffy, CEO, and Jacques Breytenbach, CFO, will present the results to investors and analysts.

### Webcast presentation at 9.30am GMT

To join: <https://stream.brrmedia.co.uk/broadcast/65c638d23542db7be03f7c82>

### Recording of presentation

A recording of the webcast will be available later today on Petra's website at:

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

### Investor Meet Company presentation at 2.00pm GMT

Petra will present the results on the Investor Meet company platform, predominantly aimed at retail investors. To join: <https://www.investormeetcompany.com/petra-diamonds-limited/register-investor>

## INSIDE INFORMATION

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of Petra by the Company Secretary.

## FURTHER INFORMATION

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## ABOUT PETRA DIAMONDS

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in three underground mines in South Africa (Cullinan Mine, Finsch and Koffiefontein) and one open pit mine in Tanzania (Williamson). The Koffiefontein mine is currently on care and maintenance in preparation for sale or closure.

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.

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.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL'. The Company's loan notes due in 2026 are listed on the Irish Stock Exchange and admitted to trading on the Global Exchange Market. For more information, visit [www.petradiamonds.com](http://www.petradiamonds.com)

## FINANCIAL RESULTS

### SUMMARY RESULTS (unaudited)

	6 months to 31 December 2023 ("H1 FY 2024")	(Restated) 6 months to 31 December 2022 ("H1 FY 2023") <sup>8</sup>	Year ended 30 June 2023 ("FY 2023")
	US\$ million	US\$ million	US\$ million
Revenue	187.8	208.5	325.3
Adjusted mining and processing costs <sup>1</sup>	(144.1)	(118.5)	(202.1)
Other net direct mining income / (expense)	0.8	0.6	(0.5)
<b>Adjusted profit from mining activity<sup>2</sup></b>	<b>44.5</b>	<b>90.6</b>	<b>122.7</b>
Other corporate income	0.4	0.5	1.0
Adjusted corporate overhead <sup>3</sup>	(6.0)	(5.4)	(10.6)
<b>Adjusted EBITDA<sup>4</sup></b>	<b>38.9</b>	<b>85.7</b>	<b>113.1</b>
Depreciation and Amortisation	(42.9)	(37.1)	(80.5)
Share-based payment expense	(0.7)	(0.9)	(2.3)
Net finance expense	(11.3)	(7.2)	(22.0)
<b>Adjusted (loss) / profit before tax</b>	<b>(16.0)</b>	<b>40.5</b>	<b>8.3</b>
Tax credit / (charge) (excluding taxation credit on unrealised foreign exchange gain / (loss)) <sup>5</sup>	4.5	(14.4)	(10.6)
<b>Adjusted net (loss) / profit after tax<sup>6</sup></b>	<b>(11.5)</b>	<b>26.1</b>	<b>(2.3)</b>
Impairment (charge) / reversal – operations and other receivables <sup>7</sup>	—	(3.5)	52.7
Impairment charge – operations and non-financial receivables <sup>7</sup>	—	—	(37.6)
Transaction costs and acceleration of unamortised costs on partial redemption of Notes <sup>9</sup>	—	(9.0)	(9.1)
Gain on extinguishment of Notes	—	—	0.6
Williamson tailings facility - remediation costs	—	(5.9)	(10.7)
Williamson tailings facility - accelerated depreciation	—	(5.2)	(5.2)
WDL blocked parcel inventory write down and related receivable recognition <sup>14</sup>	—	—	(12.5)
WDL receivable recognition <sup>14</sup>	—	—	12.4
Movement in provision for unsettled and disputed tax claims	—	—	0.3
Human rights IGM claims provision and transaction costs of settlement agreement	(0.6)	—	(8.5)
Net unrealised foreign exchange gain / (loss)	0.7	(14.1)	(29.4)
Taxation (charge) / credit on unrealised foreign exchange gain / loss <sup>5</sup>	(0.3)	0.2	1.2
Taxation charge on impairment reversal	—	—	(13.8)
<b>Loss from continuing operations</b>	<b>(11.7)</b>	<b>(11.4)</b>	<b>(61.9)</b>
Profit / (loss) on discontinued operations, net of tax <sup>8</sup>	0.4	(6.2)	(40.5)
<b>Net loss after tax</b>	<b>(11.3)</b>	<b>(17.6)</b>	<b>(102.4)</b>
<b>Earnings per share attributable to equity holders of the Company – US cents</b>			
Basic loss per share – from continuing and discontinued operations	<b>(4.69)</b>	<b>(12.23)</b>	<b>(54.21)</b>
Basic loss per share – from continuing operations	<b>(4.87)</b>	<b>(9.86)</b>	<b>(38.10)</b>
Adjusted (loss) / profit per share <sup>10</sup>	<b>(4.72)</b>	<b>9.46</b>	<b>(2.96)</b>

		As at 31 December 2023	As at 31 December 2022	As at 30 June 2023
	Unit	(US\$ million)	(US\$ million)	(US\$ million)
Cash at bank – (including restricted amounts)	US\$m	75.3	146.6	61.8
Diamond debtors	US\$m	8.1	4.9	8.9
Diamond inventories <sup>14</sup>	US\$m /Cts	53.5 483,142	59.9 540,153	65.9 715,222
Loan notes (issued March 2021) <sup>11</sup>	US\$m	249.2	241.7	247.5
Bank loans and borrowings <sup>11</sup>	US\$m	46.5	—	—
Consolidated net debt <sup>12</sup>	US\$m	212.4	90.2	176.8
Bank facilities undrawn and available <sup>11</sup>	US\$m	8.2	58.8	53.1
Consolidated net debt : Adjusted EBITDA (rolling twelve months)		3.2x	0.5x	1.6x

**The following exchange rates have been used for this announcement: average for H1 FY 2024 US\$1: ZAR18.69 (H1 FY 2023: US\$1: ZAR17.32; FY 2023: US\$1: ZAR17.77); closing rate as at 31 December 2023 US\$1: ZAR18.28 (31 December 2022: US\$1: ZAR17.00, 30 June 2023: US\$1: ZAR18.83).**

**Notes:**

The Group uses several non-GAAP measures above and throughout this report to focus on actual trading activity by removing certain non-cash or non-recurring items. These measures include adjusted mining and processing costs, profit from mining activities, adjusted EBITDA, adjusted net profit after tax, adjusted earnings per share, adjusted US\$ loan note, and consolidated net debt for covenant measurement purposes. As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies. The Board believes that such alternative measures are useful as they exclude one-off items such as the impairment charges and non-cash items to provide a clearer understanding of the underlying trading performance of the Group.

- Adjusted mining and processing costs are mining and processing costs stated before depreciation and amortisation and Williamson tailings facility remediation costs.

	6 months to 31 December 2023 ("H1 FY 2024")	(Restated) 6 months to 31 December 2022 ("H1 FY 2023") <sup>8</sup>	Year ended 30 June 2023 ("FY 2023")
	US\$ million	US\$ million	US\$ million
Mining and processing costs	186.5	166.4	297.6
Depreciation and Amortisation	(42.4)	(42.0)	(84.8)
Williamson tailings facility - remediation costs	—	(5.9)	(10.7)
<b>Adjusted mining and processing costs</b>	<b>144.1</b>	<b>118.5</b>	<b>202.1</b>

- Adjusted profit from mining activities is revenue less adjusted mining and processing costs plus other direct mining income.
- Adjusted corporate overhead is corporate overhead expenditure less corporate depreciation costs, share-based expense and non-recurring costs related to the tender offer transaction and the IGM claims.

	6 months to 31 December 2023 ("H1 FY 2024")	(Restated) 6 months to 31 December 2022 ("H1 FY 2023") <sup>8</sup>	Year ended 30 June 2023 ("FY 2023")
	US\$ million	US\$ million	US\$ million
Corporate expenditure including settlement costs	7.8	7.4	22.9
Depreciation and Amortisation	(0.5)	(0.3)	(0.8)
Share-based payment expense	(0.7)	(0.9)	(2.3)
Tender offer transaction costs	—	(0.8)	(0.7)
Human rights IGM claims provision and transaction costs of settlement agreement	(0.6)	—	(8.5)
<b>Adjusted corporate overhead</b>	<b>6.0</b>	<b>5.4</b>	<b>10.6</b>



4. *Adjusted EBITDA is stated before depreciation, amortisation of right-of-use asset, share-based payment expense, net finance expense, tax credit/(charge), impairment reversal/(charges), expected credit loss release/ (charge), recovery of fees relating to investigation and settlement of human rights abuse claims, Williamson tailings facility remediation costs and accelerated depreciation, unrealised foreign exchange gains and losses and discontinued operations.*
5. *Tax credit/(charge) is the tax credit/(charge) for the Period excluding taxation (charge)/credit on unrealised foreign exchange gains/(losses) generated during the Period; such exclusion more accurately reflects resultant adjusted net profit.*
6. *Adjusted net (loss)/profit after tax is net (loss)/profit after tax stated before impairment (charge)/reversal, Williamson tailings facility remediation costs and accelerated depreciation, recovery of fees relating to investigation and settlement of human rights abuse claims net unrealised foreign exchange movements for the Period and related tax adjustments.*
7. *Impairment of US\$nil million (30 June 2023: US\$15.1 million reversal and 31 December 2022: US\$3.5 million charge) was due to the Group's impairment review of its operations and other receivables. Refer to note 5 for further details. The impairment of US\$nil million comprises an impairment reversal of US\$0.2 million (H1 FY 2023: US\$3.5 million charge) relating to VAT receivable at Williamson. This is offset by an impairment charge of US\$0.2 million relating to outstanding proceeds amounting to US\$0.2 million on the disposal of Sekaka Diamonds to Botswana Diamonds in FY 2021.*
8. *The profit on discontinued operations reflects the results of the Koffiefontein operation (net of tax), including impairment of US\$nil, (30 June 2023: US\$40.5 million charge and 31 December 2022: US\$0.3 million charge). H1 FY 2023 results have been re-presented for comparability as per the requirements of IFRS 5 for an abandoned operation; refer to Note 11.*
9. *Transaction costs and acceleration of unamortised costs on partial redemption of Notes during H1 FY 2023 comprise transaction costs of US\$0.8 million included within Corporate expenditure and US\$8.3 million in respect of the redemption premium and acceleration of unamortised costs included within Finance expense.*
10. *Adjusted EPS from continuing operations is stated before impairment reversal, gain on extinguishment of Notes net of unamortised costs, acceleration of unamortised costs on Notes, Williamson tailings facility remediation costs and accelerated depreciation, costs relating to investigation and settlement of human rights abuse claims, net unrealised foreign exchange gains and losses, and excluding taxation credit on net unrealised foreign exchange gains and losses and excluding a taxation charge on impairment reversals.*
11. *The 2026 US\$336.7 million loan notes, originally issued following the capital restructuring (the "Restructuring") completed during March 2021, have a carrying value of US\$249.2 million which represents the outstanding principal amount of US\$209.7 million (after the early participation phase of the debt tender offers as announced in September and October 2022) plus US\$48.2 million of accrued interest and net of unamortised transaction costs capitalised of US\$8.7 million.*  
*Bank loans and borrowings represent the Group's ZAR1.0 billion (US\$54.7 million) revolving credit facility. In December 2023, the Group announced that Absa Bank had approved an increase in the commitments under the Group's revolving credit facility by ZAR750 million, bringing the total commitments under the facility to ZAR1.75 billion (US\$95.7 million). This increase in the facility is now fully available following execution and completion of the associated amendment agreement on 15 February 2024. The amended facility's existing covenants, margin, fees, and maturity date remain unchanged. A total of ZAR850 million (US\$46.5 million) is currently drawn leaving a further balance of ZAR900 million (US\$49.2 million) available for drawdown under the upsized facility. The ZAR750 million increase has been excluded from the numbers in the table above.*
12. *Consolidated Net Debt is bank loans and borrowings plus loan notes, less cash and less diamond debtors.*
13. *Operational free cashflow is defined as cash generated from operations less capital expenditure.*
14. *Diamond inventories for periods prior to 30 June 2023 include the 71,654.45 carat Williamson parcel of diamonds blocked for export during August 2017, with a carrying value of US\$12.5 million. Under the Framework Agreement entered into with the Government of Tanzania (GoT) in December 2021, it is stated that the proceeds from the sale of this parcel are to be applied to the Williamson mine to assist with the restart of operations and that, in the event such proceeds are not received by Williamson, WDL is not required to pay a US\$20 million liability relating to the settlement of past tax disputes. During discussions in FY 2023, the GoT confirmed that the blocked parcel was partially sold during FY 2023 and this parcel was excluded from diamond inventories and expensed to other direct mining expense with the calculated fair value proceeds of US\$12.3 million for the blocked parcel recognised as other direct mining income and trade and other receivables in the Group's FY 2023 financial statements. During these discussions, the parties also confirmed their intent to resolve the treatment of the blocked parcel sale proceeds and the related US\$20 million settlement liability.*

