



PetraDiamonds

Barclays ESG EM Corporate Day

22 June 2022



Disclaimer



- This presentation contains certain forward-looking statements, which are subject to the risk factors and uncertainties associated with the diamond mining industry.
- Whilst Petra believes the expectations set out in this presentation are reasonable in light of the information currently available to it, the actual outcome may be materially different, owing to factors within and outside its control.
- Petra has no obligation to revise any such forward-looking statements to reflect any changes in its expectations or any change in circumstances, events or its plans and strategy. Accordingly no reliance may be placed on the figures contained in such forward-looking statements.
- This presentation is not intended to be comprehensive. While it has been prepared in good faith, no representation or warranty (express or implied) is or will be made, and no responsibility or liability is or will be accepted by Petra in relation to its accuracy or completeness.

Petra is a mid-tier, multi-asset diamond producer with strong sustainability credentials in a transformative phase



3.4 Mcts

**LTM to 31 Mar 2022
Production**

LTM – Last 12 months

\$528.1m

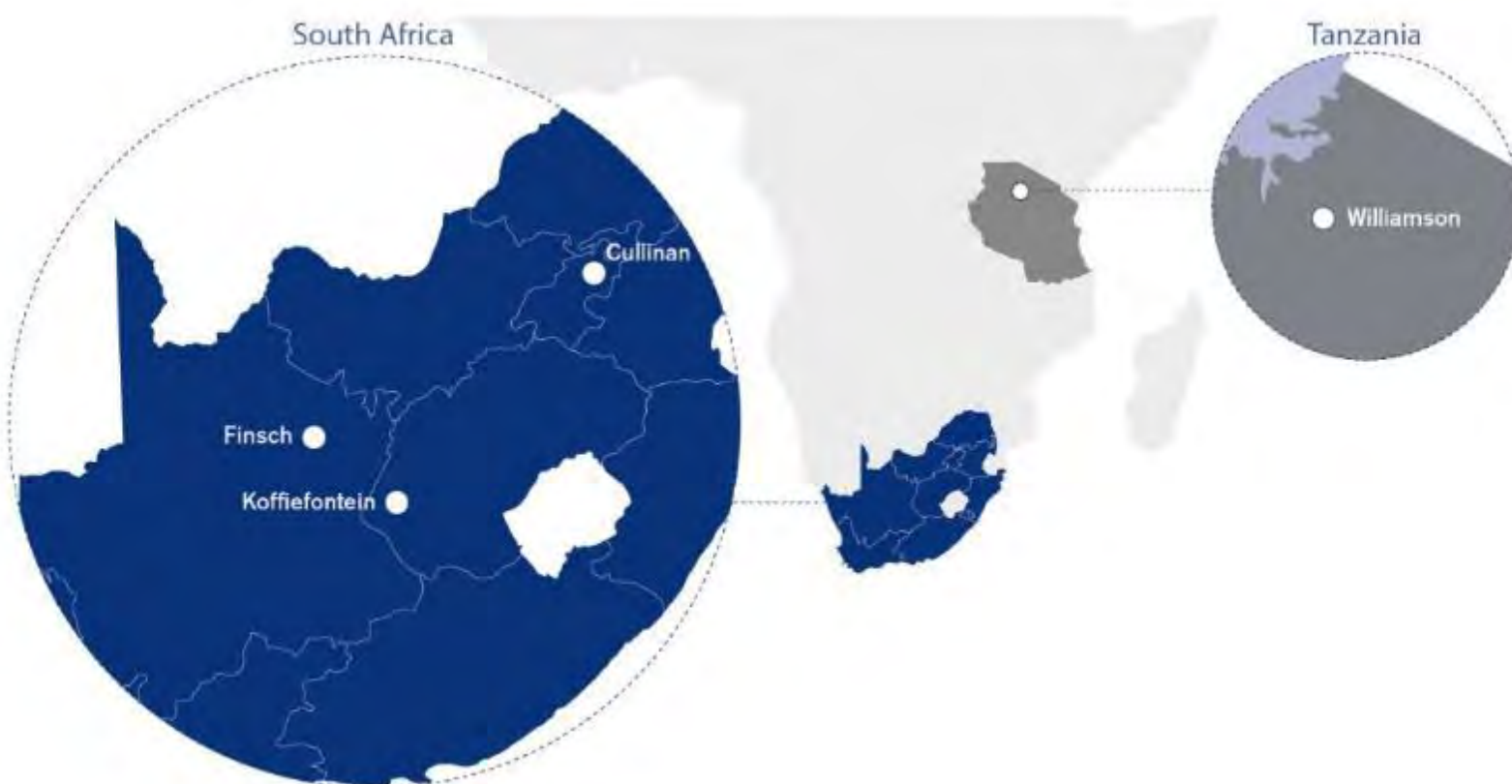
**LTM to 31 Mar 2022
Revenue**

\$200.3m

**LTM to 31 Dec 2021
Adjusted EBITDA**

\$107.0m

**as at 31 Mar 2022
Consolidated net debt**



Cullinan	Finsch
Stake acquired 2008	Stake acquired 2011
South Africa	South Africa
Resource: 149.8 Mcts	Resource: 37.7 Mcts
Koffiefontein	Williamson
Stake acquired 2007	Stake acquired 2009
South Africa	Tanzania
Resource: 5.2 Mcts	Resource: 37.9 Mcts

Petra's transformation underpins sustainable growth



New operating model focused on cash generation

- Proven leadership team
- Maximising value from existing operations
- Stable operations benefitting from upswing in diamond prices
- Continuous improvement culture being instilled across group
- Integrated risk assurance approach

Balance sheet significantly strengthened

- Strong cash generation leading to rapid reduction in debt
- Gross debt reduced to US\$365m end-March 2022 from US\$426m end-December 2021
- Consolidated net debt / EBTIDA down to 1.0x as at 31 Dec 2021

Embedding sustainability

- Group sustainability framework being operationalised in 2022
- Carbon intensity on a downward trend
- Reducing water and energy consumption a priority
- 63% of procurement spend in South Africa with local suppliers
- Wide-reaching social spending programmes

Value-driven growth strategy

- One of the world's largest diamond resources
- Mine plans to 2030 funded from cash flows with further extension potential
- Well positioned to pursue future growth opportunities

Operating in a sustainable and well-regulated industry



Consumers of diamonds are assured of the highest ethical standards and benefits of mining

Examples of Petra's stakeholder beneficiaries¹

63%

of procurement spend
with local suppliers in
South Africa

4,895

Petra employees
across 4 countries

3 of our 4

mines are the primary
economic contributor to
their district or region

14%

SA mines owned by historically
disadvantaged South Africans
and 12% by employees

¹FY2021

Natural Diamond Council (NDC)

- Advances the integrity of the modern diamond jewellery industry and inspires, educates and protects the customer
- Reassures consumers on industry ethics and how diamond mining helps local communities to generate long-term sustainable development and a lasting positive legacy
- Represents rough diamond producers: 6 members, 35 operations, 10 countries
- Petra is a founding member

Petra's obligations to abide by the regulatory framework and international standards:

- The UN Convention Against Corruption
- (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from conflict-affected and high-risk areas
- UN Guiding Principles on Business and Human Rights; and The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- Alignment with International standards such as ISO 14001

only
**NATURAL
DIAMONDS**

The Kimberley Process Certification

Scheme (KPCS)

- Requires its members to certify rough diamonds as 'conflict-free and to prevent any 'conflict diamonds' from entering the legitimate diamond supply chain
- 82 governments have enshrined the KPCS into law



Petra's obligations under the Kimberley Process

Petra monitors and manages each step in the diamond production process to the highest ethical standards - exploration, mining, processing, sorting, marketing and sales



Diamond mining – a relatively small environmental footprint



One of the smallest environmental footprints in the minerals sector

The relatively small environmental footprint of Petra's mines

- A relatively small GHG footprint with >90% due to imported electricity
- Efficient bulk tonnage mining at all operations
- No chemical reagents involved in ore processing
- Well developed water management plans resulting in >80% water recycle rate for the group

Petra is managing its fossil fuel intensity

- In South Africa, 100% of Petra's energy is provided by the national grid, Eskom, and is from fossil fuels. Standby generators are used during load-shedding
- In Tanzania, 95% of Williamson's energy is provided by the national grid, Tanesco, and the balance self-generated
- Restrictions on self-generation in South Africa have been eased - the threshold lifted to 100WM in 2021
- We are investigating the option of switching to renewable alternatives
- A variety of energy saving initiatives are in place – all expansion project installations have been designed to ensure the most energy efficient operation

Case study - Rehabilitation at Finsch Mine

In 2017, the Finsch mine started to rehabilitate an area referred to as “the Old Paddocks”, which was formerly used at the mine site for slimes disposal

The shows potential in increasing biodiversity and reducing alien invasive plant species

Before



After





Petra's Sustainability Framework

Group-wide sustainability



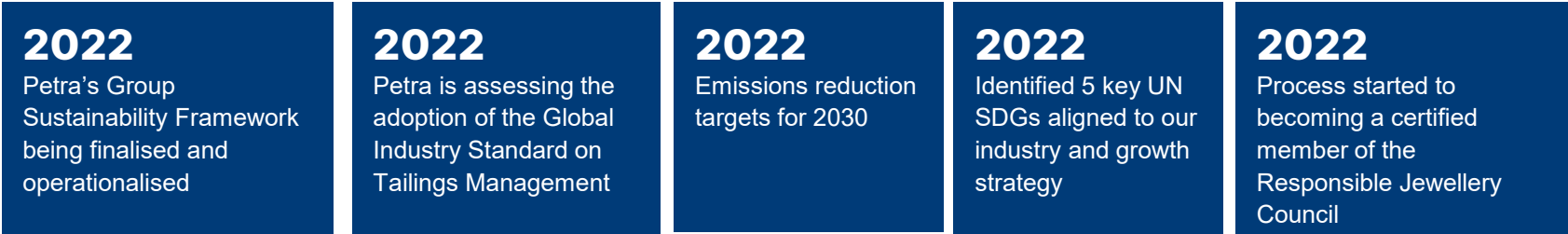


Petra is committed to transparent engagement and disclosures as we continue on our sustainability journey

