



NEWS RELEASE

Petra Diamonds Ltd - Audited Full Year 2024 results

2024-09-24

24 September 2024

LSE: PDL

Petra Diamonds Limited

(“Petra or “the Company”)

Audited Full Year 2024 results

Enhancing resilience

Petra announces its audited Full Year 2024 results for the twelve months ended 30 June 2024 (FY 2024 or Year).

Richard Duffy, Chief Executive Officer of Petra, commented:

“In FY 2024, Petra demonstrated its agility in responding to a weaker pricing environment by building greater business resilience. Actions taken during the Year reduced planned cash expenditure by US\$75 million through deferring capital expansion programmes and sustainably reducing our cost base.



We have transitioned Finsch from a 2.8Mtpa to a 2.2Mtpa operation with greater emphasis on planning and maintenance. With our two South African mines starting to access fresh ore from newly developed project areas and Williamson at full production, we remain confident in meeting our FY 2025 guidance. With a smoothed capital profile and US\$44 million ^[1] reduction in annual operating costs going forward (US\$30 million at our SA operations and US\$14 million at Williamson), we are targeting free cashflow generation from FY 2025.

We acknowledge the difficult market conditions through FY 2024 and believe that prices will stabilise through to the end of CY 2024 with some improvement expected in CY 2025. Ongoing discipline by producers is expected to assist in rebalancing inventory across the pipeline. We continue to see supportive market fundamentals in the medium and longer term.

We are rolling out traceability technology for our South African operations which will enable the tracing of our +0.5ct gem-quality diamonds from mine-to-finger. This will provide consumers with assurance and verification around provenance and origin along with information on our sustainability credentials (including social and community projects) which are supported through purchases of our diamonds. We believe traceability technologies will further differentiate natural diamonds through highlighting their rarity, uniqueness and benefits to stakeholders.

As part of the focus on addressing our capital structure, we initiated the repurchase of a portion of our 2026 2L Notes through an Open Market Repurchase (OMR) programme. To date, we have repurchased and cancelled US\$12 million 2L Notes at a cost of US\$9million, resulting in future interest savings of some US\$1.2 million annually.”

- FY 2024 revenue amounted to US\$367 million (FY 2023: US\$325 million) including revenue from profit share agreements of US\$1 million (FY 2023: US\$1 million)
- The average realised price in FY 2024 was US\$116/ct, down 17% from US\$139/ct in FY 2023, largely due to a 12.4% decline in like-for-like prices, with the balance attributed to product mix movements
- Total on-mine cash costs in FY 2024 increased 11% compared to FY 2023 largely due to the ramp-up at Williamson and cost inflation. A build-up of diamond inventory in FY 2023 of US\$34 million and a subsequent release in FY 2024 of US\$37 million contributed to adjusted mining and processing costs increasing from US\$202 million in FY 2023 to US\$296 million
- Adjusted EBITDA, being profit from mining activities less adjusted corporate overhead, reduced to US\$66 million (FY 2023: US\$113 million), representing an adjusted EBITDA margin of 18% (FY 2023:

35%) driven by reduced rough diamond prices

- Adjusted net loss of US\$46 million compared to US\$2million for FY 2023
- Adjusted loss per share of USc21 compared to a USc3 loss per share for FY 2023
- Operational free cash outflow for the Year improved from US\$65 million in FY 2023 to US\$17 million in FY 2024, reflecting an increase in cash from operations of US\$19 million and a reduction of US\$33 million in total capital expenditure following the deferral of certain capital projects during FY 2024 in response to the depressed diamond market
- Consolidated net debt decreased from US\$212 million at 31 December 2023 to US\$201 million (30 June 2023: US\$177 million)
- As previously announced, during the Year the Group increased its commitments under the ZAR1 billion (c. US\$54 million) revolving credit facility (RCF) with Absa Bank to ZAR1.75 billion (c. US\$96 million), providing an additional c. US\$41 million of liquidity headroom
- In August and September 2024, the Group drew down ZAR855 million (c. US\$47 million) from the RCF as a result of the deferral of South African goods from Tender 1 FY 2025. We expect to repay these amounts following the closing of the upcoming tender in October 2024
- During the Year, the Group repurchased US\$5 million of 2026 2L Notes in an OMR programme for cash consideration of US\$4 million. Post period-end, a further US\$7 million were repurchased for a cash consideration of US\$5 million

This announcement contains selected information from the Company's full set of Financial Statements for FY 2024. For the Company's full set of Financial Statements for FY 2024, please refer to pages 115 to 166 of the Company's Annual Report and Financial Statements for FY 2024. The Company's Annual Report and Financial Statements for FY 2024 is available here:

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

US\$m unless stated otherwise	FY 2024	FY 2023	Variance
Rough diamonds sold (carats)	3,158,780	2,329,817	+36%
Revenue	367	325	+13%
Average realised price per carat (US\$/carat)	116	139	-17%
Adjusted mining and processing costs	296	202	+47%
Adjusted EBITDA1	66	113	-42%

