

Risk Management and Principal Risks

The Group is exposed to a number of risks which could have a material impact on its performance and long-term viability. The effective identification, evaluation, management and mitigation of these risks is a core focus of management and the Board, as this is key to the Company's strategy and objectives being achieved.

Risk management framework

The Board has ultimate responsibility for risk management and receives reports and updates from the Board Committees on the key risks facing the business and the steps taken to manage them. The Board delegates responsibility to the Audit and Risk Committee (ARC) which is responsible for monitoring and assessing Petra's risk management and internal control systems. The ARC receives quarterly updates from the Risk, Assurance and Compliance function on Petra's principal risks, including tracking Petra's risk appetite and tolerance thresholds and risk mitigation action plans. The Safety, Health and Sustainability Committee also monitors developments related to safety, health, environment, climate and social performance, providing strategic direction, oversight and risk assurance.

Exco receives updates on Petra's principal risks, including Petra's risk appetite and tolerance thresholds and risk mitigation action plans and monitors and facilitates the implementation of effective risk management through the organisation, including driving a culture of individual risk owner and employee accountability. Petra's Risk, Assurance and Compliance function continuously reviews, analyses and reports on risks, which includes monitoring emerging risks and consolidating key risks. Internal Audit provides assurance, in conjunction with external assurance providers and the Risk, Assurance and Compliance function, on the effective functioning of the internal control systems.

Petra deploys the four lines of defence model to enable better risk governance. A summary of how this model works is set out below. Petra's risk governance applies the principles of good governance to the identification, assessment, management and communication of risks.

Risk governance – four lines of defence model

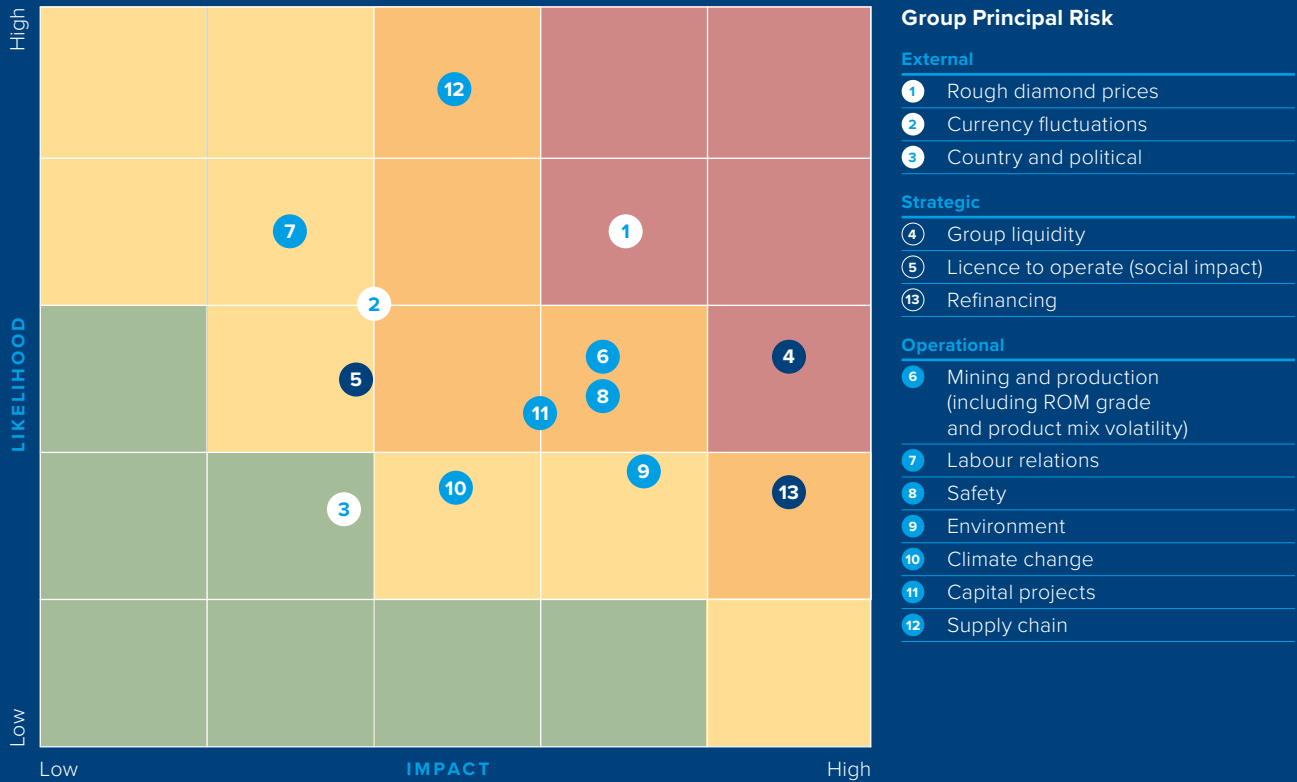
	Board and sub-committees (performs oversight and sets tone)	• Approves Enterprise Risk Management (ERM) Framework • Establishes risk appetite/tolerance and strategy • Leverages risk information into decision-making • Evaluates the strategy and business performance on a risk-adjusted basis	
Fourth line	External assurers	For example: • Regulatory audits (DMRE) • ISO certification • Technical audits (resources and reserves)	
Third line	Internal audit (test and verify)	• Planning and execution informed by ERM; aims to evaluate design and effectiveness of internal controls	
Second line	Regulatory/legal compliance	Monitors compliance with regulations • Informed by ERM • Risk-based compliance testing	Enterprise Risk Management (ERM) • Designs Group's ERM Framework • Monitors compliance with Framework and reports on aggregated risks
First line	Business units	Management: identifies, owns, mitigates and reports on risks for ERM	