Our sustainability disclosure journey:



This year's priorities:



Key sustainability engagements

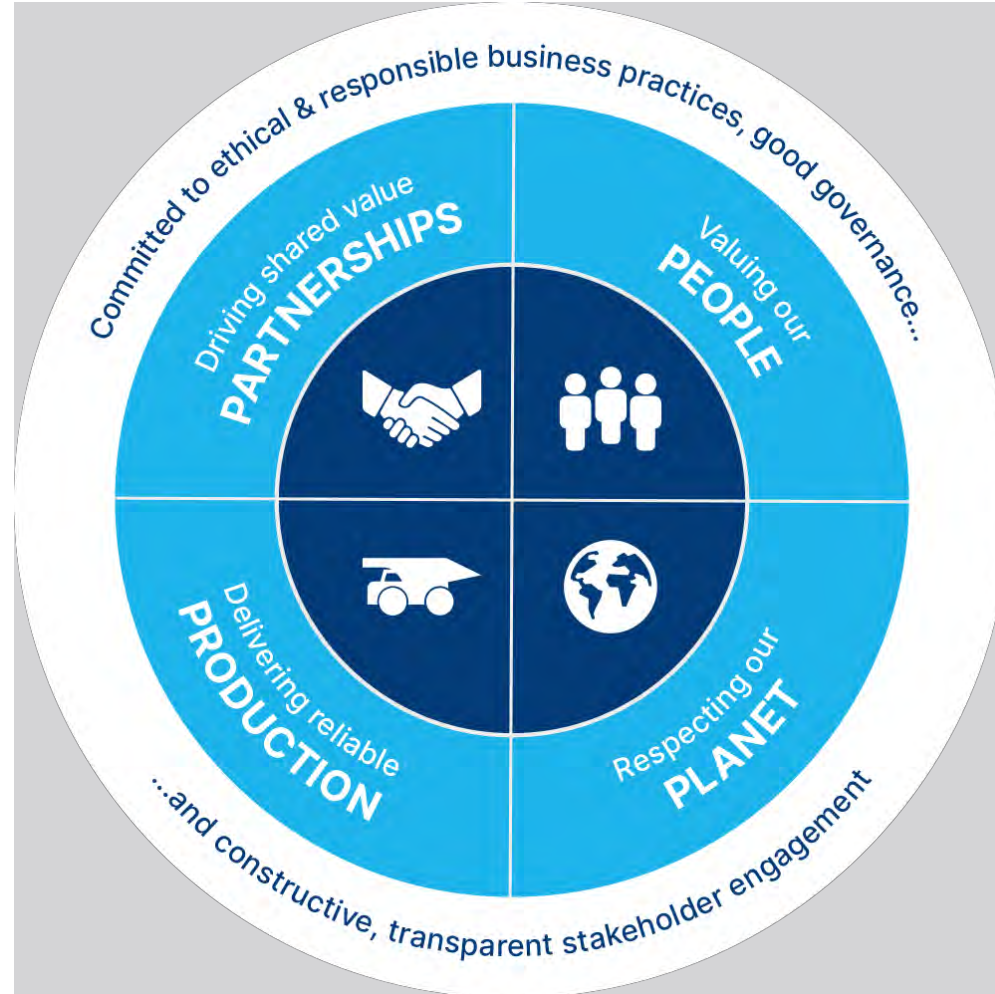


Sustainability Framework underpinned by four pillars



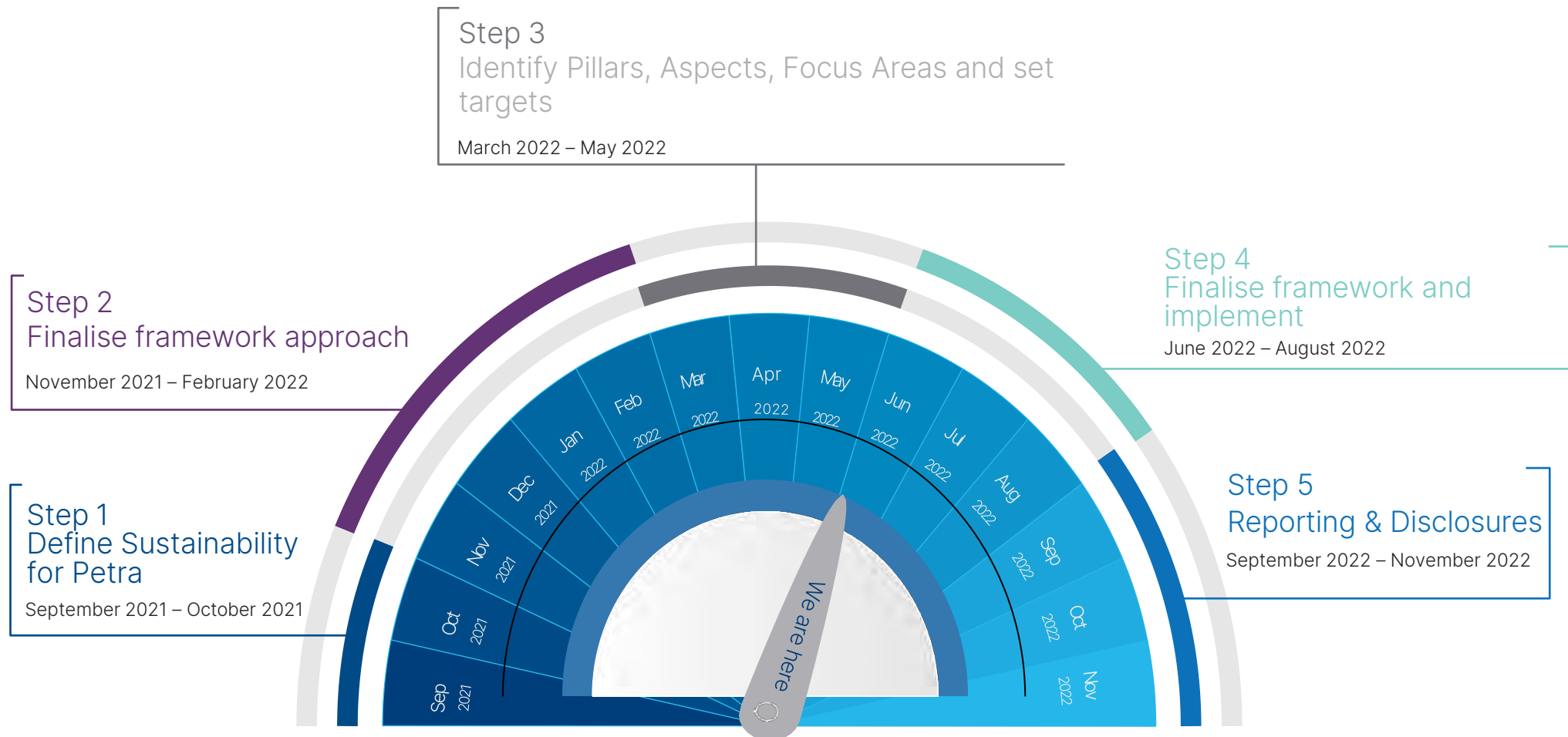
This will inform balanced day-to-day decision making, while ensuring a sustainable long-term future for Petra

Instilling an Inspirational Culture and embedding a continuous business improvement mind-set



to ensure delivery of our business objectives

Sustainability Framework development timeline



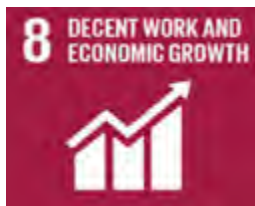
We are establishing a well-structured Sustainability Framework



Group Sustainability Framework Aspects and Focus Areas



Selected Sustainable Development Goals



Promote inclusive and sustainable economic growth, employment and improve living standards



Encourages more sustainable consumption and production patterns (water, waste, energy)



Focuses on managing forests sustainably, reducing degraded natural habitats and ending biodiversity loss



Seeks to ensure health and well-being for all, at every stage of life



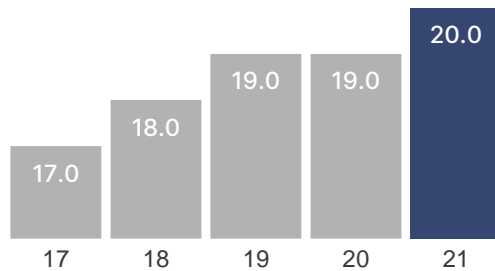
Aims at ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all