## Revenue

H1 FY 2024 amounted to US\$187.8 million (H1 FY 2023: US\$208.5 million), comprising revenue from rough diamond sales of US\$187.8 million (H1 FY 2023: US\$207.1 million) and no revenue from profit share agreements (H1 FY 2023: US\$1.4 million).

H1 FY 2024 revenue from rough diamond sales decreased 9% to US\$187.8 million (H1 FY 2023: US\$207.1 million) as result of like-for-like prices being down 13.3% compared to H1 FY 2023 sales, with the balance of revenue movements attributable to increased sales volumes and product mix.

## Mining and processing costs

The mining and processing costs for H1 FY 2024 comprised on-mine cash costs as well as other operational expenses. A breakdown of the total mining and processing costs for the Period is set out below.

On-mine cash costs increased by US\$3.4 million (2.9%) compared to H1 FY 2023, in line with expectations, due to:

- Increased direct production expenditure due to higher production volumes (3.4% increase)
- Inflationary increases (4.5% increase)
- Above-inflation increases in electricity and labour (1.2% increase)

Offset by:

- Weaker ZAR leading to an associated reduction in USD reported costs (5.5% decrease)
- Cost reduction efforts (0.7% decrease)

Royalties decreased to US\$2.9 million (H1 FY 2023: US\$3.7 million) driven by reduced revenues.

## Adjusted profit from mining activities

Adjusted profit from mining activities decreased 51% to US\$44.5 million (H1 FY 2023: US\$90.6 million). The decrease was largely attributable to weaker diamond prices and diamond inventory release following deferral of diamond sales from FY 2023, while cash on-mine costs remained largely flat.

### *Adjusted corporate overhead – general and administration*

Corporate overhead (before depreciation and share based payments) increased to US\$6.0 million for the Period (H1 FY 2023: US\$5.4 million).

## Adjusted EBITDA

Adjusted EBITDA, being profit from mining activities less adjusted corporate overhead, decreased 55% to US\$38.9 million (H1 FY 2023 US\$85.7 million), representing an adjusted EBITDA margin of 21% (H1 FY 2023: 41%) driven by weaker diamond prices.

### *Depreciation and amortisation*

Depreciation and amortisation for the Period increased to US\$42.9 million (H1 FY 2023: US\$37.1 million), due to higher depreciable value of assets at Finsch following the US\$52.7 million impairment reversal processed at 30 June 2023.

### *Impairment reversal / charge*

Impairment reviews carried out at the Cullinan, Finsch and Williamson Mines did not result in an impairment charge or reversal for operational assets during the Period (H1 FY 2023: US\$nil).

During the Period, an impairment reversal of US\$0.2 million (H1 FY 2023: US\$3.5 million charge) relating to VAT receivables at Williamson was recognised in the Condensed Consolidated Income Statement. This was offset by an impairment charge of US\$0.2 million relating to outstanding

proceeds amounting to US\$150,000 on the disposal of Sekaka Diamonds to Botswana Diamonds in FY 2021.

#### *Net financial expense*

Net financial expense of US\$10.6 million (H1 FY 2023: US\$29.5 million) comprises:

<i>US\$ million</i>	<b>H1 FY 2024</b>	<b>H1 FY 2023</b>
Interest received on BEE loans and other receivables	2.8	2.2
Interest received bank deposits	2.8	1.7
Foreign exchange gains on settlement of forward exchange contracts	2.6	7.1
Net foreign exchange gains	0.5	—
<i>Offset by:</i>		
Interest on senior secured second lien notes, bank loans and overdrafts	(16.6)	(13.6)
Other debt finance costs, including BEE loan interest, facility fees and IFRS 16 charges	(1.7)	(1.5)
Unwinding of the present value adjustment for Group rehabilitation costs	(1.0)	(3.1)
Acceleration of unamortised bank facility and Notes transaction costs	—	(8.2)
Net foreign exchange losses	—	(14.1)
<b>Net financial expense</b>	<b>(10.6)</b>	<b>(29.5)</b>

#### *Tax credit / charge*

The tax credit of US\$4.2 million (H1 FY 2023: US\$14.2 million tax charge) comprised a deferred tax credit of US\$4.6 million (H1 FY 2023: US\$14.0 million deferred tax charge) and a net current tax charge of US\$0.3 million (H1 FY 2023: US\$0.2 million). The deferred tax credit of US\$4.6 million (H1 FY 2023: US\$14.0 million charge) comprised a deferred tax credit of US\$4.9 million (H1 FY 2023: US\$14.4 million charge) in respect of the reversal of temporary differences at the Cullinan, Finsch and Williamson Mines and a US\$0.3 million deferred tax charge (H1 FY 2023: US\$0.2 million credit) relating to unrealised foreign exchange gains during the Period, which reduced existing deferred tax liabilities. The current tax charge of US\$0.3 million (H1 FY 2023: US\$0.2 million) includes a current tax charge of US\$nil (H1 FY 2023: US\$nil) and a US\$0.3 million (H1 FY 2023: US\$0.2 million) prior year under provision of current tax at Williamson.

The current period effective tax rate is higher than the South African tax rate of 27% (the Group's primary tax paying jurisdiction) primarily due to foreign exchange losses and permanent differences as a result of the loss making companies (within the Group) where deferred tax assets on operating losses are not recognised. When consolidated, this increases the Group's overall loss before tax resulting in an increased effective tax rate.

#### *Earnings per share*

Basic loss per share from continuing operations of USc4.87 was recorded (H1 FY 2023: USc9.86).

Adjusted loss per share from continuing operations (adjusted for impairment charges, transaction costs and accelerated unamortised costs, taxation credit on net unrealised foreign exchange losses and net unrealised foreign exchange gains and losses) of USc4.72 was recorded (H1 FY 2023: USc9.46 - earnings (adjusted for impairment charges, taxation charge on net unrealised foreign exchange gains and net unrealised foreign exchange gains and losses)).

#### *Operational free cash flow*

During the Period, operational free cash outflow of US\$21.2 million (H1 FY 2023: inflow US\$11.7 million) reflects the impact from reduced revenues coupled with continued increased capital expenditure. This cash flow performance was further impacted by:

- US\$2.6 million inflow (H1 FY 2023: US\$4.1 million inflow) of net realised foreign exchange gains;
- US\$12.5 million (H1 FY 2023: US\$nil) coupon payment related to the Company's Loan Notes following the cessation of the two-year PIK (Payment in Kind) coupon payment period during H2 FY 2023.

### *Cash and Diamond Debtors*

As at 31 December 2023, Petra had cash at bank of US\$75.3 million (H1 FY 2023: US\$146.6 million). Of these cash balances, US\$56.6 million was held as unrestricted cash (H1 FY 2023: US\$130.4 million), US\$17.9 million was held by Petra's reinsurers as security deposits on the Group's cell captive insurance structure (with regards to the Group's environmental guarantees) (H1 FY 2023: US\$15.4 million) and US\$0.8 million was held by Petra's bankers as security for other environmental rehabilitation bonds lodged with the Department of Mineral Resources and Energy in South Africa (H1 FY 2023: US\$0.8 million).

Diamond debtors as at 31 December 2023 were US\$8.1 million (H1 FY 2023: US\$4.9 million).

### *Loans and Borrowings*

The Group had loans and borrowings (measured under IFRS) at Period end of US\$295.8 million (H1 FY 2023: US\$241.7 million) comprised of US\$249.2 million of Second Lien Notes (net of unamortised transaction costs of US\$8.7 million) and a drawdown of bank loans and borrowings of US\$46.5 million (H1 FY 2023: US\$nil). Bank debt facilities undrawn and conditionally available to the Group as at 31 December 2023 were US\$49.2 million (H1 FY 2023: US\$58.8 million), following an increase in the Company's Revolving Credit Facility amounting to ZAR750 million (US\$41.0 million) during the Period, with final amendment agreements executed and completed after Period end. Refer to note 6 for further details relating to the movement in loans and borrowings during the Period.

Consolidated net debt as at 31 December 2023 was US\$212.4 million (H1 FY 2023: US\$90.2 million).

### *Covenant Measurements attached to banking facilities*

The Company's covenants associated with its banking facilities are as outlined below:

- To maintain a Consolidated Net Debt: Adjusted EBITDA ratio tested semi-annually on a rolling 12-month basis
- To maintain an Interest Cover Ratio (ICR) tested semi-annually on a rolling 12-month basis
- To maintain minimum 12 month forward looking liquidity requirement that consolidated cash and cash equivalents (excluding diamond debtors) shall not fall below US\$20.0 million

The Company's covenant levels, which have not been breached during the Period under review, for the respective measurement periods are outlined below:

	FY23 H1	FY23 H2	FY24 H1	FY24 H2	FY25 H1	FY25 H2	FY26 H1
Consolidated Net Debt : EBITDA Leverage ratio ( <i>maximum</i> )	4.00	3.50	3.50	3.25	3.25	3.00	3.00
Interest Cover Ratio (ICR) ( <i>minimum</i> )	1.85	2.50	2.50	2.75	2.75	3.00	3.00

For further detail on the SA Lender facilities refer to Note 6 below.

### *Going concern considerations*

The Board has reviewed the Group's forecasts with various sensitivities applied, for the 18 months to June 2025, including both forecast liquidity and covenant measurements. As per the First Lien agreements, the liquidity and covenant measurements exclude contributions from Williamson's trading results and only recognise cash distributions payable to Petra upon forecasted receipt, or Petra's funding obligations towards Williamson upon payment.