Petra has an Enterprise Risk Management (ERM) Framework which outlines the process for identifying, analysing, evaluating, treating and managing the impact of Petra's risks. This ERM Framework is based on ISO 31000 and is illustrated in the diagram on the opposite page (Petra's Risk Assessment Process).

Management within each function and operation is responsible for using this ERM Framework to identify the key risks in their area and for establishing appropriate and effective management processes to control and mitigate the impact of such risks, including assigning risk owners who are accountable for managing these risks. Once assessed, risks are aggregated and integrated into the Group's risk register and ultimately the Group's principal risks. Members of the Exco are assigned ownership of and are accountable for stewardship of each of the principal risks.

Updates to baseline risk assessments are conducted at least annually to re-evaluate existing risks and identify emerging risks, including the effectiveness of mitigating actions resulting from process changes, significant incidents, or disasters, or by instruction from regulatory bodies, amongst others. The relative significance of all identified risks is determined by using the ERM Framework to apply consequence and likelihood criteria, with management evaluating risks prior to internal controls to determine inherent risk levels and also assessing the effectiveness of internal controls to determine residual risk levels.

Principal risks matrix (mitigated)



Petra's Risk Assessment Process



Risk appetite and tolerance

Petra accepts there are risks associated with its business activities that cannot be fully eliminated and which must be accepted if we are to deliver our strategy. Petra also actively monitors Key Risk Indicators (KRIs) to prompt management to take necessary action(s) where appetite and tolerance thresholds are exceeded.

Petra's KRIs are kept under review by management and the Audit and Risk Committee to ensure that they align with the Company's Purpose, Values and Strategy and evolving risk profile. Any changes to the KRIs that are used to measure risk appetite and tolerance require the approval of the Audit and Risk Committee.

People

Petra operates in a diverse and inclusive manner, and motivates the workforce to realise their full potential and deliver extraordinary outcomes in support of its strategic intent.

Social licence to operate

Petra conducts operations in a manner that doesn't compromise its reputation or ability to operate, or in a manner that does not support compliance with the relevant legislation in the jurisdictions in which we operate.

Stakeholders

Petra endeavours to act in a manner that is respectful and gives due consideration to the impact on all stakeholders.

Operational performance

Petra pursues mining operations in a manner that supports business resilience and sustainable mining within its targeted cost curve.

Capital allocation

Petra allocates growth and sustaining capital that promotes our strategic intent, provided it meets investment hurdles set by the Board and does not breach liquidity and funding thresholds.