Petra's human capital and social performance FY 21



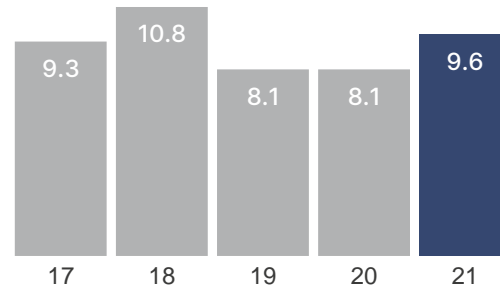
Women in the workforce

20%



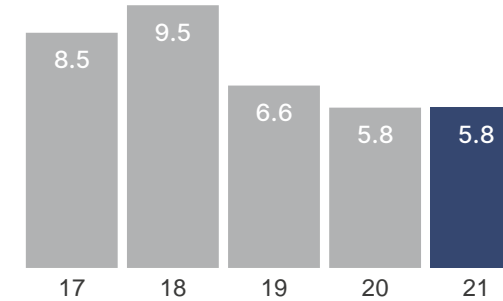
Staff turnover

9.6%



Training spend

\$5.8m



83%

Leadership development candidates are HDSA²

33%

Leadership development candidates are female

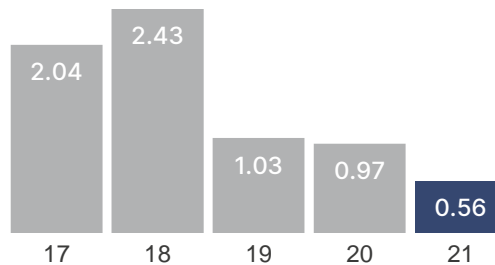
\$1m

Social investment and community training spend

Water efficiency¹

M³/t

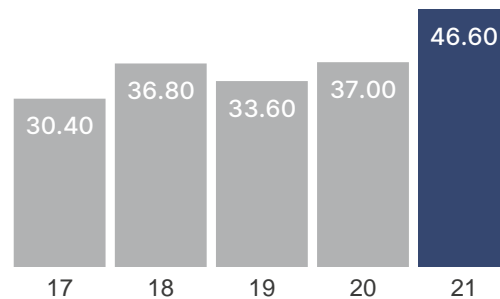
0.56



Energy efficiency¹

kWh/t

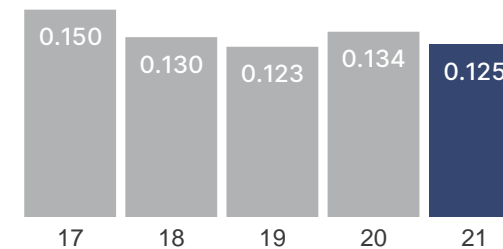
46.6



Carbon intensity¹

tCO₂-e/ct

0.125



63%

Procurement spend with local suppliers in South Africa

82%

Of water consumption is from recycling

0

Major or High environmental incidents for 11 years

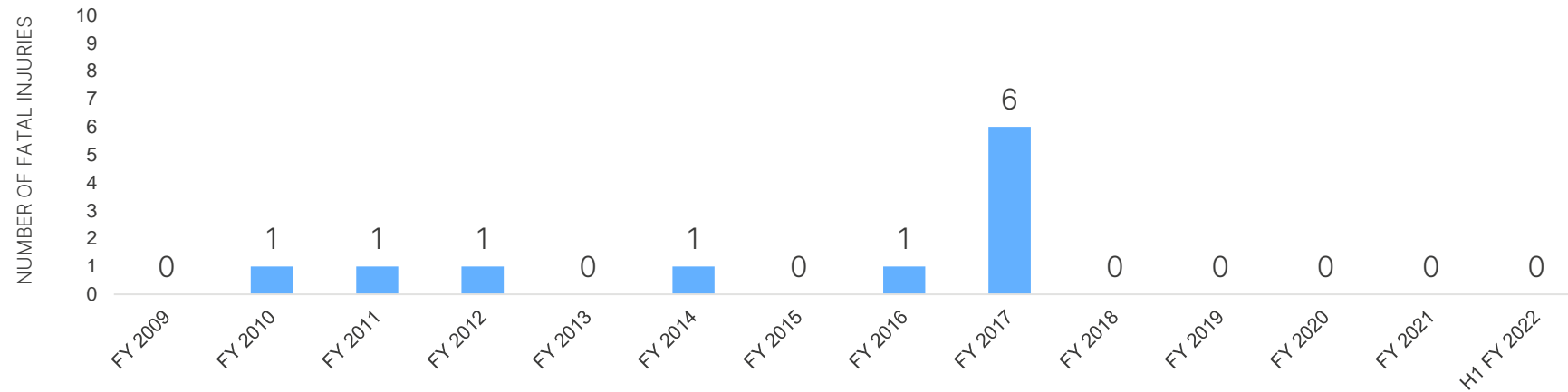
¹ FY 2021 metrics are affected by Williamson being on care and maintenance

² HDSA: Historically Disadvantaged South Africans

Safety remains our number one priority

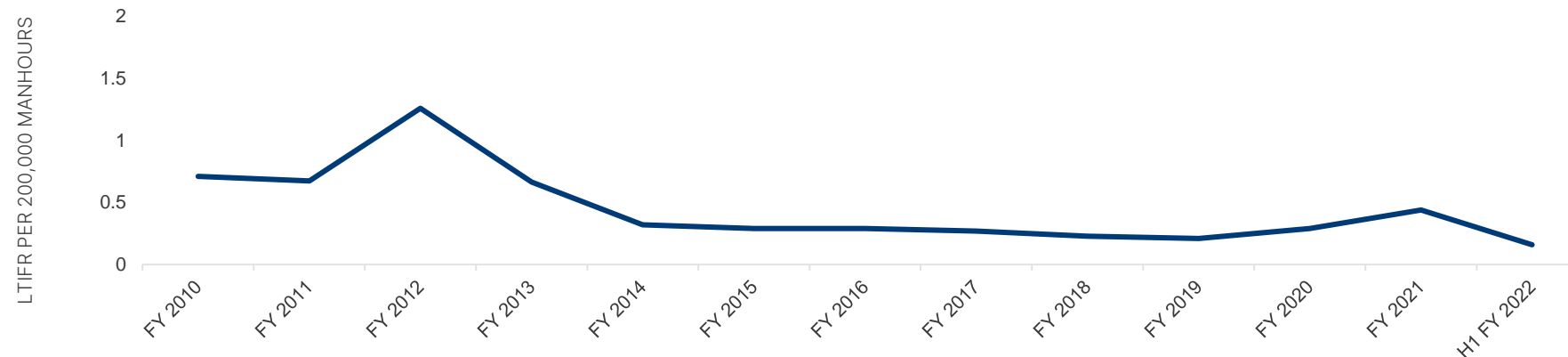


Fatal Accidents FY 2010 – H1 FY 2022



4.5 years fatality free

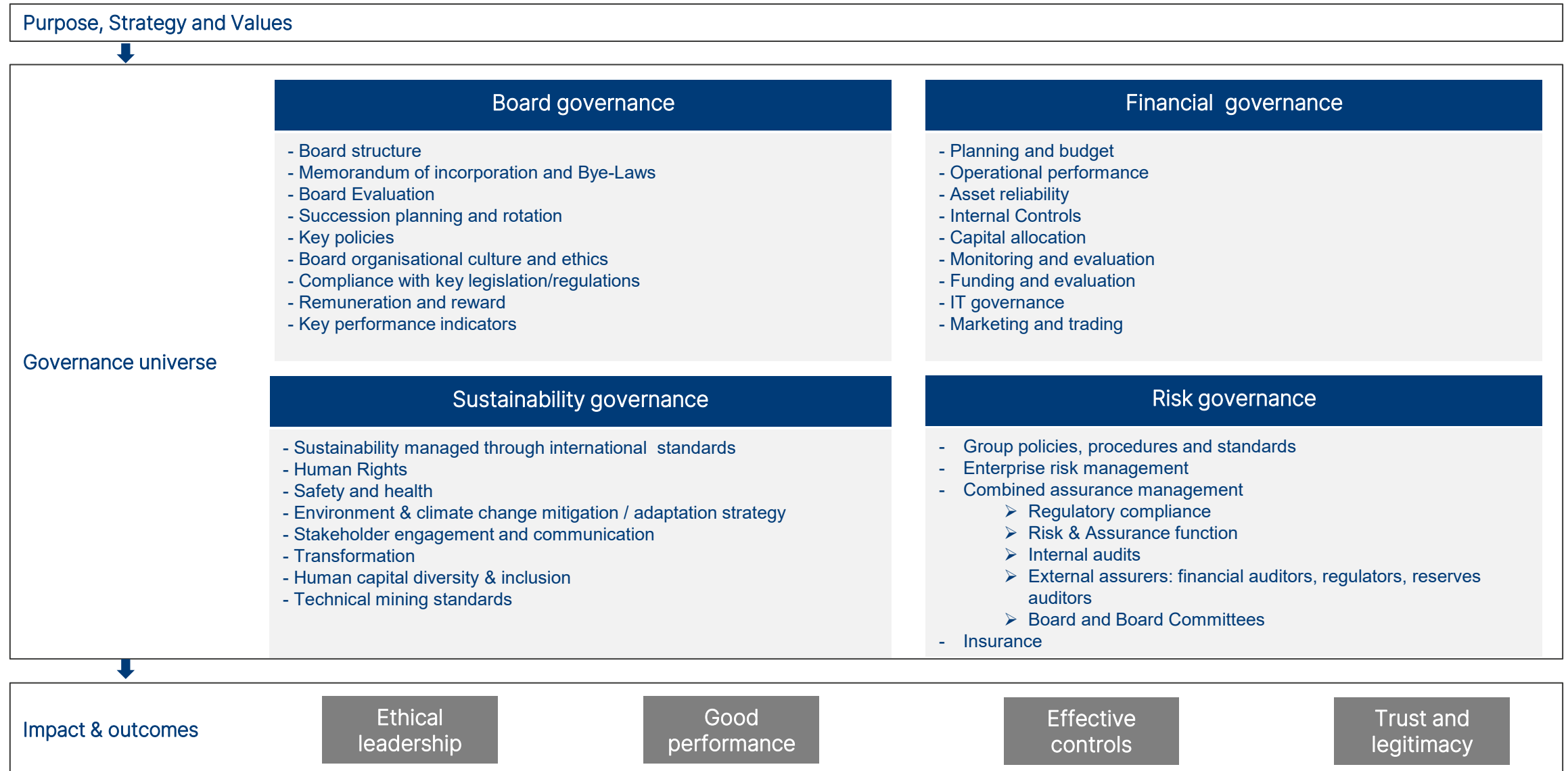
Lost Time Injury Frequency Rate FY 2010 – H1 FY 2022