The Board has given careful consideration to potential risks identified in meeting the forecasts under the review Period. The following sensitivities (in addition to the Base Case) have been performed in assessing the Group's ability to operate as a going concern as at the date of these results:

- A 10% decrease in forecast rough diamond prices from January 2024 to June 2026
- A 5% strengthening in the forecast South African Rand (ZAR) exchange rate against the US Dollar from January 2024 to June 2026
- A 5% increase in operating costs from January 2024 to June 2026
- Combined sensitivity: prices down 5% and ZAR stronger by 5% from January 2025 to June 2026 (effectively resulting in opex and total capex up by 5% in USD terms)

Except for the liquidity covenant measured at June 2025, the forecast covenant measurements for the base case and each of the sensitised cases do not project any breaches for any of the covenants during the 18-month review period to June 2025. The liquidity covenant for the base and each of the sensitised cases projects a breach in June 2025 because of the liquidity covenant being a 12 month forward looking covenant. Consequently, the liquidity covenant review period extends to June 2026. The projected liquidity covenant breach in June 2025 is due to both the RCF and the 2L debt currently maturing and assumed to be settled in January and March 2026 respectively, thereby indicating a liquidity breach during Q1 CY 2026. As previously stated, the Group may have to refinance the full outstanding 2L debt of c. US\$250 million, which is likely to be pursued prior to the debt becoming a current liability in March 2025. The Group remains confident in its ability to refinance its debt on the back of the underlying operational cashflow generation, as well as strong net cashflow generation projection post the deferred peak extension project capital period of FY 2025 to FY 2027. The outcome of a refinance, however, remains outside of the Group's control and therefore constitutes a material uncertainty. If the Group is unable to successfully refinance the existing debt on account of the willingness of existing Noteholders and/or the terms and conditions of such a refinance or new debt instrument, the Group may have to resort to an equity raise or asset sales to settle its obligations. The Group is of the view that a successful equity raise would be supported by the long-term resource potential at both Cullinan Mine and Finsch, extending their current mine plans to mid-2030s and beyond.

The Board is of the view that despite the current market volatility being experienced, the supply / demand fundamentals of the diamond market remain intact.

Based on its assessment of the forecasts, principal risks and uncertainties and mitigation actions considered available to the Group, including steps already undertaken or planned to be undertaken by management to improve resilience in the business, in the event of downside sensitivities, the Board confirms that it is satisfied that the Group will be able to continue to operate and meet its liabilities as they fall due over the next 18-month period.

However, the Board recognises the risks associated with persisting market volatility which may lead to lower diamond prices for longer, as well as the risk to refinancing the Group's 2L debt, given this remains outside of the Group's control. These factors indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Financial Statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

See 'Basis of preparation including going concern' in the Financial Statements for further information.

## PRINCIPAL BUSINESS RISKS

The Group is exposed to a number of risks and uncertainties which could have a material impact on its long-term development, and performance and management of these risks is an integral part of the management of the Group.

A summary of the risks identified as the Group's principal external, strategic and operational risks (in no order of priority), which may impact the Group over the next 12 months is listed below.

External Risks	Change in FY 2024: H1
<p><b>1. Rough diamond prices</b> Risk appetite: High Risk Rating: Severe Nature of risk: Long term</p>	<p><b>Higher</b> – Continued softer prices resulting from elevated inventory levels in the mid-stream, prolonged weakness in the Chinese market, lab-grown diamond sales in the bridal jewellery segment and higher interest rates impacting the mid-stream resulted in like-for-like prices decreasing by 13.3% in H1 FY 2024 compared to sales in H1 FY 2023.</p> <p>Actions taken by major producers to curb supply and the two month Indian moratorium that came to an end on 15 December 2023, together with strengthened retail sales in the US, have improved market conditions as inventory levels across the pipeline have started to rebalance. This saw Tender 3 of FY 2024 delivering a 19.3% increase in like-for-like prices compared to Tender 2 of FY 2024, reaffirming Petra's belief that diamond prices have likely bottomed. However, the Company continues to adopt a cautious approach to the market in the near-term, with prices likely to remain volatile and ongoing discipline by major producers being key to providing some price stability for CY 2024.</p> <p>In December 2023, G7 members announced import restrictions on non-industrial diamonds, mined, processed or produced in Russia, with such restrictions coming into effect on 1 January 2024 and to be followed by further phased restrictions on the import of Russian diamonds processed in third countries. It remains to be seen what impact these restrictions may have on pricing.</p>
<p><b>2. Currency</b> Risk appetite: High Risk Rating: Medium Nature of risk: Long term</p>	<p><b>No change</b> – Support from a weaker South African Rand continued throughout the period, with the Rand averaging ZAR 18.69: US\$1 (H1 FY 2023: ZAR 17.32 : US\$1). The Rand's weakness is due to a combination of domestic South African factors and positively impacted Petra's H1 FY 2024 financial results.</p>
<p><b>3. Country and political</b> Risk appetite: High Risk Rating: Medium Nature of risk: Long term</p>	<p><b>No change</b> – The risk of political instability remains in South Africa and with a general election due in 2024, is expected to increase. Country and political risk in Tanzania remains lower due to the positive economic and structural changes implemented by the Government which were well received by the international community. Internationally, increased geopolitical risks resulting from the Middle East conflict and the continuing war in Ukraine are impacting other principal risks, in particular Rough Diamond Prices, Currency and Group Liquidity (see above and below).</p>
Strategic Risks	Change in FY 2024: H1
<p><b>4. Group Liquidity</b> Risk appetite: Medium Risk Rating: High Nature of risk: Short to long term</p>	<p><b>Higher</b> – Softening rough diamond prices (see above) have adversely impacted Petra's liquidity position in H1 FY 2024. This resulted in the Company announcing, in November 2023, certain amendments and deferrals to capital projects and operating and group cost savings which are targeting aggregate cash savings of up to US\$75m by June 2024. The replanning and value-engineering work associated with the deferred capital projects continues and once completed, the Company will inform the market of the expected impact on forward looking guidance. Following the operational challenges experienced at the Cullinan, Finsch and Williamson mines in FY 2023 and the impact this had on Petra's liquidity, production in H1 FY 2024 has largely stabilised, although certain issues experienced at Finsch post period-end may see the Company falling marginally short of earlier production guidance for FY 2024. Consolidated net debt increased to US\$212.3 million as at 31 December 2023 (30 June 2023: US\$176.8 million) due to the timing of closing the Company's sales tenders, the continued lower diamond pricing environment, working capital funding for the resumption of mining at Williamson and the increasing capex spend profile to extend the life of our operations at the Cullinan and Finsch mines.</p> <p>Absa Bank has approved a ZAR750 million (c. US\$40 million) increase in commitments under Petra's Revolving Credit Facility which, once completed, will improve Petra's liquidity position and its operational and sales flexibility in the event of a weaker-for-longer diamond market.</p>

	<p>Petra has also entered into a non-binding term sheet on an exclusive basis with an interested party for the potential sale of the Koffiefontein mine. If the sale does not complete, then Petra intends to proceed with its decommissioning, rehabilitation and closure programme for this mine. A successful sale or decommissioning and closure process will contribute to improved liquidity.</p> <p>As described in the 'Basis of preparation including going concern' in the Financial Statements, certain factors indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.</p>
<p><b>5. Licence to operate: regulatory and social impact &amp; community relations</b>  Risk appetite: Medium  Risk Rating: Medium  Nature of risk: Long term</p>	<p><b>No Change</b> – At Cullinan Mine, two projects were successfully handed over to the community, while eight community projects have been approved focusing on disability, food security and sports activities to promote social cohesion within the Cullinan communities. At Finsch, two informal settlement projects were completed and handed over to the Local Municipality as part of SLP3.</p> <p>At Koffiefontein, there were slight delays in the implementation of some SLP3 projects, whilst others were completed creating temporary employment opportunities. The DMRE has agreed to engage with community members on the delivery of Koffiefontein SLP projects regarding certain community grievances. The first phase of the Home Ownership Program at Koffiefontein was completed resulting in the sale by Petra of 96 houses out of 163 to current and former employees who did not previously own houses.</p> <p>WDL made significant progress on various remediation initiatives to address the impact of the TSF failure. The payment of compensation to project affected persons (PAPs) was completed, as were grave re-locations, cash crop top-ups and final food parcel distributions.</p> <p>The IGM continues to investigate historic allegations of severe human rights impacts in connection with security operations at Williamson, having implemented various actions to address findings from the IGM's pilot phase (completed towards the end of FY 2023) and the Independent Monitors' initial report which was published in October 2023.</p> <p>The risk of illegal mining at Williamson is ongoing, given the nature and scale of the operation and challenges associated with securing such a large perimeter. During H1 FY 2024, a total of 599 incidents of illegal incursions onto the Williamson mine lease area were reported, with 27 illegal miners, 7 security officers and 4 police officers sustaining minor injuries and 81 illegal miners being apprehended.</p>
<p><b>Operating Risks</b></p>	<p><b>Change in FY 2024: H1</b></p>
<p><b>6. Mining; production (including ROM grade and product mix volatility)</b>  Risk appetite: Medium  Risk Rating: High  Nature of risk: Long term</p>	<p><b>Higher</b> – Ore processed increased 8% to 5.8Mt largely due to the successful ramp-up of production at Williamson. Total diamond production increased 2% to 1.43 million carats mainly due to resuming operations at Williamson and increased ROM contribution at Finsch, partially offset by slightly lower grades at the Cullinan Mine. Post-Period end, as a result of underground mechanical issues at Finsch, Group production in FY 2024 is expected to be 2.75 – 2.85Mcts, compared to prior guidance of 2.9 to 3.2Mcts.</p> <p>Lower grades at the Cullinan Mine have continued due to the C-Cut cave maturity and earlier than anticipated waste ingress. Several mitigating actions are underway to address these grade issues, including:</p> <ul style="list-style-type: none"> <li>• tailings treatment has been maximised to partially offset lower carats from the C-Cut;</li> <li>• the re-opening of Tunnel 36 (which has already occurred) and Tunnel 41; and</li> <li>• as part of the CC1E project, continuing to develop the 813 and 833 Levels of the Sub-Level Cave (SLC) to ensure higher-grade ore is brought into production from the end of June 2024.</li> </ul> <p>At Finsch, the 78-level project continues as planned to bring these production areas online during FY 2024 to supplement production from the existing SLC which is nearing its end of life and therefore experiencing increased production volatility. Williamson resumed production ahead of schedule at the start of H1 FY 2024 and continues its ramp-up to full production.</p>
<p><b>7. Labour relations</b>  Risk appetite: Medium  Risk Rating: Medium  Nature of risk: Short to medium term</p>	<p><b>No Change</b> – Stable labour relations were experienced at all operations throughout H1 FY 2024. Petra continues to prepare for discussions with organised labour regarding a new wage agreement for the South African operations, with the current agreement ending in June 2024. Discussions are expected to commence in February 2024.</p>
<p><b>8. Safety</b>  Risk appetite: Medium  Risk Rating: Medium  Nature of risk: Short to medium term</p>	<p><b>No Change</b> – In H1 FY 2024, LTIFR decreased to 0.15 (H1 FY 2023: 0.19) and LTI decreased to 5 (H1 FY 2023: 7). These improvements follow a variety of initiatives, including remedial actions, Group-wide learnings, visible felt leadership and behaviour intervention programmes with various focus areas, that were undertaken by Petra to address a regression in safety performance in FY 2023. As at 31 December 2023, Petra has been fatality free for 6.8 years.</p>