Safety, health and environment

Petra does not pursue operations unless all prescribed and reasonable measures have been taken to ensure the safety and wellbeing of our employees and the environment.

Climate Change

Petra does not pursue operations unless prescribed and reasonable measures have been taken to mitigate the impact of climate change on the well-being of our people and the environment.

GOVERNANCE

Reputation and ethics

Petra has zero tolerance for illegal or unethical behaviour. To this end, Petra will not (i) participate in fraud, bribery and corruption by Petra, any Director, employee or business partner; (ii) do business with sanctioned entities and individuals or those involved in modern slavery or human rights violations; and (iii) sell rough diamonds which have not been certified through the Kimberly Process.

Corporate governance and regulatory compliance

Petra mandates full compliance with governing laws and regulations, as well as the application of prescribed governance principles.

Reporting

Petra commits to accurate reporting to its stakeholders in accordance with prevailing legislation and reporting standards.



Our principal risks

During the Year, Petra's risk profile has been closely monitored, with no new principal risks being identified but some movements in principal risks being tracked as summarised below. Our assessment of the likelihood of our principal risks occurring and the potential consequence of such risks (after taking into account the risk management processes and mitigation action plans we implement) is summarised in the heatmap above. A summary of the Group's principal external, operational and strategic risks (in no order of priority) is set out below.

Risk Description	Mitigation
1. Rough diamond prices Our financial performance is closely linked to rough diamond prices which are influenced by global macro-economic conditions, supply and consumer trends, and product mix recovered from our two mines. While long-term market fundamentals remain supportive, diamond market weakness was experienced throughout FY 2025 and is expected to continue through to the end of CY 2025. Average like-for-like prices for FY 2025 were down 19% compared to FY 2024 Impact - Reduction in revenue, cashflow, profitability and overall business performance - Capital programmes potentially negatively impacted	- Like-for-like rough diamond prices for goods sold slightly improved by 3% on Tender 5/6 FY 2025 mainly from coarser goods - Through the increased RCF, retain the ability to defer timing of sales tenders in lower pricing environments - Entry into profit sharing agreements to realise additional value from selected diamonds - Timely execution of our capital programmes to unlock new parts of the ore body which will improve product mix Change in risk profile during the year ↑ Category E External risk, long-term Risk owners - Chief Financial Officer - Group Sales and Marketing Executive
2. Currency fluctuations Group revenue is received in US\$ with costs incurred in ZAR. The average exchange rate in FY 2025 was ZAR 18.15/US\$1 compared to ZAR18.70/US\$1 in FY 2024. Impact A sustained stronger ZAR could potentially impact Group Liquidity and profitability	- Group policy is to hedge a portion of South African diamond sales when weakness in ZAR allows Change in risk profile during the year ↑ Category E External risk, Long-term Risk owners - Chief Financial Officer
3. Country and political Our mining operations are located in an emerging market economy (South Africa) which may be subject to greater legal, regulatory, tax, economic and political risks. These risks may be subject to rapid change Impact These risks may negatively impact our operations and the cost of doing business in this jurisdiction	- The formation of the South Africa Government of National Unity (GNU) continues to create stability in South Africa markets evidenced by stable credit ratings. - In May 2025, the sale of Williamson to Pink Diamonds was concluded which eliminated exposure to country and political risks related to Tanzania. Change in risk profile during the year ↓ Category E External risk, long-term Risk owners - General Managers (Cullinan Mine and Finsch) - Exco