LTIs down 57% in
H1 FY 2022 vs
H1 FY 2021

LTIFR down 64%
from 0.50 to 0.18
in H1 FY 2022 vs
H1 FY 2021

Governance - universe and framework



Governance - Board of Directors

A relatively new Board reflecting the reset of Petra's business



Peter Hill
Non-Executive Chairman
Nomination (Chair) and
Investment (Chair)
Committees



Richard Duffy
Chief Executive
Executive, HSE, SED and
Investment Committees



Jacques Breytenbach
Finance Director
*Executive and
Investment Committees*



Varda Shine
Senior Independent NED
*Remuneration (Chair),
Audit & Risk, Nomination,
HSE and SED Committees*



Bernard Pryor
Independent NED
*HSE (Chair), Audit &
Risk, Remuneration,
Nomination and
Investment
Committees*



Octavia Matloa
Independent NED
*Audit & Risk, SED (Chair),
Remuneration and
Nomination Committees*



Deborah Gudgeon
Independent NED
*Audit & Risk (Chair),
Remuneration, Nomination
and Investment Committees*



Jon Dudas
Independent NED
*Audit & Risk, Remuneration,
Nomination and Investment
Committees*



Johannes Bhatt
Non-Independent NED¹
*HSE and Investment
Committees*
¹Nominated by Monarch



Alexandra Watson
Non-Independent NED¹
*SED and Investment
Committees*
¹Nominated by Franklin
Templeton

Board Stats as at 1 June 2022

40%

Female

55%

Independent
(excluding the Chair)

Nationality

South African: 4/10

British: 5/10

German: 1/10

Length of service (LOS)

0-4 years: 80%

4-9 years: 20%

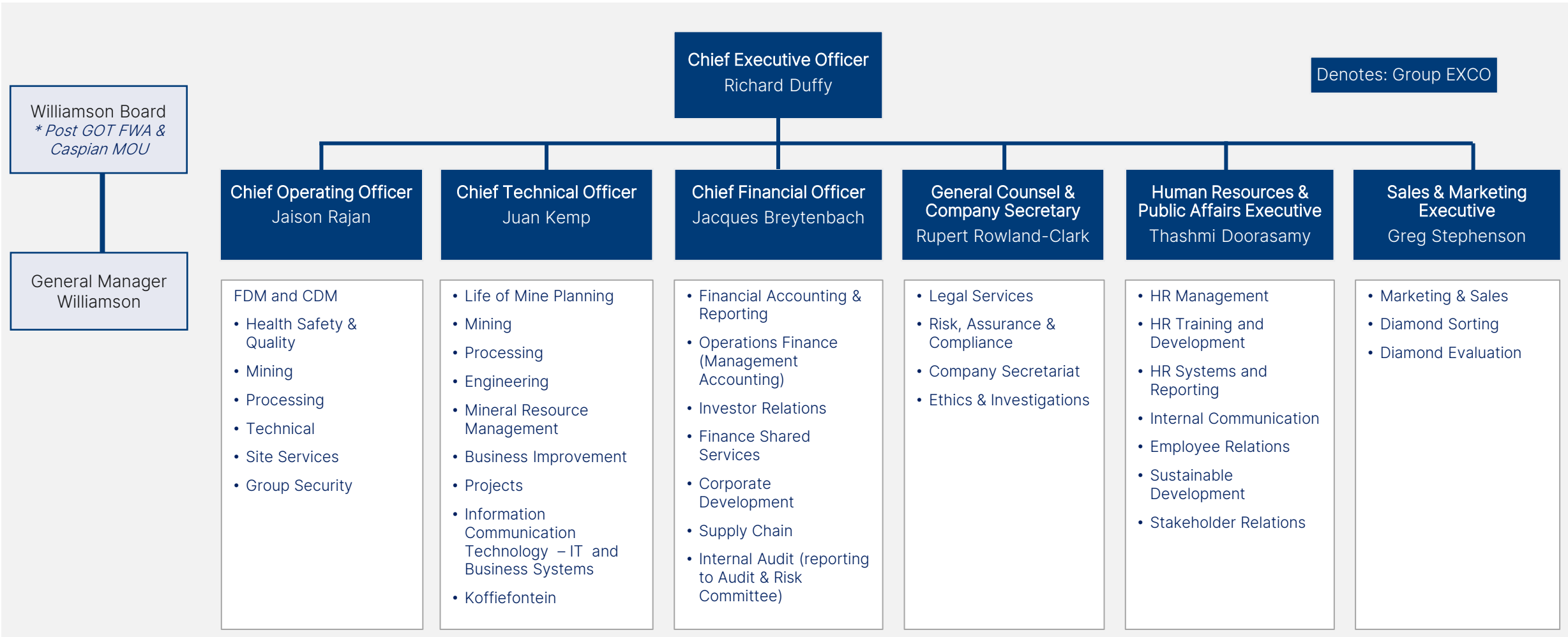
Average LOS: 2.8 years

1. Non-independent NEDs Johannes Bhatt and Alexandra Watson were nominated as part of the 2021 capital restructuring when bondholders Monarch and Franklin Templeton became holders of Petra's equity. Mr. Marius Kraemer (not shown here) was appointed as a Board Observer on 1 July 2021, having been nominated by Monarch

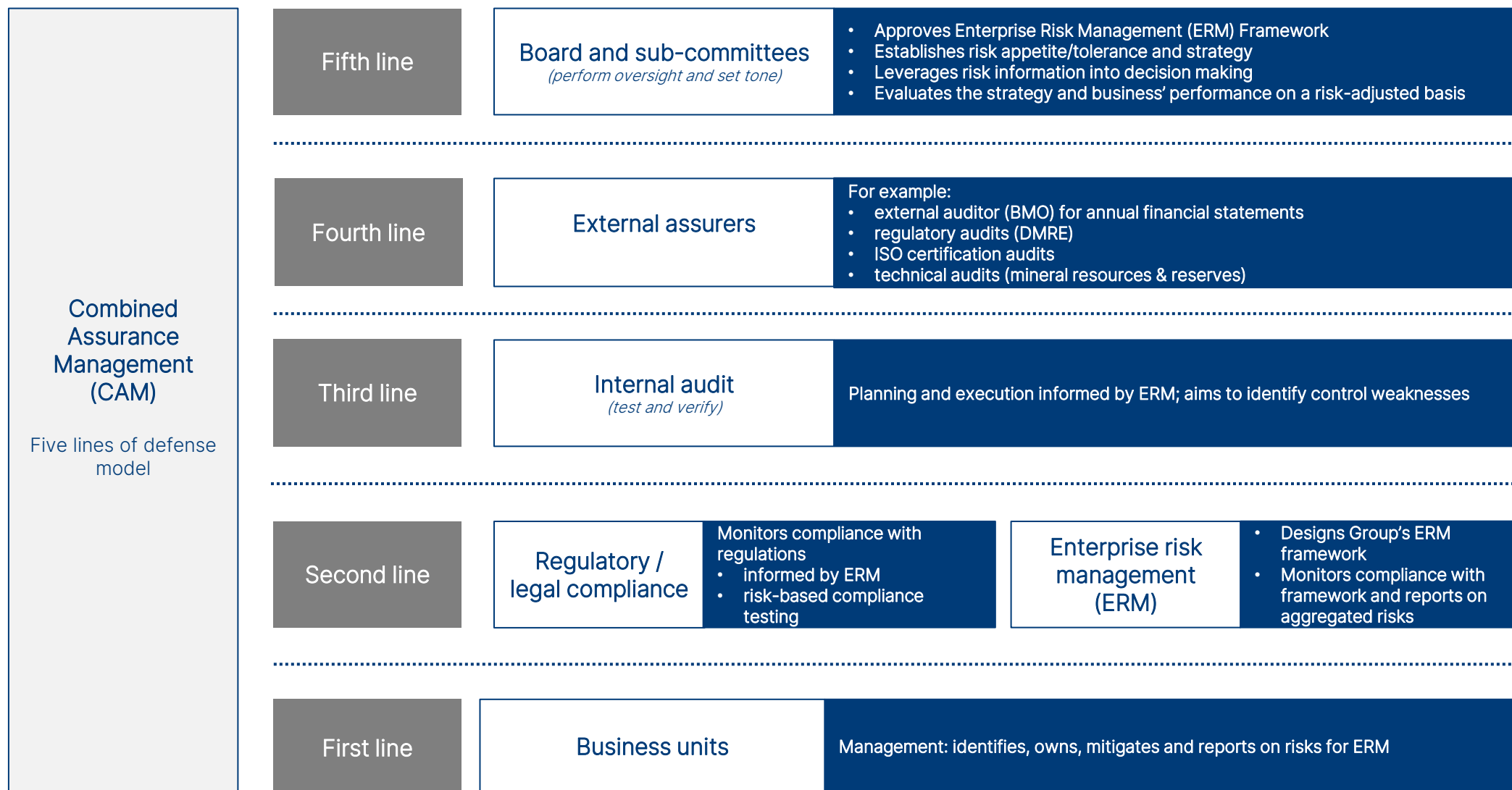
Governance - new management structure



Optimised for business efficiency, improved shareholder returns and improved governance, risk & assurance