<p><b>9. Environment</b>  Risk appetite: Medium  Risk Rating: Medium  Nature of risk: Long term</p>	<p><b>No Change</b> – Following the TSF failure at Williamson in November 2022, several environmental remediation initiatives continue to progress and remain on track. An investigation continues to be conducted to determine the root cause of the TSF failure. Authorisations relating to KDM mine closure plans are progressing, which will result in an amended EMPR submission scheduled for February 24.  Water levels at the tailings facility (No 7 Dam) at the Cullinan Mine have now reduced to acceptable levels through effective dewatering activities, avoiding the need for emergency releases of water to be made. Management’s focus is now shifting towards developing mitigation strategies in the medium to long-term to manage water levels and quality.</p>
<p><b>10. Climate Change</b>  Risk appetite: High  Risk Rating: Medium  Nature of risk: Long term</p>	<p><b>No Change</b> – Petra is progressing the implementation of its renewables strategy which was approved by the Board in FY 2023, with the Company targeting a 35-40% reduction in Scope 1 &amp; 2 emissions by 2030 (against Petra’s 2019 baseline). Petra continues to explore an option to source renewable energy from an energy supplier to help meet this target and reduce its energy cost.  Management is further working to operationalise the outcomes of its Climate Change strategy which includes the integration of physical risks into its tailings management processes and the identification of operational projects to improve energy efficiency, reduce total energy consumption and transition to alternative energy sources.  Following the development of a Climate Scenario Analysis in FY 2023 (which was supported by Ernst &amp; Young), management has initiated a further climate change risk assessment process at each operation to identify, mitigate and manage climate change risk at a mine level with the aim of integrating these risks into existing baseline risk assessments.</p>
<p><b>11. Capital Projects</b>  Risk appetite: Medium  Risk Rating: High  Nature of risk: Short to medium term</p>	<p><b>Higher</b> – Prior to the capital project amendments and deferrals announced in November 2023, management had initiated various mitigating actions and expedited Trackless Mining Machinery and drill rig availability to address the risk of the capital projects falling behind schedule. Since the announcement of the capital project amendments and deferrals, Petra has made good progress on the CC1E development project at the Cullinan Mine and the 78-Level Phase II development project at Finsch and the resumption of the deferred capital programmes remains on target for July 2024. The replanning and value-engineering work associated with the deferred capital projects continues and the Capital Projects risk will be reassessed once that work has been completed.</p>
<p><b>12. Supply Chain Governance</b>  Risk appetite: Medium  Risk Rating: High  Nature of risk: Short to medium term</p>	<p><b>No Change</b> – Following a gap analysis of existing Supply Chain processes and systems by an independent external expert, management initiated a project to address areas that require improvement, with implementation of that project taking place during H1 FY 2024 and now nearing completion. The project focuses on Supply Chain processes, systems and structures with enhancements expected in compliance, governance and risk management, improved procurement, tender and supplier registration procedures and filling critical roles in the function. A new Supply Chain policy reflecting these improvements is currently being developed.</p>



**PETRA DIAMONDS LIMITED**  
**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**  
FOR THE 6 MONTH PERIOD ENDED 31 DECEMBER 2023

US\$ million	Notes	<b>(Unaudited)</b> <b>1 July 2023-</b> <b>31 December</b> <b>2023</b>	(Unaudited) 1 July 2022- 31 December 2022 <sup>1</sup>	(Audited) Year ended 30 June 2023
Revenue		<b>187.8</b>	208.5	325.3
Mining and processing costs		<b>(186.5)</b>	(166.4)	(297.6)
Other direct mining expense		—	—	(12.9)
Other direct mining income		<b>0.8</b>	0.6	12.3
Corporate expenditure including settlement costs		<b>(7.8)</b>	(7.4)	(22.9)
Other corporate income		<b>0.4</b>	0.5	1.0
Impairment reversal of non-financial assets	5	—	—	20.0
Impairment charge of other receivables	5	—	(3.5)	(4.9)
<b>Total operating costs</b>		<b>(193.1)</b>	(176.2)	(305.0)
Financial income		<b>8.7</b>	23.4	11.1
Financial expense		<b>(19.3)</b>	(52.9)	(70.8)
Gain on extinguishment of Notes net of unamortised costs		—	—	0.6
<b>(Loss)/profit before tax</b>		<b>(15.9)</b>	2.8	(38.8)
Income tax credit/(charge)		<b>4.2</b>	(14.2)	(23.1)
<b>Loss for the period from continuing operations</b>		<b>(11.7)</b>	(11.4)	(61.9)
Profit/(loss) on discontinued operations including associated impairment charges (net of tax)	11	<b>0.4</b>	(6.2)	(40.5)
<b>Loss for the Period</b>		<b>(11.3)</b>	(17.6)	(102.4)
Attributable to:				
Equity holders of the parent company		<b>(9.1)</b>	(23.7)	(105.3)
Non-controlling interest		<b>(2.2)</b>	6.1	2.9
		<b>(11.3)</b>	(17.6)	(102.4)

**Loss per share attributable to the equity holders of the parent during the Period:**

Basic (loss) / earnings per share from continuing and discontinued operations:

		<b>(4.69)</b>	(12.23)	(54.21)
- continuing operations – US cents <sup>(2)</sup>	9	<b>(4.87)</b>	(9.86)	(38.10)
- discontinued operations – US cents <sup>(2)</sup>	9	<b>0.18</b>	(2.37)	(16.11)

Diluted (loss) / earnings per share from continuing and discontinued operations:

		<b>(4.69)</b>	(12.23)	(54.21)
- continuing operations – US cents <sup>(3)</sup>	9	<b>(4.87)</b>	(9.86)	(38.10)
- discontinued operations – US cents <sup>(3)</sup>	9	<b>0.18</b>	(2.37)	(16.11)

<sup>(1)</sup> The comparative period for the six months ended 31 December 2022 has been re-presented in accordance with IFRS 5, refer to note 11.

<sup>(2)</sup> Calculated on the basic weighted average number of ordinary shares

<sup>(3)</sup> Calculated on the diluted weighted average number of ordinary shares

**PETRA DIAMONDS LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**  
FOR THE 6 MONTH PERIOD ENDED 31 DECEMBER 2023

US\$ million	<b>(Unaudited)</b> <b>1 July 2023- 31 December 2023</b>	(Unaudited) 1 July 2022- 31 December 2022 <sup>1</sup>	(Audited) Year ended 30 June 2023
Loss for the Period	<b>(11.3)</b>	(17.6)	(102.4)
<b><i>Other comprehensive profit that will not be reclassified to the Consolidated Income Statement in subsequent periods:</i></b>			
Exchange differences on translation of the share-based payment reserve	—	—	0.2
<b><i>Other comprehensive profit/(loss) that will be reclassified to the Consolidated Income Statement in subsequent periods:</i></b>			
Exchange differences on translation of foreign operations <sup>2</sup>	<b>6.4</b>	(18.1)	(50.4)
Exchange differences on non-controlling interest <sup>1</sup>	<b>0.2</b>	(0.5)	(1.9)
<b>Total comprehensive loss for the Period, net of tax</b>	<b>(4.7)</b>	(36.2)	(154.5)
Total comprehensive loss attributable to:			
Equity holders of the parent company	<b>(2.7)</b>	(41.8)	(155.5)
- continuing operations	<b>(3.1)</b>	(35.6)	(115.0)
- discontinued operations	<b>0.4</b>	(6.2)	(40.5)
Non-controlling interest	<b>(2.0)</b>	5.6	1.0
	<b>(4.7)</b>	(36.2)	(154.5)

<sup>(1)</sup> The comparative period for the six months ended 31 December 2022 has been re-presented in accordance with IFRS 5, refer to note 11.

<sup>(2)</sup> Exchange differences arising on translation of foreign operations and non-controlling interest will be reclassified to profit and loss if specific future conditions are met.

**PETRA DIAMONDS LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2023

US\$ million	Notes	(Unaudited) 31 December 2023	(Unaudited) 31 December 2022	(Audited) 30 June 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	623.6	620.2	598.1
Right-of-use assets		24.2	20.0	26.6
BEE loans and receivables		41.3	38.2	37.3
Other receivables		6.7	5.1	6.6
<b>Total non-current assets</b>		<b>695.8</b>	<b>683.5</b>	<b>668.6</b>
<b>Current assets</b>				
Trade and other receivables		43.5	24.7	42.0
Inventories		80.0	81.7	88.4
Cash restricted for use		18.7	16.2	17.7
Cash and cash equivalents		56.6	130.4	44.1
<b>Total current assets</b>		<b>198.8</b>	<b>253.0</b>	<b>192.2</b>
<b>Total assets</b>		<b>894.6</b>	<b>936.5</b>	<b>860.8</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		145.7	145.7	145.7
Share premium account		609.5	609.5	609.5
Foreign currency translation reserve		(492.9)	(467.0)	(499.3)
Share-based payment reserve		4.7	2.8	3.9
Other reserves		(0.8)	(0.8)	(0.8)
Accumulated reserves		52.6	142.7	61.7
<b>Attributable to equity holders of the parent company</b>		<b>318.8</b>	<b>432.9</b>	<b>320.7</b>
Non-controlling interest		(8.4)	0.5	(3.9)
<b>Total equity</b>		<b>310.4</b>	<b>433.4</b>	<b>316.8</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	6	270.6	221.1	222.4
Provisions		104.3	97.3	99.1
Lease liabilities		21.6	17.8	25.8
Deferred tax liabilities		80.1	82.4	82.0
<b>Total non-current liabilities</b>		<b>476.6</b>	<b>418.6</b>	<b>429.3</b>
<b>Current liabilities</b>				
Loans and borrowings	6	25.2	20.6	25.1
Lease liabilities		4.2	3.0	3.0
Trade and other payables		69.2	56.5	69.0
Provisions		9.0	4.4	17.6
<b>Total current liabilities</b>		<b>107.6</b>	<b>84.5</b>	<b>114.7</b>
<b>Total liabilities</b>		<b>584.2</b>	<b>503.1</b>	<b>544.0</b>
<b>Total equity and liabilities</b>		<b>894.6</b>	<b>936.5</b>	<b>860.8</b>

**PETRA DIAMONDS LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS**  
FOR THE 6 MONTH PERIOD ENDED 31 DECEMBER 2023

US\$ million	Notes	(Unaudited)	(Restated Unaudited)	(Restated Audited)
		<b>1 July 2023- 31 December 2023</b>	1 July 2022- 31 December 2022 <sup>4</sup>	Year ended 30 June 2023 <sup>3</sup>
<b>Loss before taxation for the Period from continuing and discontinued operations</b>		<b>(15.5)</b>	(3.4)	(79.3)
Depreciation of property plant and equipment		<b>40.4</b>	40.3	82.5
Amortisation of right-of-use asset		<b>2.5</b>	1.9	3.2
Net impairment reversal – non financial assets		—	—	(20.0)
Impairment charge – other receivables		—	3.5	4.9
Gain on extinguishment on Notes		—	—	(0.6)
Non-cash items relating to discontinued operations		—	(1.2)	21.5
Movement in provisions		<b>(7.0)</b>	4.3	7.0
Dividend received from BEE partner <sup>1</sup>		<b>(0.4)</b>	(0.5)	(0.5)
Financial income		<b>(8.7)</b>	(23.4)	(11.1)
Financial expense		<b>19.3</b>	52.9	70.8
(Profit)/loss on sale of property, plant and equipment		<b>(0.5)</b>	—	1.4
Share-based payment expense		<b>0.7</b>	0.9	2.3
<b>Operating profit before working capital changes</b>		<b>30.8</b>	75.3	82.1
(Increase)/decrease in trade and other receivables		<b>(1.4)</b>	15.7	0.4
Decrease in trade and other payables		<b>(4.5)</b>	(18.2)	(9.9)
Decrease/(increase) in inventories		<b>10.3</b>	(12.6)	(26.1)
<b>Cash generated from operations</b>		<b>35.2</b>	60.2	46.5
Net realised gains on foreign exchange contracts		<b>2.6</b>	7.1	1.9
Finance expenses paid		<b>(14.8)</b>	(0.4)	(8.4)
Income tax received		—	0.3	0.6
<b>Net cash generated from operating activities</b>		<b>23.0</b>	67.2	40.6
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment		<b>(56.3)</b>	(47.7)	(113.0)
Proceeds from sale of property, plant and equipment		<b>0.9</b>	—	1.0
Loan advances to BEE partners <sup>1</sup>		<b>(0.1)</b>	—	—
Repayment from KEM JV <sup>2</sup>		<b>0.1</b>	0.3	0.5
Interest received		<b>2.8</b>	1.7	3.9
<b>Net cash utilised in investing activities</b>		<b>(52.6)</b>	(45.7)	(107.6)
<b>Cash flows from financing activities</b>				
Lease instalments paid		<b>(3.2)</b>	(2.4)	(4.6)
Repayment of borrowings	6	—	(146.1)	(146.1)
Drawdown on revolving credit facility	6	<b>45.5</b>	—	—
Net dividend paid to BEE partners <sup>1</sup>		<b>(2.1)</b>	(2.2)	(3.3)
<b>Net cash generated from/(utilised in) financing activities</b>		<b>40.2</b>	(150.7)	(154.0)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10.6</b>	(129.2)	(221.0)
Cash and cash equivalents at beginning of the Period		<b>44.1</b>	271.9	271.9
Effect of exchange rate fluctuations on cash held		<b>1.9</b>	(12.3)	(6.8)
<b>Cash and cash equivalents at end of the Period</b>		<b>56.6</b>	130.4	44.1

(1)BEE Partners are the Group's black economic empowerment partners, who hold minority interests in the Group's South African Operations.