Adjusted EBITDA margin (%) ¹	18%	35%	-49%
Adjusted (loss) / profit before tax ¹	(59)	8	-838%
Adjusted loss after tax ¹	(46)	(2)	-2200%
Net loss after tax	(107)	(102)	-5%
Basic loss per share (USc)	(43)	(38)	-13%
Adjusted loss per share ¹ (USc)	(21)	(3)	-600%
Capital expenditure	84	117	-28%
Operational free cashflow ¹	(17)	(65)	+74%
Consolidated net debt ¹	201	177	+14%
Unrestricted cash	20	44	-55%
Consolidated net debt : Adjusted EBITDA ¹	3.0x	1.6x	+88%

Note 1: For all non-GAAP measures refer to the Summary of Results table within the Financial Results section of the FY 2024 Annual Report

Note 2: During FY 2023, Koffiefontein was placed on care and maintenance activities in the run-up to a responsible closure. Koffiefontein is still classified as a discontinued operation in terms of IFRS 5.

Adjusted profit contribution per mine

US\$ millions	FY 2024				FY 2023			
	Cullinan Mine	Finsch	Williamson	Total	Cullinan Mine	Finsch	Williamson	Total
Revenue	190	120	57	367	183	93	49	325
Adjusted mining and processing costs ²	(123)	(109)	(64)	(296)	(82)	(65)	(55)	(202)
Other direct income	1	1	—	2	—	—	—	—
Adjusted profit from mining activities	68	12	(7)	73	101	28	(6)	123
Adjusted profit margin	36%	10%	(12%)	20%	55%	30%	(12%)	38%
Adjusted Group G&A	Not allocated per mine			(7)	Not allocated per mine			(10)
Adjusted EBITDA ¹				66				113

Note 1: For all non-GAAP measures refer to the Summary of Results table within the Financial Results section of the FY 2024 Annual Report

Note 2: 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 & 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 to US\$73 million (FY 2023: US\$123 million), impacted by the increase in adjusted mining and processing costs (primarily diamond inventory movements) and partly

offset by higher revenues. Cullinan Mine and Finsch contributed positively to adjusted profit from mining activities. Williamson posted a gross loss for FY 2024 due to the ramp-up to full production during the Year.

Capital expenditure breakdown

US\$ millions	FY 2024					FY 2023				
	CullinanMine	Finsch	Williamson	Central	Total	CullinanMine	Finsch	Williamson	Central	Total
Extension	36	19	—	—	55	41	31	—	—	72
Stay in Business	12	6	10	1	29	12	12	19	2	45
Total	48	25	10	1	84	53	43	19	2	117

Total capital expenditure reduced to US\$84 million from US\$117 million in the prior year following the planned deferral of capital projects and a sustainable rebase of future capital expenditure of c. US\$100m per annum for our South African operations. Through these actions, the Group expects to be able to generate free cashflow should a weaker-for-longer diamond market scenario persist.

Dividends

In line with our dividend policy, no dividends are proposed for FY 2024 and the Board will review this again in FY 2025.

Market outlook

Some stabilisation in diamond prices is expected in the last quarter of CY 2024 on the back of seasonally higher demand. We expect diamond prices to show a modest recovery in the new year with market fundamentals providing pricing support in the medium and longer-term.

Set out below are the Group's current diamond pricing assumptions for each of its mines for FY 2025.

US\$ per carat	FY 2025
Cullinan Mine	125-135
Finsch	98-105
Williamson	200-225

Future diamond prices are influenced by a range of factors outside of the Group'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 by the Company from time to time.

Key operational guidance maintained and is available on Petra's website at:
<https://www.petradiamonds.com/investors/analysts/analyst-guidance/>

PRESENTATION DETAILS

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

Petra's CEO, Richard Duffy, and CFO designate, Johan Snyman, will host a live virtual presentation including Q&A for institutional investors and analysts at 09:30 BST today to discuss this operating update.

Participants are advised to join the call at least 15 minutes ahead of the start. Link for live presentation via Teams: <https://events.teams.microsoft.com/event/874d33d6-6144-4cc1-98f1-a49331f66132@3c08cd12-de9b-4814-9ea3-392066758217>

Link for recording (available later in the day):

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

Investor Meet Company webcast at 14.30pm BST today

Petra's CEO, Richard Duffy, and CFO designate, Johan Snyman, will also present these results live on the Investor Meet Company platform, predominantly aimed at retail investors. To join: <https://www.investormeetcompany.com/petra-diamonds-limited/register-investor>

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 a possible sale following the execution of a definitive sales agreement as announced on 8 April 2024.

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.

[1] Compared to previous guidance issued for FY 2025 in July 2023 as part of the Company's FY 2024 – 2026 guidance

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