Risk governance – five lines of defense model





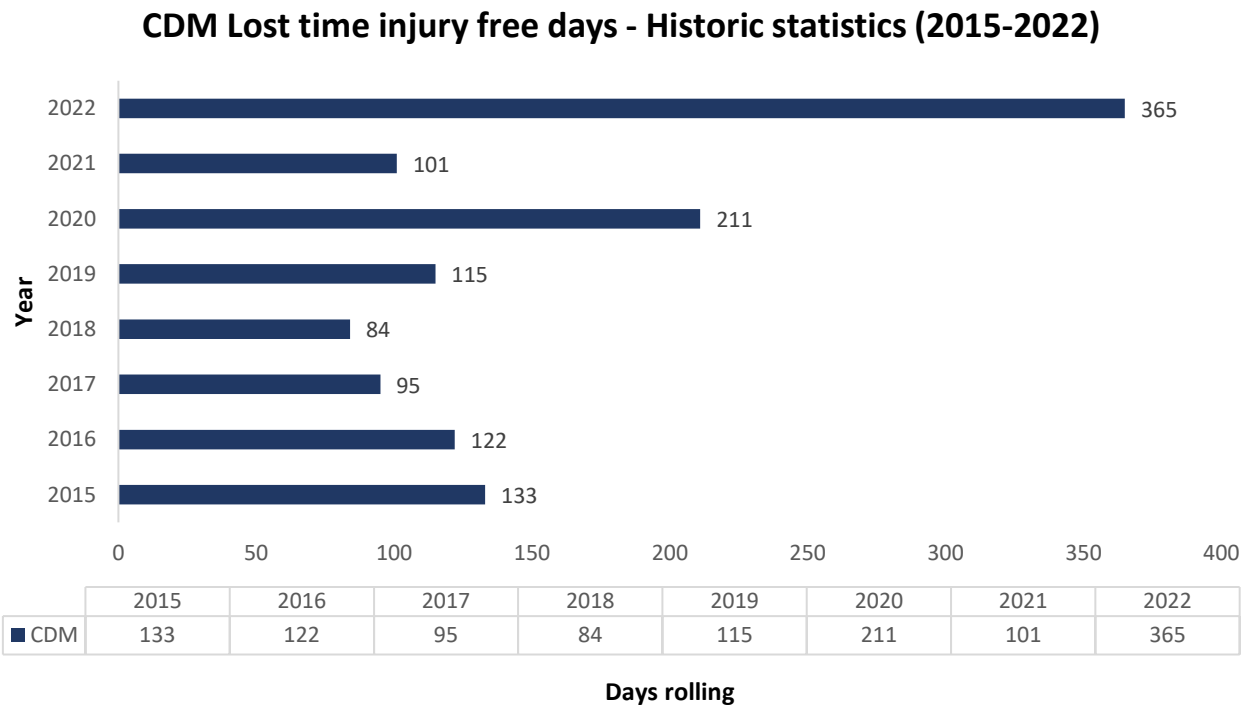
Case Study:

Responsible mining at Cullinan Mine

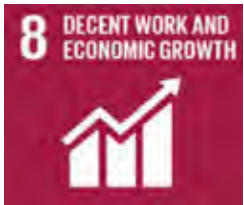
*Refilwe Mafiri was appointed as Petra's first female
Mining Manager in June 2021*



Safety performance achievement- 365 days lost time injury free



Cullinan Diamond Mine celebrated 365 days Lost Time Injury (LTI) free days on 25 April 2022



Enterprise and Supplier Development (ESD) programme



Assisting local businesses to create sustainable economic growth in our communities



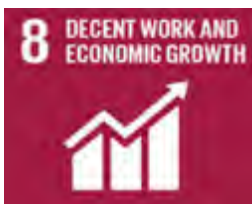
Dedicated ESD centres at each operation support local businesses

- Business advisory services
- Readiness assessments – business and technical
- Generic business training
- Access to market – opportunities at the mine and other markets
- Access to funding through low-interest funding for qualifying SMMs
- Business mentoring
- Computer and printing facilities
- Boardroom facilities

Since its inception in 2015, \$2.9m (R46m) loans have been disbursed

FY 2022 highlights

- Loans approved: 63
- Value of loans approved: c \$300k (R5m)
- Employment opportunities created: 243
- Local small businesses supported: 19



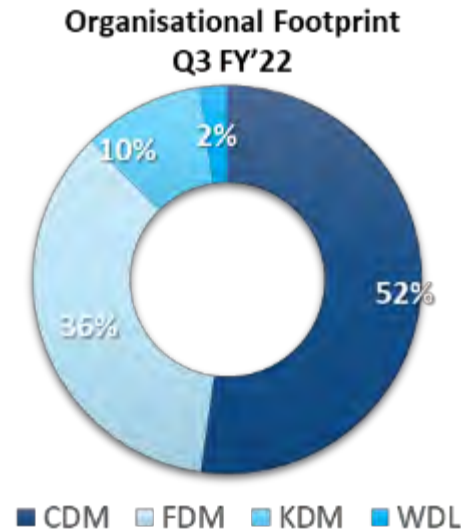
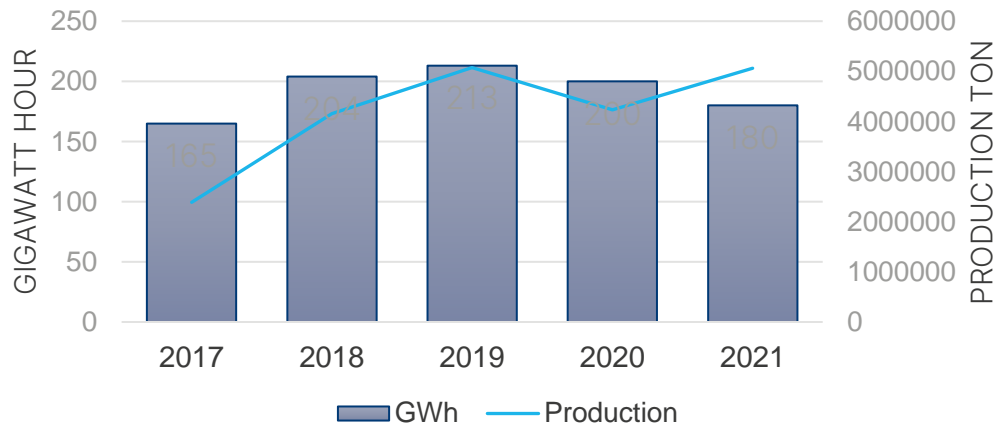


Carbon footprint

Energy use

- Diamond mining is less energy intensive than many other types – electricity represented 15% of on-mine cash costs in FY 2021
- Energy use is currently from non-renewable sources - but we evaluate renewable energy developments annually

CDM energy trend



Carbon emissions at Cullinan Mine

- CDM contributes 52% to Petra's overall carbon footprint
- CDM captures carbon through its indigenous vegetated areas at a rate of 300kg carbon /ha per annum. Therefore 802 t of atmospheric carbon is sequestered per year.

FY21 vs FY20

- Overall carbon emitted reduced 10% from 216 kt CO₂e to 194 kt CO₂e
- Intensity per carat reduced due to higher production from 0.14 tCO₂e/Ct. to 0.10 CO₂e/Ct

FY22 carbon footprint target achieved

- To maintain the carbon footprint of CDM below the FY 2019 base year of 0.128 tCO₂-e/Ct. (scopes 1, 2 and 3)

Carbon footprint strategy

1. **Objective 1:** Reduce Petra's dependence on fossil fuel based energy consumption
2. **Objective 2:** Collaborate with supply chain partners to support the reduction of scope 3 emissions





Water use

Water management

- Materiality: Water demand and conservation management has been identified as the most significant environmental risk to our operations, including Cullinan Mine, exacerbated by climate change
- Diamond mining is fairly water intensive due to the washing of ore in the treatment process

Improved water efficiency at Cullinan Mine

- Achieved a 44% improvement in water efficiency in FY 2021 due to lower water intake and improved production
- Water recycling has been consistently more than 97% over the past 3 years

FY	Total water use (m³)	Efficiency (m³/t)	% Recycled
2019	536 907	0.106	98.32
2020	675 701	0.160	97.82
2021	453 465	0.090	97.39



FY22 objectives achieved

- Maintain water efficiency below 0.118 m3/t
- Maintain water recycling above 95%

Water management strategy

Objective 1: Determine current and future operational water needs by managing demand, quality and infrastructure.

Objective 2: A resource capable of not only supporting production but also improve the lives of those around us.

Objective 3: Operate within the regulatory framework provided by International, National and Local legislation.