(2)KEM JV is a former joint venture; Petra disposed of its interest in KEM JV during FY 2019.

(3)The comparative period for 30 June 2023 has been restated to reclassify the US\$3.3 million net dividend paid to BEE Partners from net cash utilised in investing activities (30 June 2023: US\$110.9 million as previously stated), to net cash utilised in financing activities (30 June 2023: US\$150.7 million as previously stated).

(4)The comparative period for the six months ended 31 December 2022 has been re-presented and restated for the following items:

- Re-presentation in accordance with IFRS 5, refer to note 11 (A)
- Reclassification of a realised foreign exchange loss on settlement of loans (B)
- Exclusion of working capital movements from additions to property, plant and equipment (C)
- Reclassification of dividends paid from investing activities to financing activities (D)

The effect of the re-presentation and restatements had the following impact on the statement of cashflows for the period 1 July 2022 to 31 December 2022:

US\$ million	As previously stated	Re-presentations / Restatements				As restated
		A	B	C	D	
Depreciation of property, plant and equipment	40.5	(0.2)	—	—	—	40.3
Impairment charge – non financial assets	0.3	(0.3)	—	—	—	—
Non-cash items relating to discontinued operations	—	(1.2)	—	—	—	(1.2)
Financial income	(25.8)	2.4	—	—	—	(23.4)
Financial expense	52.8	0.1	—	—	—	52.9
<b>Operating profit before working capital changes</b>	<b>74.5</b>	<b>0.8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>75.3</b>
Decrease in trade and other payables	(15.0)	—	—	(3.2)	—	(18.2)
<b>Cash generated from operations</b>	<b>62.6</b>	<b>0.8</b>	<b>—</b>	<b>(3.2)</b>	<b>—</b>	<b>60.2</b>
Net realised gains on foreign exchange contracts	4.1	(0.8)	3.8	—	—	7.1
<b>Net cash generated from operating activities</b>	<b>66.6</b>	<b>—</b>	<b>3.8</b>	<b>(3.2)</b>	<b>—</b>	<b>67.2</b>
Additions to property, plant and equipment	(50.9)	—	—	3.2	—	(47.7)
Dividends paid to BEE partners	(2.7)	—	—	—	2.7	—
Dividend received from BEE partners	0.5	—	—	—	(0.5)	—
<b>Net cash utilised in investing activities</b>	<b>(51.1)</b>	<b>—</b>	<b>—</b>	<b>3.2</b>	<b>2.2</b>	<b>(45.7)</b>
Net dividend paid to BEE partners	—	—	—	—	(2.2)	(2.2)
Net realised foreign exchange loss on settlement of loans	(11.8)	—	11.8	—	—	—
<b>Net cash utilised in financing activities</b>	<b>(160.3)</b>	<b>—</b>	<b>11.8</b>	<b>—</b>	<b>(2.2)</b>	<b>(150.7)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(144.8)</b>	<b>—</b>	<b>15.6</b>	<b>—</b>	<b>—</b>	<b>(129.2)</b>
Effect of exchange rate fluctuations on cash held	3.3	—	(15.6)	—	—	(12.3)
<b>Cash and cash equivalents at end of the Period</b>	<b>130.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>130.4</b>

**PETRA DIAMONDS LIMITED**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE 6 MONTH PERIOD ENDED 31 DECEMBER 2023

(Unaudited)	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Accumulated reserves / (losses)	Attributable to the parent	Non-controlling interest	Total equity
US\$ million									
Six month Period ended 31 December 2023:									
At 1 July 2023	145.7	609.5	(499.3)	3.9	(0.8)	61.7	320.7	(3.9)	316.8
Loss for the Period	—	—	—	—	—	(9.1)	(9.1)	(2.2)	(11.3)
Other comprehensive income	—	—	6.4	—	—	—	6.4	0.2	6.6
Dividend paid to Non-controlling interest shareholders	—	—	—	—	—	—	—	(2.5)	(2.5)
Equity settled share based payments	—	—	—	0.8	—	—	0.8	—	0.8
At 31 December 2023	145.7	609.5	(492.9)	4.7	(0.8)	52.6	318.8	(8.4)	310.4

(Unaudited)	Share capital	Share premium account	Foreign currency translation reserve	Share-based payment reserve	Other reserves	Accumulated reserves / (losses)	Attributable to the parent	Non-controlling interest	Total equity
US\$ million									
Six month Period ended 31 December 2022:									
At 1 July 2022	145.7	959.5	(448.9)	1.9	(0.8)	(183.6)	473.8	4.7	478.5
Loss for the Period	—	—	—	—	—	(23.7)	(23.7)	6.1	(17.6)
Other comprehensive expense	—	—	(18.1)	—	—	—	(18.1)	(0.5)	(18.6)
Conversion of share premium	—	(350.0)	—	—	—	350.0	—	—	—
Dividend paid to Non-controlling interest shareholders	—	—	—	—	—	—	—	(9.8)	(9.8)
Equity settled share based payments	—	—	—	0.9	—	—	0.9	—	0.9
At 31 December 2022	145.7	609.5	(467.0)	2.8	(0.8)	142.7	432.9	0.5	433.4

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDED 31 DECEMBER 2023

### 1. GENERAL INFORMATION

Petra Diamonds Limited (the “Company”), a limited liability company listed on the Main Market of the London Stock Exchange (“LSE”), is registered in Bermuda and domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company for the six-month period ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”).

### 2. BASIS OF PREPARATION

The condensed consolidated interim financial statements in this report have been prepared in accordance with the historic cost convention except for certain financial instruments which are stated at fair value. The Group prepares condensed consolidated interim financial statements for the six months ended 31 December (the “Period”), and annual financial statements for the year ended 30 June. The Group’s accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2023.

The condensed consolidated interim financial statements of the Company have been prepared in compliance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards adopted by the European Union (“IFRSs”), IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”), the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom as applicable to interim financial reporting and in the manner required by the Bermudan Companies Act, 1981 for the preparation of financial information of the group for the six months ended 31 December 2023. These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes as at and for the year ended 30 June 2023.

#### Going concern

In the annual financial statements for the year ended 30 June 2023, the Company indicated that material uncertainties exist that may cast doubt on the Group’s ability to continue as a going concern. The uncertainties related to volatility in diamond prices given low levels of demand for rough diamonds. In an attempt to mitigate this price volatility on the back of reduced demand, major diamond producers curtailed supply and the Gem and Jewellery Export Promotion Council of India (GJEPC) effected a 2-month Indian diamond import moratorium from mid-October to mid-December 2023.

Since 30 June 2023, the Company has been taking steps to provide financial flexibility should prevailing market conditions continue if diamond prices remained weaker-for-longer. As a result, portions of the Group’s capital programmes were amended and currently stand deferred, with the Company also pursuing cost reductions across the Group.

To provide further financial flexibility, the Company negotiated an increase in commitments under the Absa Bank revolving credit facility of ZAR750 million (effective 15 February 2024), bringing the total commitments under the facility to ZAR1.75 billion (c. US\$93 million).

In the last tender of the Period (which coincided with the lifting of the Indian moratorium), the diamond market showed encouraging indications of price recovery from the lows witnessed in the late-September 2023 tender. The Company remains cautious in its approach to the market in the near-term with the current price volatility being experienced but is of the view that the longer-term fundamentals of the diamond business remain sound.

#### Operational Update

Steady production was delivered by the Cullinan and Finsch Mines during H1 FY2024, with a successful faster than anticipated ramp-up at Williamson, which is now close to its annual steady-state production run-rate. The deferral of portions of the capital projects at the Cullinan and Finsch Mines currently stand deferred. Post Period end, unforeseen

underground mechanical issues emerged at Finsch, relating to the protracted replacement of a winder rope and accelerated wear on the chute feeding the material sizer on 78 level. This is likely to result in a marginal drop of carats forecasted for the second half of FY24 at Finsch.

Koffiefontein continued with its Care & Maintenance activities and progressed its Closure planning. In December 2023, Petra signed a non-binding term sheet with an interested party for the potential sale of the Koffiefontein mine. The interested party is currently carrying out its due diligence, and should a sale materialise, Petra will not submit the mine's Closure application. As part of this Going Concern assessment, all the costs associated with the Care & maintenance activities as well as transitioning to Closure are included, in line with the provisions raised at FY23 year-end for these activities.

#### *Diamond prices and market outlook*

The market experienced severe volatility in H1 FY 2024, continuing the softening of prices from 4Q FY 2023. The Indian moratorium was lifted in December 2023, with early indications suggesting that the intended outcome of reducing excess inventory in the midstream is being achieved. Early indications of a diamond pricing rebound were evident (as expected) at the Company's December 2023 tender results, which coincided with the lifting of the Indian moratorium.

Indications are that interest rates have now peaked and will start to decline towards the second half of CY 2024, providing support to diamond demand in the medium term, with the continuing structural supply deficit also anticipated to provide pricing support in the medium to long term. In addition, the G7's announcement of further sanctions to restrict the trade of diamonds of Russian origin should also provide support to diamond prices.

The Company continues to adopt a cautious approach to the market in the near-term, with prices likely to remain volatile and ongoing discipline by major producers being key to providing some price stability for CY 2024. However, the Board is of the view that despite the current market volatility being experienced, the supply / demand fundamentals of the diamond market remain intact.

#### *Williamson Updates*

Williamson restarted operations in Q1 FY 2024 and has been ramping up faster than anticipated, with current production close to its annual steady-state run rate. As stated in the FY 2023 year-end reporting, both the Framework Agreement with the GoT and the Share Sale Agreement with Pink Diamonds are expected to become effective during the second half of FY 2024, pending satisfaction of certain suspensive conditions and regulatory approvals.