Cullinan Mine Pit Wall Scaling



Stakeholder engagement

- Ad hoc, incident-based engagement on pit scaling with community since early 2015, especially closure and detour of R513 road section
- Pit scaling incidents in 2019 highlighted the need for structured and sustained engagement with interested and affected parties, including both the community and authorities
- Perceptions in community (notably “Old Town”) about risk presented by pit scaling – property damage, dust, vibration, property values, more



Comprehensive stakeholder engagement plan

- Identification and rating of stakeholders
- Regular updates to affected parties: digital, Community Flash, community notice boards, and formal communication – letters and meetings (authorities) and scheduled public meetings
- Feedback mechanisms – Comment/Complaints books throughout community
- Recording of stakeholder individuals, stakeholder entities and actions on IsoMetrix SEM system
- Media contact – emphasis on local media; preparedness for national and wider media

Relocation Action Plan has resulted in relocation of three families since its inception

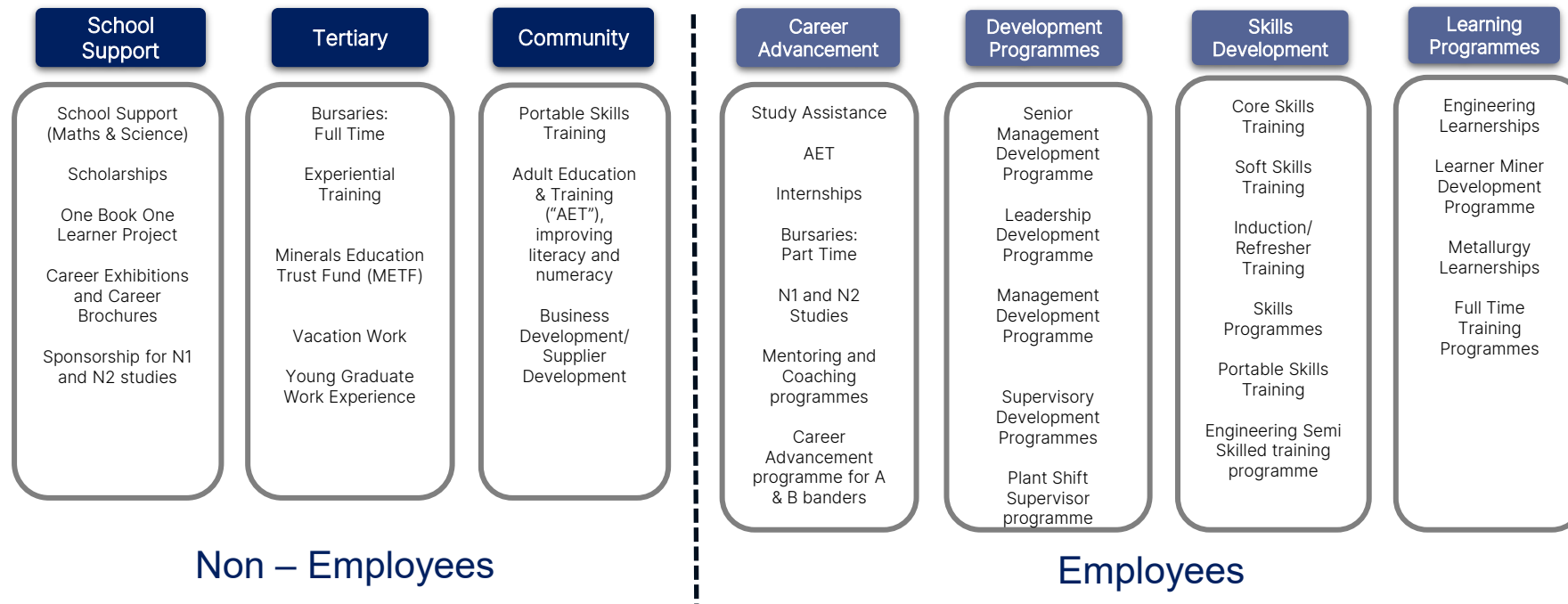


Education, Training and Development



The most important contribution we can make to socio-economic development

- Efforts start at grassroots level – improving education standards in local schools
- Bursaries, scholarships and training offered to community members
- Numerous Company programmes to develop our employees



Corporate Social Investment (CSI) in our communities



Petra Diamonds launched the 2022 Scholarship Programme in partnership with “Boodles” in April

10 learners from previously disadvantaged communities are being funded - total value of program is R100 000. The sponsorship is benefiting 5 different schools



Petra's investment and support to local schools and community health centres continues to have high impact interventions

Recent donations enabled the delivery of face masks and sanitizers to centres in Refilwe, Onverwacht and Lethabong



In 2022, CDM hosted the 2021 Matric Awards ceremony, recognising the best performing pupils and educators in the region.

Raymond Mamabolo (award received by their mother), also a beneficiary of Petra's Scholarship programme, received a Blue Gem Award from Petra in recognition of his academic achievements.



Cullinan Mine hosted an annual NGO summit with Early Childhood Development Centres (ECD), an NGO to assist in developing community funding programs through CSI.

Through this summit, a number of interventions and skills development needs were identified, new NGOs introduced and mapped. A funding plan is currently being developed for Petra's consideration.



The Department of Education reports a high percentage of girl drop outs from school due to lack of hygiene support.

Cullinan Mine, in partnership with “Boodles”, undertook to donate dignity packs to 600+ female pupils whose parents are unable to provide this need. This invention will enable these pupils to attend a school for a full calendar year without disruption and reclaim their dignity.



Group overview

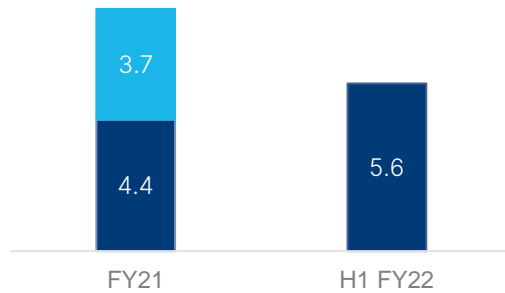
At 25.75cts, this stone is the largest of the Letlapa Tala Collection of five blue diamonds from the Cullinan Mine, that sold as a collective for \$40.4 million in November 2020



H1 FY 2022 - strong improving trajectory

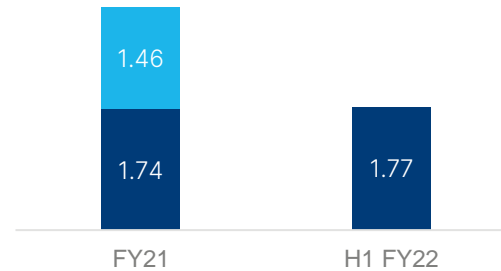


Tonnes



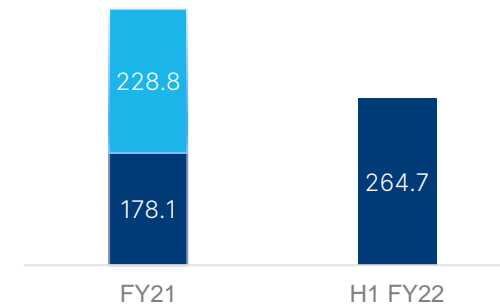
Ore processed up 27%

Mcts



Production up 2%

US\$m



Revenue up 64%

Key

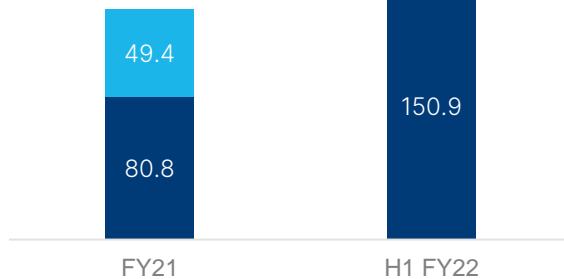
H2



H1

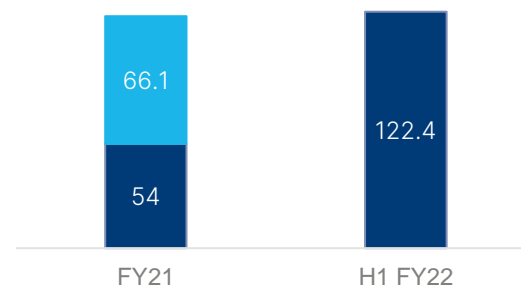


US\$m

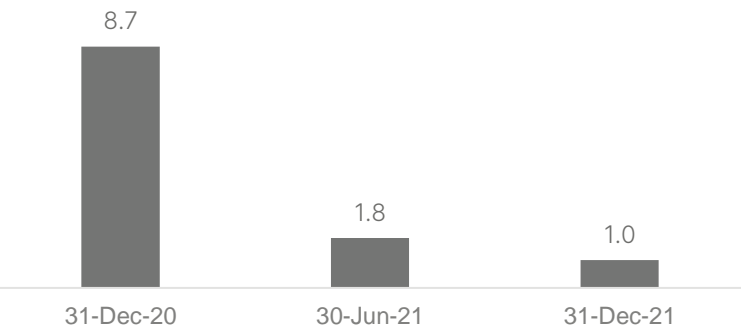


Adjusted EBITDA up 87%

US\$m



Operational free cash flow up 127%



Consolidated net debt: EBITDA down to 1.0x

Petra has been right-sizing its balance sheet

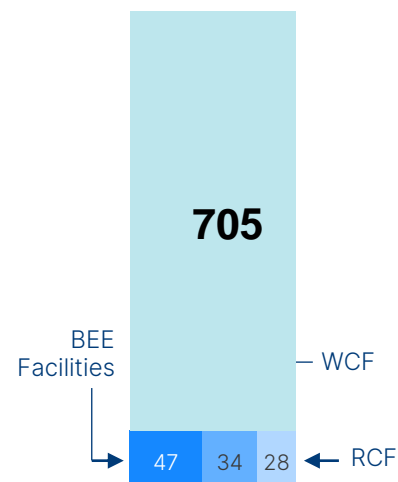


Capital structure evolution

Pre-Restructuring (Dec. 2020)