It should be noted that the Group's going concern assessment is performed excluding Williamson's trading results, as Williamson is considered a ring-fenced operation for these purposes, as per the definitions and requirements set forth in the Group's financing agreements. Williamson successfully upsized its overdraft facility from US\$7 million to US\$10 million in September 2023. Williamson, however, continues to encounter short-term liquidity challenges as its production reaches steady-state, and its short-term liquidity is receiving focused attention on an on-going basis. In order to aid Williamson in navigating this start-up period during the challenging market conditions experienced in H1 FY 2024, a priority shareholder loan of US\$6 million was provided by the Group.

#### *Forecast liquidity and covenants*

The Board has reviewed the Group's forecasts with various sensitivities applied, for the 18-month period to June 2025, including both forecast liquidity and covenant measurements. As per the First Lien agreements, the liquidity and covenant measurements exclude contributions from Williamson's trading results and only recognise cash distributions payable to Petra upon forecasted receipt, or Petra's funding obligations towards Williamson upon payment.

The Board has given careful consideration to potential risks identified in meeting the forecasts under the review Period. The following sensitivities (in addition to the Base Case) have been performed in assessing the Group's ability to operate as a going concern as at the date of these results:

- A 10% decrease in forecast rough diamond prices from January 2024 to June 2026



- A 5% strengthening in the forecast South African Rand (ZAR) exchange rate against the US Dollar from January 2024 to June 2026
- A 5% increase in operating costs from January 2024 to June 2026
- Combined sensitivity: prices down 5% and ZAR stronger by 5% January 2025 to June 2026 (effectively resulting in opex and total capex up by 5% in USD terms)

Except for the liquidity covenant measured at June 2025, the forecast covenant measurements for the base case and each of the sensitised cases do not project any breaches for any of the covenants during the 18-month review period to June 2025. The liquidity covenant for the base and each of the sensitised cases projects a breach in June 2025 because of the liquidity covenant being a 12 month forward looking covenant. Consequently, the liquidity covenant review period extends to June 2026. The projected liquidity covenant breach in June 2025 is due to both the RCF and the 2L debt currently maturing and assumed to be settled in January and March 2026 respectively, thereby indicating a liquidity breach during Q1 CY 2026. As previously stated, the Group may have to refinance the full outstanding 2L debt of c. US\$250 million, which is likely to be pursued prior to the debt becoming a current liability in March 2025. The Group remains confident in its ability to refinance its debt on the back of the underlying operational cashflow generation, as well as strong net cashflow generation projection post the deferred peak extension project capital period of FY 2025 to FY 2027. The outcome of a refinance, however, remains outside of the Group's control and therefore constitutes a material uncertainty. If the Group is unable to successfully refinance the existing debt on account of the willingness of existing Noteholders and/or the terms and conditions of such a refinance or new debt instrument, the Group may have to resort to an equity raise or asset sales to settle its obligations. The Group is of the view that a successful equity raise would be supported by the long-term resource potential at both Cullinan Mine and Finsch, extending their current mine plans to mid-2030s and beyond.

The Board is of the view that despite the current market volatility being experienced, the supply / demand fundamentals of the diamond market remain intact.

Based on its assessment of the forecasts, principal risks and uncertainties and mitigation actions considered available to the Group, including steps already undertaken or planned to be undertaken by management to improve resilience in the business, in the event of downside sensitivities, the Board confirms that it is satisfied that the Group will be able to continue to operate and meet its liabilities as they fall due over the next 18-month period.

However, the Board recognises the risks associated with persisting market volatility which may lead to lower diamond prices for longer, as well as the risk to refinancing the Group's 2L debt, given this remains outside of the Group's control. These factors indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Financial Statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

#### **Significant assumptions and judgements:**

The preparation of the condensed consolidated interim financial statements requires management to make estimates and judgements and form assumptions that affect the reported amounts of the assets and liabilities, reported revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the interim financial statements. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial results of the Group in future reporting periods have been disclosed in the Group's annual financial statements for the year ended 30 June 2023. Except as disclosed under property, plant and equipment, there have been no material changes to the significant assumptions and judgements in the 6-month period ended 31 December 2023.

### **3. DIVIDENDS**

No dividends have been declared in respect of the current Period under review (30 June 2023: US\$nil and 31 December 2022: US\$nil).

#### 4. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's operating and geographical segments:

- Mining – the extraction and sale of rough diamonds from mining operations in South Africa and Tanzania.
- Corporate – administrative activities in the United Kingdom.
- Beneficiation – beneficiation activities in South Africa.

Segments are based on the Group's management and internal reporting structure. Management reviews the Group's performance by reviewing the results of the mining activities in South Africa, Tanzania and reviewing the results of the corporate administration expenses in the United Kingdom. Each segment derives, or aims to derive, its revenue from diamond mining and diamond sales, except for the corporate and administration cost centre.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Segment results are calculated after charging direct mining costs, depreciation and other income and expenses. Unallocated items comprise mainly interest-earning assets and revenue, interest-bearing borrowings and expenses and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the Period to acquire segment assets that are expected to be used for more than one period. Eliminations comprise transactions between Group companies that are cancelled on consolidation. The results are not materially affected by seasonal variations. Revenues are generated from tenders held in South Africa and Antwerp for external customers from various countries.

#### 4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities			Tanzania - Mining activities	United Kingdom	South Africa		Consolidated
	Cullinan Mine	Finsch	Koffiefontein <sup>5</sup>	Williamson	Corporate and treasury	Beneficiation <sup>3</sup>	Inter-segment	
US\$ million	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023
(6 month period ended 31 December 2023)								
Revenue	96.5	67.0	—	24.3	—	—	—	187.8
Segment result <sup>1</sup>	12.1	(6.4)	—	(4.3)	(7.9)	—	(0.1)	(6.6)
Impairment charge – operations	—	—	—	—	—	—	—	—
Impairment reversal – other receivables	—	—	—	0.2	(0.2)	—	—	—
Other direct income	0.7	—	—	0.2	0.4	—	—	1.3
Operating profit / (loss) <sup>2</sup>	12.8	(6.4)	—	(3.9)	(7.7)	—	(0.1)	(5.3)
Financial income								8.7
Financial expense								(19.3)
Income tax charge								4.2
Profit on discontinued operation including associated impairment charges (net of tax) <sup>5</sup>								0.4
Non-controlling interest								2.2
Profit attributable to equity holders of the parent company								(9.1)
Segment assets	426.5	245.8	1.2	83.5	3,140.1	5.8	(3,008.3)	894.6
Segment liabilities	351.3	147.7	52.4	83.4	2,047.2	6.4	(2,104.2)	584.2
Capital expenditure	27.3	15.9	—	6.6	0.7	—	—	50.5

<sup>(1)</sup>The Group's revenue of US\$187.8 million comprises the sale of rough diamonds and polished stones.

<sup>(2)</sup>Total depreciation of US\$40.4 million included in the segmental result comprises depreciation incurred at the Cullinan Mine US\$22.5 million, Finsch US\$15.5 million, Koffiefontein US\$nil, Williamson US\$2.0 million and Corporate and treasury US\$0.4 million.

<sup>(3)</sup>Operating loss is equivalent to revenue of US\$187.8 million less total costs of US\$193.1 million as disclosed in the Consolidated Income Statement.

<sup>(4)</sup>The beneficiation segment represents Tarorite, a cutting and polishing business in South Africa, which can on occasion cut and polish select rough diamonds.

<sup>(5)</sup>The operating results in respect of Koffiefontein have been reflected within profit on discontinued operation (refer to note 11).

#### 4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities			Tanzania - Mining activities	United Kingdom	South Africa		Consolidated
	Cullinan Mine	Finsch	Koffiefontein <sup>4</sup>	Williamson	Corporate and treasury	Beneficiation <sup>3</sup>	Inter-segment	
US\$ million	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022
(6 month period ended 31 December 2022)								
Revenue	104.1	55.3	—	49.1	—	0.5	(0.5)	208.5
Segment result <sup>1</sup>	42.8	10.1	—	(9.4)	(7.6)	0.5	(1.7)	34.7
Impairment charge – other receivables	—	—	—	(3.5)	—	—	—	(3.5)
Other direct income	—	0.5	—	0.1	0.5	—	—	1.1
Operating profit / (loss) <sup>2</sup>	42.8	10.6	—	(12.8)	(7.1)	0.5	(1.7)	32.3
Financial income								23.4
Financial expense								(52.9)
Income tax charge								(14.2)
Loss on discontinued operation including associated impairment charges (net of tax) <sup>5</sup>								(6.2)
Non-controlling interest								(6.1)
Profit attributable to equity holders of the parent company								(23.7)
Segment assets	446.7	203.2	4.7	124.5	3,189.5	5.7	(3,037.8)	936.5
Segment liabilities	343.3	117.4	22.6	64.4	2,097.5	6.5	(2,148.6)	503.1
Capital expenditure	23.6	23.1	0.3	3.2	2.0	—	—	52.2

<sup>(1)</sup>Total depreciation of US\$40.5 million included in the segmental result comprises depreciation incurred at the Cullinan Mine US\$23.0 million, Finsch US\$9.1 million, Koffiefontein US\$0.1 million, Williamson US\$8.0 million and Corporate and treasury US\$0.3 million.

<sup>(2)</sup>Operating profit is equivalent to revenue of US\$208.5 million less total costs of US\$176.2 million as disclosed in the condensed Consolidated Income Statement.

<sup>(3)</sup>The beneficiation segment represents Tarorite, a cutting and polishing business in South Africa, which can on occasion cut and polish select rough diamonds.

<sup>(4)</sup>The operating results in respect of Koffiefontein have been reflected within loss on discontinued operation (refer to note 11).

#### 4. SEGMENTAL INFORMATION (continued)

Operating segments	South Africa – Mining activities			Tanzania - Mining activities	United Kingdom	South Africa		Consolidated
	Cullinan Mine	Finsch	Koffiefontein <sup>5</sup>	Williamson	Corporate and treasury	Beneficiation <sup>4</sup>	Inter-segment	
US\$ million								
(12 month period ended 30 June 2023)	2023	2023	2023	2023	2023	2023	2023	2023
Revenue <sup>1</sup>	182.9	93.3	—	49.1	—	0.2	(0.2)	325.3
Segment result <sup>2</sup>	49.1	10.1	—	(29.2)	(23.2)	(0.1)	(1.9)	4.8
Impairment reversal / (charge) – operations	(1.5)	52.7	—	(31.2)	—	—	—	20.0
Impairment charge – other receivables	—	—	—	(3.9)	(1.0)	—	—	(4.9)
Other direct income	—	—	—	(0.6)	1.0	—	—	0.4
Operating profit / (loss) <sup>3</sup>	47.6	62.8	—	(64.9)	(23.2)	(0.1)	(1.9)	20.3
Financial income								11.1
Financial expense								(70.8)
Gain on extinguishment of Notes net of unamortised costs								0.6
Income tax charge								(23.1)
Loss on discontinued operation including associated impairment charges (net of tax) <sup>5</sup>								(40.5)
Non-controlling interest								(2.9)
Profit attributable to equity holders of the parent company								(105.3)
Segment assets	418.6	248.9	0.3	85.0	3,018.6	5.5	(2,916.1)	860.8
Segment liabilities	335.6	143.1	50.1	84.1	1,946.3	6.2	(2,021.4)	544.0
Capital expenditure	52.8	43.2	0.3	19.3	1.8	—	—	117.4

<sup>(1)</sup>The Group's revenue of US\$325.3 million comprises the sale of rough diamonds and polished stones. The sale of rough diamonds contributed US\$323.7 million, with polished stones contributing US\$0.2 million and US\$1.4 million from profit share agreements. The sale of rough diamonds for Koffiefontein of US\$4.4 million is included under loss on discontinued operation.

<sup>(2)</sup>Total depreciation of US\$82.5 million included in the segmental result comprises depreciation incurred at the Cullinan Mine US\$53.5 million, Finsch US\$20.2 million, Williamson US\$8.2 million and Corporate and treasury US\$0.6 million.

<sup>(3)</sup>Operating profit is equivalent to revenue of US\$325.3 million less total costs of US\$305.0 million as disclosed in the Consolidated Income Statement.

<sup>(4)</sup>The beneficiation segment represents Tarorite, a cutting and polishing business in South Africa, which can on occasion cut and polish select rough diamonds.

<sup>(5)</sup>The operating results in respect of Koffiefontein have been reflected within loss on discontinued operation (refer to note 11).

## 5. PROPERTY, PLANT AND EQUIPMENT

The net movement in property, plant and equipment for the Period is an increase of US\$25.5 million (30 June 2023: US\$35.1 million decrease and 31 December 2022 US\$13.0 million decrease). This is primarily as a result of:

US\$ million	1 July 2023 - 31 December 2023	1 July 2022 - 31 December 2022	1 July 2022 - 30 June 2023
As at 1 July	598.1	633.2	633.2
Foreign exchange movement	15.4	(24.8)	(82.4)
Additions	50.5	51.9	117.4
Change in rehabilitation assets	—	0.7	(5.0)
Depreciation	(40.4)	(40.5)	(82.5)
Impairments	—	(0.3)	19.2
Disposals	—	—	(1.8)
As at Period end	623.6	620.2	598.1

### Group impairment assumptions for 31 December 2023 and 30 June 2023

At 30 June 2023 the Group reviewed the carrying value of its operational assets for indicators of impairment, and accounted for specific impairment provisions and reversals. The assumptions in exercising its judgement related to future exchange rates, rough diamond prices, contribution from Exceptional Diamonds, volumes of production, ore reserves and resources included in the current mine plans, feasibility studies, future development and production costs and macroeconomic factors such as inflation and discount rates. Refer to the annual financial statements for the year ended 30 June 2023 for details of the key inputs and sensitivities. For the six months ended 31 December 2023 the assumptions remained materially unchanged, except for the following items which did not have an impact on previously recognised impairments:

Key assumptions	Explanation
Current mine plan and recoverable value of reserves and resources	<p>Economically recoverable reserves and resources are based on Management's expectations based on the availability of reserves and resources at mine sites and technical studies undertaken in house and by third party specialists. The reserves, which informed the current Board-approved mine plans for the operations, are unchanged other than factoring in depletion through mining activities during H1 FY 2024.</p> <p>Following the deferrals of certain capital project announced during November 2023, certain replanning work is currently ongoing to finalise the revised and optimised mine plans for future Board approval. In the absence of Board approval for the revised and optimised mine plans, Management prepared best-estimate mine plans, based on their expectations, current information and projections, to inform revised production, capital and operating expenditure profiles for mine plans for these interim results. It is expected that the FY 2024 year-end reviews will be based on Board-approved plans, following the finalisation of the replanning work during H2 FY 2024.</p>
Diamond prices	<p>The short-medium term diamond prices used in the impairment test have been set with reference to recently achieved pricing, on-mine product mix and market trends, while long-term diamond price escalators are informed by industry views of long-term market supply/demand fundamentals. For Finsch and WDL, short-term pricing is aligned to recent prices achieved, with medium term price increases assumed as both the market &amp; product mixes normalise to pre-moratorium levels. No short-medium price increases have been assumed for Cullinan Mine, given its consistent product mix, and remains aligned to pricing assumptions at FY23 year-end. Given the current market uncertainty, the assessment of short-term diamond prices and the rate and extent of pricing recovery, together with the longer-term pricing escalators, continue to represent a critical judgement.</p> <p>The 31 December 2023 impairment testing models' starting price assumptions have been adjusted to reflect the pricing achieved during the six months ended 31 December 2023. The long-term models incorporate normalised diamond price escalation of 1.9% (30 June 2023: 1.9%) above a long-term US inflation rate of 2.0% (30 June 2023: 2.0%) per annum from FY 2025 onwards. The Group continues to exclude any contribution from Exceptional Stones as part of business planning or price assumptions.</p>

## 6. LOANS AND BORROWINGS

US\$ million	31 December 2023	31 December 2022	30 June 2023
<b>Non-current liabilities</b>			
Senior secured second lien notes	224.1	221.1	222.4
Senior secured lender debt facilities <sup>1</sup>	46.5	—	—
	<b>270.6</b>	221.1	222.4
<b>Current liabilities</b>			
Senior secured second lien notes	25.2	20.6	25.1
<b>Total loans and borrowings</b>	<b>295.8</b>	241.7	247.5

<sup>1</sup>In July and August 2023, the Group drew down, in total, an amount of ZAR850 million (US\$46.5 million) from the ZAR1.0 billion Revolving Credit Facility (“RCF”).

In December 2023, the Company announced that Absa Bank approved the increase of the First Lien Revolving Credit Facility by ZAR750 million, bringing the total commitments under the facility to ZAR1.75 billion (c. US\$93 million). This increase to the facility is now fully available following execution and completion of the associated amendment agreement, effective 15 February 2024. The amended facility’s existing covenants, margin, fees, and maturity date remain unchanged. A total of ZAR850 million (US\$46.5 million) is currently drawn leaving a further balance of ZAR900 million (US\$49.2 million) expected to be available for drawdown under the upsized facility.

The Group's debt and hedging facilities are detailed in the table below:

<b>Senior Lender Debt Facilities</b>	31 December 2023 <b>Facility amount</b>	31 December 2022 Facility amount	30 June 2023 Facility amount
<b>ZAR Debt Facilities:</b>			
ZAR Lenders RCF	<b>ZAR1.0 billion</b>	ZAR1.0 billion	ZAR1.0 billion
ZAR Lenders Term loan	<b>ZAR nil</b>	ZAR nil	ZAR nil
Absa/RMB – FX Hedging facilities	<b>ZAR300 million</b>	ZAR300 million	ZAR300 million

### Covenant ratios

As part of the RCF entered into with Absa Bank, the Company is required:

- to maintain a Net Debt : Adjusted EBITDA ratio tested semi-annually on a rolling 12-month basis;
- to maintain an Interest Cover Ratio tested semi-annually on a rolling 12-month basis; and
- to maintain minimum 12 month forward looking liquidity requirement that consolidated cash and cash equivalents shall not fall below US\$20.0 million.

## 7. COMMITMENTS

As at 31 December 2023, the Company had committed to future capital expenditure totalling US\$42.9 million (30 June 2023: US\$102.5 million and 31 December 2022: US\$55.1 million).

## 8. RELATED PARTY TRANSACTIONS

The Group's related party BEE partners, Kago Diamonds (Pty) Ltd ("Kago Diamonds") and its gross interests in the mining operations of the Group are disclosed in the table below.

Mine	Partner and respective interest as at 31 December 2023 (%)	Partner and respective interest as at 31 December 2022 (%)	Partner and respective interest as at 30 June 2023 (%)
Cullinan	Kago Diamonds (14%)	Kago Diamonds (14%)	Kago Diamonds (14%)
Finsch	Kago Diamonds (14%)	Kago Diamonds (14%)	Kago Diamonds (14%)
Koffiefontein	Kago Diamonds (14%)	Kago Diamonds (14%)	Kago Diamonds (14%)

The Itumeleng Petra Diamonds Employee Trust ("IPDET") holds a 12% interest in each of the Group's South African operations, with Petra's commercial BEE Partners holding the remaining 14% interest through their respective shareholdings in Kago Diamonds, in which Petra has a 31.46% interest. The effective interest percentages attributable to the remaining operations for the Group's shareholders is 78.4%.

The non-current loans receivable, non-current loans payable, finance income and finance expense, due from and due to the related party BEE partners and other related parties, including dividends paid are disclosed in the table below:

US\$ million	31 December 2023	31 December 2022	30 June 2023
<b>Non-current receivable</b>			
Kago Diamonds <sup>1</sup>	23.2	21.8	21.1
<b>Current trade and other receivables</b>			
KEM JV <sup>2</sup>	2.7	3.3	2.7
Impairment provision <sup>2</sup>	(2.7)	(2.0)	(2.6)
	—	1.3	0.1
	1 July 2023 - 31 December 2023	1 July 2022 - 31 December 2022	1 July 2022 - 30 June 2023
<b>Finance income</b>			
Kago Diamonds	1.3	1.0	2.4
<b>Dividend paid</b>			
Kago Diamonds <sup>3</sup>	0.9	1.2	1.1

<sup>(1)</sup> The movement in the Kago Diamonds receivable of US\$2.1 million (30 June 2023: US\$4.5 million and 31 December 2022: US\$4.8 million) is attributable to amounts advanced to Kago Diamonds during the Period totalling US\$0.1 million (30 June 2023: US\$3.5 million repayments and 31 December 2022: US\$3.5 million repayments received from Kago Diamonds), a foreign exchange increase of US\$0.6 million (30 June 2023: US\$3.0 million decrease and 31 December 2022: US\$1.2 million decrease) and accrued interest of US\$1.3 million (30 June 2023: US\$2.4 million and 31 December 2022: US\$1.2 million).

<sup>(2)</sup> Included in current trade and other receivables are amounts outstanding from KEM JV in respect of a working capital facility and equipment finance facility of US\$nil (30 June 2023: US\$1.0 million and 31 December 2022: US\$1.3 million). During the 6 months ended 31 December 2023 the Group received payments of US\$0.1 million (30 June 2023: US\$0.5 million and 31 December 2022: US\$0.3 million) from the KEM JV as settlement of the outstanding purchase consideration. The Group has applied the expected credit loss impairment model to the KEM JV receivables, taking into account various factors, and the expected credit loss was deemed to be US\$2.7 million (30 June 2023: US\$2.6 million and 31 December 2022: US\$2.0 million).

<sup>(3)</sup> Cullinan declared and paid a dividend out of profits generated in the financial year ended 30 June 2023 to its shareholders. The BEE partners received a gross dividend of US\$2.5 million (30 June 2023: US\$9.6 million and 31 December 2022: US\$9.8 million). An amount of US\$0.3 million (30 June 2023: US\$6.1 million and 31 December 2022: US\$6.3 million) was used by BEE partners to



repay a portion of their loans owing to the Group and a net cash payment of US\$1.8 million (30 June 2023: US\$2.0 million and 31 December 2022: US\$2.2 million) was received by the BEE partners, comprising Kago US\$0.9 million (30 June 2023: US\$1.1 million and 31 December 2022: US\$1.2 million) and IPDET US\$0.9 million (30 June 2023: US\$0.9 million and 31 December 2022: US\$1.0 million).