Total cash balance:
\$106m

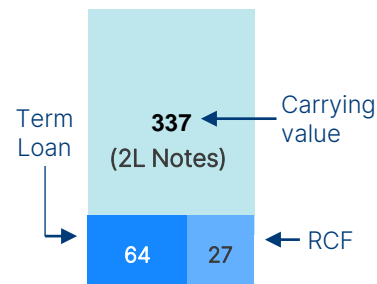
Gross debt: \$814m



September 2021

Total cash balance:
\$204m

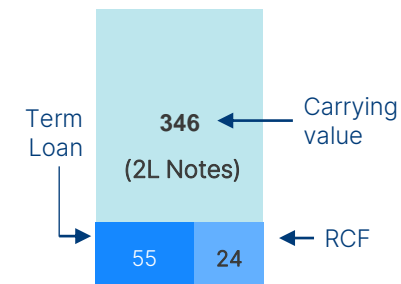
Gross Debt: US\$427m



December 2021

Total cash balance:
\$272m

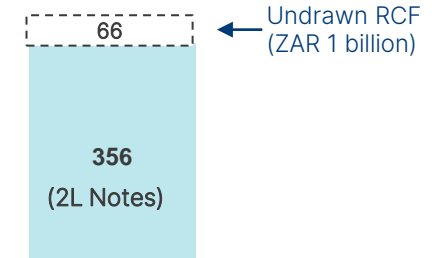
Gross Debt: US\$426m



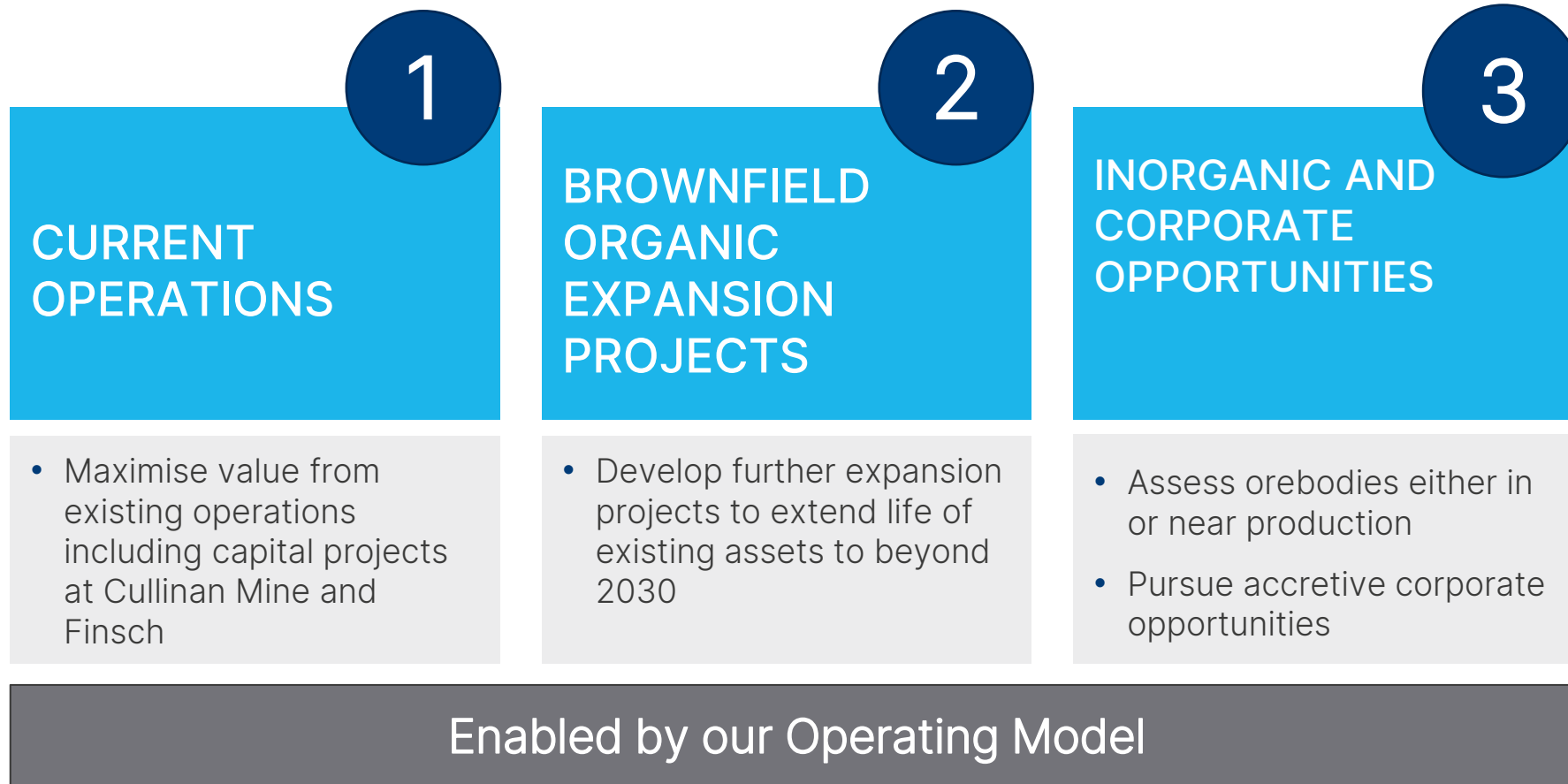
March 2022

Reduction in gross debt
due to re-financing of 1L
debt and settlement of
RCF and Term Loan with
cash reserves

Gross Debt: US\$356m



Pursuing a value driven growth strategy



Cullinan Mine



Ownership:
 Petra Diamonds: 74%
 Kago Diamonds: 14%
 Itumeleng Petra Employee Trust: 12%

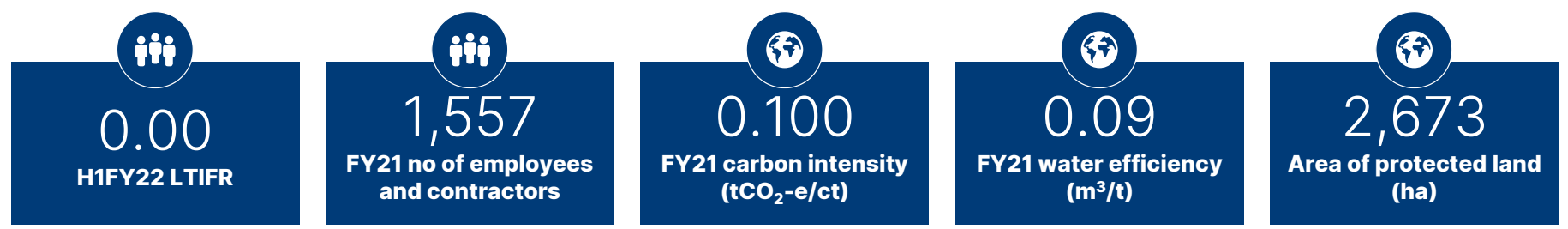
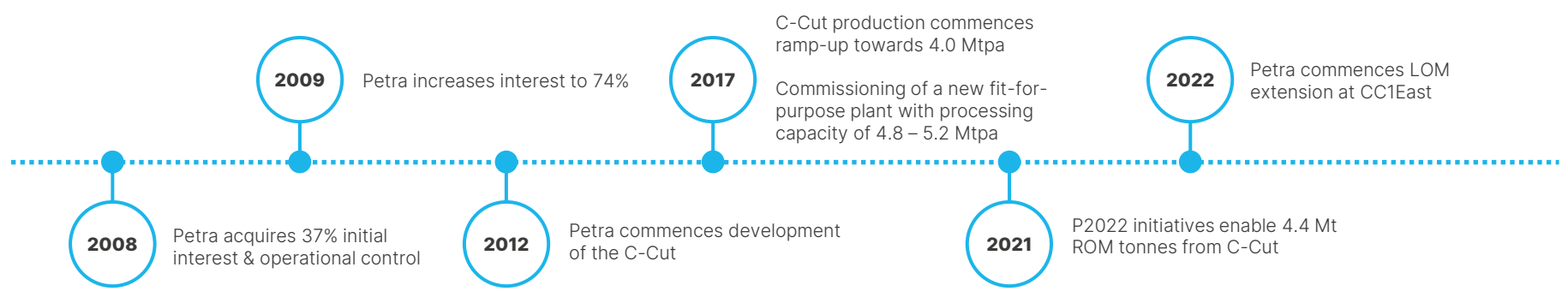
Mining Method:
 Underground block cave and sub level cave

Mine plan to 2031 with potential to extend



Cullinan Mine is one of the world's most celebrated diamond mines. It is the source of the 3,106ct Cullinan Diamond, which remains the largest gem diamond ever discovered and was cut to form the two largest diamonds in the British Crown Jewels.

It is renowned as a source of very rare and highly valuable Type II blue diamonds as well as very large high- quality Type II white diamonds. At just under 150 Mcts, it contains one of the world's largest diamond resources.



Finsch



Ownership:
 Petra Diamonds: 74%
 Kago Diamonds: 14%
 Itumeleng Petra Employee Trust: 12%

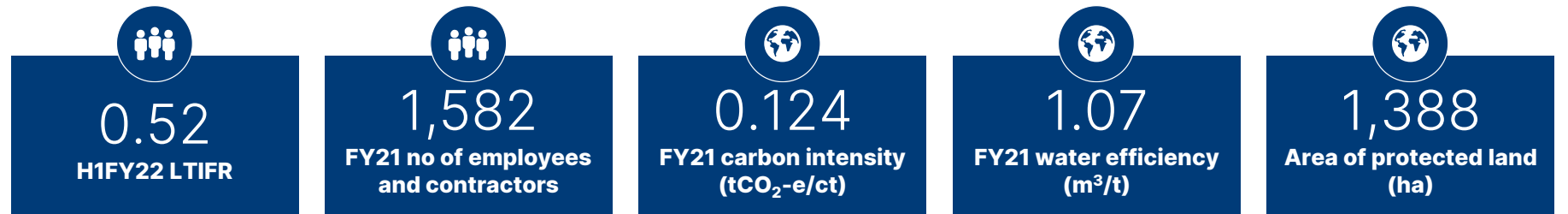
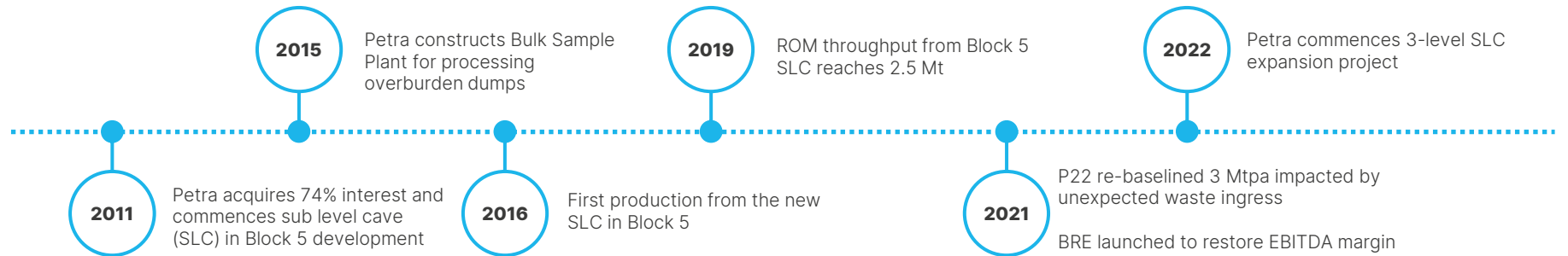
Mining Method:
 Underground sub level cave

Mine plan to 2030 with potential to extend



The Finsch kimberlite was originally discovered in 1960 and the mine was opened in 1967. Open pit mining ceased in 1990 and has since operated as an underground operation.

Finsch is known for highly commercial goods of +5 carats and is rich in gem quality smaller diamonds. Large diamonds are also a feature of the orebody, with a number of +50 carat stones recovered at the mine annually. The mine can also produce very rare fancy yellow diamonds.



Williamson

Current Ownership:
Petra Diamonds: 75%
Government of Tanzania: 25%

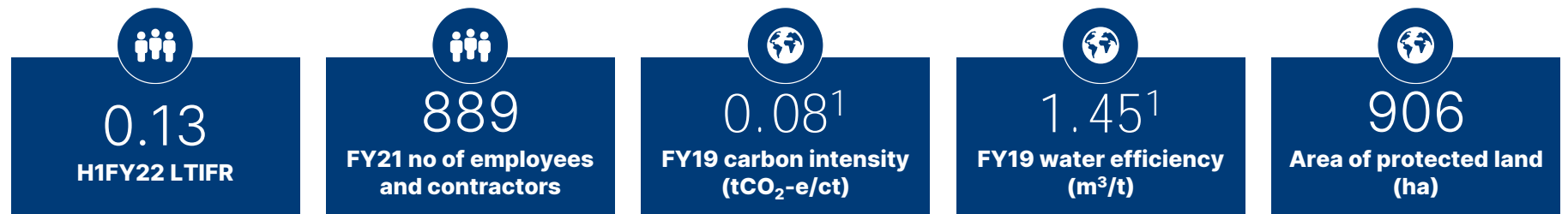
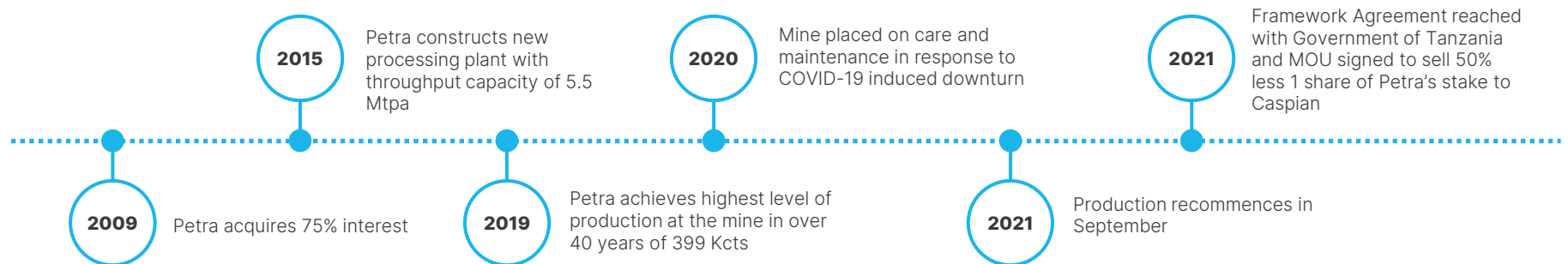
Mining Method:
Open pit

Mine plan to 2030, reflecting
remainder of Special Mining License
(SML), with significant further potential



The Williamson mine was discovered in 1940 and is based on the Mwadui kimberlite. At 146 hectares, this is one of the largest economic kimberlites in the world and it still retains a major resource of 37.9 million carats.

Williamson is renowned for 'bubblegum' pink diamonds, including the Williamson Pink, which is considered one of the finest pink diamonds ever discovered. The mine also produces beautifully rounded white diamonds of high quality



1. Last full year of operation prior to care and maintenance period

Ongoing remediation following allegations of human rights abuses at Williamson Mine



The background

- 2020: Leigh Day brought claims before English High Court and RAID published a report alleging breaches of human rights arising from security operations at Williamson Mine
- Petra formed Board sub-committee consisting of Non-Executive Directors to oversee matters and undertake investigation
- Investigation supported by Control Risks, a specialist external investigator and lawyers Freshfields
- May 2021: Petra reached a settlement with Leigh Day on claims and announced findings of investigation and actions taken which included (amongst others) establishing an Independent Grievance Mechanism and Restorative Justice Projects, as described below

Independent Grievance Mechanism (IGM)

The IGM will be a non-judicial mechanism based on UN Guiding Principles on Business and Human Rights providing remedy to complainants who have suffered severe human rights impacts in connection with security operations at the Williamson mine

- Mechanism to enable community members to confidentially and securely register alleged historical grievances set up
- H2 2021 and H1 2022: extensive engagements with national, regional and district Government, NGOs and then local community to gain support and feedback
- IGM organisational structure being set up: Fact Finding Team, Independent Panel, Appeals Panel, Secretariat and Independent Monitor; current target is for IGM to be operational during Q4 CY 2022

Restorative Justice Projects (RJPs)

Purpose of RJPs is to provide sustainable benefits to local communities

- Funding of £1m provided by Petra
- Working with NGOs and Synergy to deliver following projects

1. Medical Services Project– physiotherapy and rehabilitation:

- c.1,000 consultations by May 2022; funds for project have been increased
- Additional free services to include psychological support, surgery, medication, rehabilitation treatments and orthopaedic devices

2. Income Generating Projects:

- **ASM (Artisanal and Small-scale Mining) Project**
 - Pre-feasibility conducted in 2021; partner to be appointed to conduct feasibility study
- **ADI (Agribusiness Development Initiative) Project**
 - Scoping study conducted by local partner, SpaDe, who will now support the feasibility assessment and design of the ADI

3. SGBV (Sexual and Gender-based Violence) Project:

- Local partner Her Dignity implementing project
- By May 2022 c. 3,000 people involved in identifying root causes
- Action plans to be reviewed by local government; training to be provided

4. Radio Programme:

- To raise awareness and understanding of IGM and RJPs amongst local community
- Approved by district Government; messaging being developed

Koffiefontein

Ownership:
 Petra Diamonds: 74%
 Kago Diamonds: 14%
 Itumeleng Petra Employee Trust: 12%

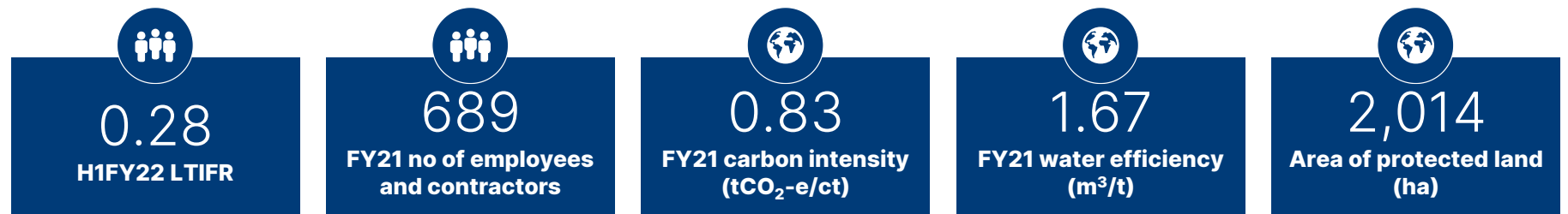
Mining Method:
 Underground sub level cave

Mine plan to 2025



The Koffiefontein kimberlite was first discovered in 1870, with diggings on individual claims, before formalised mining started with the open pit in 1892. The mine commenced underground operations in 1982.

It is a low grade mine, but the average value of its diamond production is very high. The mine produces white stones of exceptional quality, a regular proportion of which are of between 5 and 30 carats, and occasional fancy pink diamonds.



Value proposition



Robust operations and growth potential

- Best-in-class safety performance
- New sustainability framework
- Third largest global diamond resource - further expansion and life extension
- Cullinan Mine and Finsch internally funded capital projects expected to deliver +30% returns
- Implementation of operating model delivering stable, predictable performance
- Value driven growth strategy encompassing organic and inorganic opportunities

Strengthened financial platform

- Strong cash generation through 3-year Project 2022
 - Net free cash flow to exceed \$200 million by FY 2022
- Net debt down \$548 million at H1 FY 2022
 - Balance sheet reset delivering \$343 million
 - \$205 million cash generated by the business
- Disciplined capital allocation approach to further reduce debt and enhance shareholder returns



**Supported by a robust diamond market
with structural supply shortages projected for the next decade**