## 9. EARNINGS PER SHARE

	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2023 - 31 December 2023	1 July 2022 - 30 June 2023	1 July 2022 - 30 June 2023	1 July 2022 - 30 June 2023
Numerator	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
Loss profit for the Period	<b>(9.5)</b>	<b>0.4</b>	<b>(9.1)</b>	(19.1)	(4.6)	(23.7)	(74.0)	(31.3)	(105.3)
Denominator	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Weighted average number of ordinary shares used in basic EPS									
Brought forward	<b>194,201,785</b>	<b>194,201,785</b>	<b>194,201,785</b>	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785
Carried forward	<b>194,201,785</b>	<b>194,201,785</b>	<b>194,201,785</b>	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785
Dilutive effect of potential ordinary shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
	—	—	—	—	—	—	—	—	—
Weighted average number of ordinary shares in issue used in diluted EPS	<b>194,201,785</b>	<b>194,201,785</b>	<b>194,201,785</b>	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785
	US cents	US cents	US cents	US cents	US cents	US cents	US cents	US cents	US cents
Basic (loss) / profit per share – US cents	<b>(4.87)</b>	<b>0.18</b>	<b>(4.69)</b>	(9.86)	(2.37)	(12.23)	(38.10)	(16.11)	(54.21)
Diluted (loss) / profit per share – US cents	<b>(4.87)</b>	<b>0.18</b>	<b>(4.69)</b>	(9.86)	(2.37)	(12.23)	(38.10)	(16.11)	(54.21)

The number of potentially dilutive ordinary shares, in respect of employee share options, Executive Director and Senior Management share award schemes is nil (30 June 2023: nil and 31 December 2022: nil).

## 10. ADJUSTED EARNINGS PER SHARE (non-GAAP measure)

In order to show earnings per share from operating activities on a consistent basis, an adjusted earnings per share is presented which excludes certain items as set out below. It is emphasised that the adjusted earnings per share is a non-GAAP measure. The Petra Board considers the adjusted earnings per share to better reflect the underlying performance of the Group. The Company's definition of adjusted earnings per share may not be comparable to other similarly titled measures reported by other companies.

	Continuing operations 1 July 2023 - 31 December 2023	Discontinued operation 1 July 2023 - 31 December 2023	Total 1 July 2023 - 31 December 2023	Continuing operations 1 July 2022 - 31 December 2022	Discontinued operation 1 July 2022 - 31 December 2022	Total 1 July 2022 - 31 December 2022	Continuing operations 1 July 2022 - 30 June 2023	Discontinued operation 1 July 2022 - 30 June 2023	Total 1 July 2022 - 30 June 2023
Numerator	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
(Loss) / profit for the Year	(9.5)	0.4	(9.1)	(19.1)	(4.6)	(23.7)	(74.0)	(31.3)	(105.3)
Net unrealised foreign exchange loss*	(0.5)	—	(0.5)	14.0	—	14.0	29.3	—	29.3
Taxation credit on unrealised foreign exchange loss*	0.2	—	0.2	(0.1)	—	(0.1)	(0.9)	—	(0.9)
Present value discount – Williamson VAT receivable	(0.2)	—	(0.2)	3.5	—	3.5	3.9	—	3.9
Impairment (reversal) / charge - operations*	—	—	—	—	0.2	0.2	(8.9)	0.6	(8.3)
Impairment (reversal) / charge – other receivables	0.2	—	0.2	—	—	—	1.0	—	1.0
Taxation charge on impairment reversal*	—	—	—	—	—	—	10.8	—	10.8
Transaction costs and acceleration of unamortised costs on Notes and restructured bank facilities	—	—	—	9.0	—	9.0	9.0	—	9.0
Gain on extinguishment of Notes net of unamortised costs	—	—	—	—	—	—	(0.6)	—	(0.6)

## 10. ADJUSTED EARNINGS PER SHARE (non-GAAP measure) (continued)

	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2023 - 31 December 2023	1 July 2022 - 30 June 2023	1 July 2022 - 30 June 2023	1 July 2022 - 30 June 2023
Numerator	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
Williamson tailings facility - remediation costs	—	—	—	5.9	—	5.9	10.7	—	10.7
Williamson tailings facility - accelerated depreciation	—	—	—	5.2	—	5.2	5.2	—	5.2
Human rights IGM claims provision and transaction costs / (reversal) of settlement agreement	0.6	—	0.6	—	—	—	8.5	—	8.5
Inventory Impairment (WDL blocked parcel 1 Inventory and related receivable adjustment)	—	—	—	—	—	—	(0.1)	—	(0.1)
Movement in provision for unsettled and disputed tax claims	—	—	—	—	—	—	0.3	—	0.3
Adjusted loss for the Period attributable to parent	<b>(9.2)</b>	<b>0.4</b>	<b>(8.8)</b>	18.4	(4.4)	14.0	(5.8)	(30.7)	(36.5)

\*Portion attributable to equity  
shareholders of the Company

## 10. ADJUSTED EARNINGS PER SHARE (non-GAAP measure) (continued)

	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2023 - 31 December 2023	1 July 2022 - 31 December 2022	1 July 2022 - 31 December 2022	1 July 2023 - 31 December 2023	1 July 2022 - 30 June 2023	1 July 2022 - 30 June 2023	1 July 2022 - 30 June 2023
Denominator	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Weighted average number of ordinary shares used in basic EPS									
As at 1 July	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785
Effect of shares issued during the Period	—	—	—	—	—	—	—	—	—
Dilutive effect of potential ordinary shares	—	—	—	—	—	—	—	—	—
Weighted average number of ordinary shares in issue used in diluted EPS	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785	194,201,785
	US cents	US cents	US cents	US cents	US cents	US cents	US cents	US cents	US cents
Adjusted basic profit / (loss) per share – US cents	(4.72)	0.18	(4.54)	9.46	(2.27)	7.19	(2.96)	(15.78)	(18.74)
Adjusted diluted profit / (loss) per share – US cents	(4.72)	0.18	(4.54)	9.46	(2.27)	7.19	(2.96)	(15.78)	(18.74)

## 11. DISCONTINUED OPERATIONS

Management took the decision during the prior year to put the Koffiefontein mine on care and maintenance. By the end of the prior year, the Company had started the process of winding-up the operation and, after completing a significant restructuring of the staff complement at the operation, was in the process of finalising workstreams to meet its rehabilitation obligations and is in discussions with the DMRE to formalise the ultimate closure of the operation.

A discontinued operation is a component of the entity that has been disposed of and is classified as held for sale or abandoned (as the Koffiefontein assets are currently not undergoing a formal sales process, it met the criteria of IFRS 5 and was classified as a discontinued operation) and that represents a separate major line of business or geographical area of operation, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

As the potential sale of the Koffiefontein operations have not sufficiently advanced at the reporting date, the assets and liabilities did not yet meet the requirements to be classified as held-for-sale.

### Results of Koffiefontein:

US\$ million	1 July 2023– 31 December 2023	1 July 2022– 31 December 2022	1 July 2022– 30 June 2023
Revenue	—	3.6	4.4
Cost of sales	0.3	(12.0)	(24.5)
Gross loss	0.3	(8.4)	(20.1)
Impairment charge – property, plant and equipment	—	(0.3)	(0.8)
Provisions for closure	—	—	(22.0)
Financial income	0.1	2.5	2.4
Loss before tax	0.4	(6.2)	(40.5)
Income tax charge	—	—	—
Net loss for the Year	0.4	(6.2)	(40.5)
Attributable to:			
Equity holders of the parent	0.4	(4.6)	(31.3)
Non-controlling interest	—	(1.6)	(9.2)
	0.4	(6.2)	(40.5)

## 12. ANNOUNCEMENTS AND SUBSEQUENT EVENTS

**Directorate change** – On 15 September 2023, the Company announced that Johannes Bhatt would retire from the Board as Non-Executive Director at the conclusion of the Company's Annual General Meeting on 14 November 2023.

**Improved resilience through capital deferrals** – On 1 November 2023, the Company announced steps taken to improve financial flexibility under the prevailing diamond market conditions. Certain amendments and deferrals to capital programmes were approved and were expected to reduce the Group's extension capital expenditure for the financial year ending 30 June 2024 by up to US\$65 million. Further to the capital deferrals, the Company identified operating and group cost savings of US\$7 – 10 million against the FY 2024 guidance.

**Directorate change** – On 13 November 2023, the Company announced that the Chair, Peter Hill CBE, would not offer himself for re-election at the Company's forthcoming Annual General Meeting and consequently retired from the Board at the conclusion of the Company's Annual General Meeting held on 14 November 2023. The Board appointed Varda Shine, Senior Independent Director, as Chair of the Company with effect from the conclusion of the Annual General Meeting.

**Approval of increase in Revolving Credit Facility** – On 8 December 2023, the Company announced that Absa Bank had approved to increase its commitments under the ZAR1 billion (c. US\$53 million) First Lien Revolving Credit Facility by up to ZAR750 million (c. US\$40 million). The increase was subject to completion of an amendment to the existing facility agreement (which has since been executed and completed), with the existing covenants, margin, fees, and maturity date remaining unchanged

**Potential sale of Koffiefontein** – On 13 December 2023, the Company announced that it has entered into a non-binding term sheet on an exclusive basis with an interested party for the potential sale of the Koffiefontein Diamond Mine in South Africa. Any sale would be subject to obtaining the consent of the Department of Minerals and Energy in accordance with section 11 of South Africa’s Mineral and Petroleum Resources Development Act.

**Board changes** – On 20 December 2023, the Company announced a series of changes to the Board.

1. Jon Dudas stepped down from the Board in his role as independent NED (and therefore as a member of the Company’s Audit & Risk, Remuneration, Nomination and Investment Committees) with effect from 17 February 2024 and assumed the role of Board advisor for 6 months until 17 August 2024.
2. Alex Watson stepped down from the Board in her role as a non-independent NED (and therefore as a member of the Company’s Sustainability and Investment Committees) also with effect from 17 February 2024, and assumed the role of Board Observer with effect from this date.
3. José Manuel Vargas was appointed as a non-independent NED of the Company, effective 1 January 2024. He is a significant shareholder of the Company.
4. New Safety, Health and Sustainability Committee: with effect from 1 January 2024, the Company’s Sustainability and Health & Safety Committees were merged to form a single Safety, Health & Sustainability Committee that is Chaired by Lerato Molebatsi, the previous Sustainability Committee Chair. Members of this Committee are Lerato Molebatsi (Committee Chair), Varda Shine (Board Chair), Richard Duffy (CEO) and Bernie Pryor (SID and previous Health & Safety Committee Chair).
5. Remuneration Committee Chair: following the Board changes that took effect immediately after the Company’s Annual General Meeting on 14 November 2023, which saw Varda Shine appointed as Chair and Bernie Pryor as Senior Independent Director, Bernie Pryor became Chair of the Remuneration Committee, with Varda resigning from this role, effective 1 January 2024.
6. Chair and NED fees: the Chair’s fee and the NED fees (including the SID fee, Committee Chair fees and basic Non-Executive Director fees) were all reduced by 5%, with effect from 1 January 2024, apart from the Sustainability, Health & Safety Committee Chair fee which was slightly increased to match the Audit & Risk and Remuneration Committee Chair fees and reflect the increased responsibilities of the Safety, Health & Sustainability Committee.

## RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- a) the Condensed Financial Statements have been prepared in accordance with European Union-adopted IAS 34 *Interim Financial Reporting*, and give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- b) the Interim Management Report includes a fair review of the information required by the FCA’s Disclosure and Transparency Rules (DTR 4.2.7 R and 4.2.8 R).

By order of the Board

**Richard Duffy**  
Chief Executive Officer  
19 February 2024

## **INDEPENDENT REVIEW REPORT TO PETRA DIAMONDS LIMITED**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 which comprises Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Cash Flows, Condensed Consolidated Statement of Changes in Equity and Notes to the Condensed Consolidated Interim Financial Statements.

### **Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

### **Material Uncertainty related to going concern**

We draw attention to Note 2, which indicates that persisting market volatility may lead to lower diamond prices for longer, as well as the refinancing of the Group's 2L debt which is outside of the Group's control.

As stated in Note 2, these events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

### **Responsibilities of directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the review of the financial information**

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

### **Use of our report**

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior



written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
London, UK  
19 February 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).