 Higher	 External risk
 Lower	 Strategic risk
 No change	 Operational risk

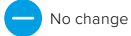
Risk Description	Mitigation
4. Group liquidity We require sufficient liquidity to meet our current and future financial commitments, including capital and interest payments on our Senior Secured Bank Debt and 2L Notes in line with the recently announced Refinancing. Our ability to generate this liquidity is affected by a number of factors which include (i) the demand for rough diamonds (which remains subdued and which impacts diamond prices), (ii) global economic uncertainty (which has the potential to both reduce demand for rough diamonds and have an inflationary impact on our cost base) and (iii) operational performance, including in relation to product mix. Impact A strain on our liquidity may affect our ability to meet our financial obligations when they fall due	- Continued cost and capex optimisation - Updated business plan, with a lower cost profile resulting in a saving of c. US\$18-20 million in cost reductions against prior guidance and a further optimised capital profile - Revised life-of-mines for Cullinan Mine and Finsch have smoothed capex peaking at c. US\$100-110 million per annum - Debt optimisation opportunities pursued, with 2L Notes reduced in FY 2025 through open market purchases totalling US\$24 million - The Company has agreed in principle a long-term solution for the refinancing of the Group, subject to shareholder approval (see Refinancing risk below), which includes fresh equity of US\$25 million, and a mechanism to pay for 2L Notes interest through shares instead of cash, if the Company has liquidity constraints - Sale of Koffiefontein during Q2 FY 2025 which avoids closure-related costs of c. US\$23 million and disposal of Williamson during Q4 FY 2025 for deferred consideration of US\$16 million  Change in risk profile during the year  Category Strategic risk, short-medium-term Risk owners - Chief Financial Officer
5. Licence to operate – regulatory and social impact and community relations Maintaining our social licence to operate involves, in particular: (i) managing the social impact of mining activities, (ii) complying with applicable legislation, and (iii) implementing and sustaining Local Economic Development Projects. Our social licence to operate is affected by, amongst other items: - integration and alignment of Integrated Development Plans with DMRE requirements and SLPs in South Africa to ensure community projects are fit for purpose - community factionalism, personal agendas and political influence which may delay implementation of community projects - lack of business skills and know-how in communities, resulting in failed projects - impact on communities of major hazards (eg shaft or TSF failure) Impact - Failure to successfully implement SLP projects, deal effectively with community grievances and/or provide employment and business opportunities for local communities may have significant social impacts for surrounding communities which could in turn affect Petra's operations and its ability to meet its regulatory obligations	- Ringfencing of opportunities for SMMEs to achieve enterprise and supplier development targets at our South African operations, strengthening our relationships with communities and business forums - Ongoing monitoring of SLP projects' implementation structured stakeholder engagement programmes involving regular engagement with local municipalities, host communities and - the DMPPR - Inclusion and active participation of local business forums and communities in procurement opportunities  Change in risk profile during the year  Category Strategic risk, long-term Risk owners - Group HR and Sustainability Executive - General Managers (Cullinan Mine and Finsch)



Higher



Lower



No change



External risk



Strategic risk



Operational risk

Risk Description

Mitigation

6. Mining and production including ROM grade

Mining diamonds from kimberlite deposits involves various risks, including geological, geotechnical, industrial and mechanical accidents, unscheduled plant breakdowns, technical failures, ground or water conditions, access to energy and inclement or hazardous weather conditions. Current mining blocks at the Finsch and Cullinan Mine are reaching their end of life, resulting in lower levels of ROM grade and higher product mix variability. ROM grade and product mix may be further impacted by the mix of ore produced from the current mining areas, the level of dilution experienced from waste rock ingress and the inclusion of production from surface resources.

Impact

- Failure to deliver on production plan could have a material negative impact on cashflow and in turn on our ability to meet its financial obligations when they fall due

- Timely execution of our capital projects to open new mining blocks both at Cullinan Mine and Finsch
- Both the product mix and grade at Cullinan Mine is expected to improve as tonnage from the new CC1E sub-level cave ramps up and extensions to the C-Cut progress
- Similarly, both the product mix and grade at Finsch is expected to continue improving as greater percentage of ore is mined from 81L and the 3L -SLC project
- Both Cullinan Mine's and Finsch's orebodies are well understood, with detailed geological and geotechnical modelling and sampling underpinning the updated business plans



Change in risk profile during the year



Category
Operational risk, long-term

Risk owners

- General Manager (Cullinan Mine and Finsch)

7. Labour relations

Production is dependent on a stable and productive labour workforce, with labour relations in the mining sector in South Africa being historically volatile.

Impact

- Potential instability at the operations, leading to strike action and consequent production disruptions which in turn impact Petra's liquidity position

- Petra maintains regular open and effective communication channels with its employees and trade union representatives at its operations
- In June and July 2024, five-year wage agreements were concluded with the NUM and UASA covering the South African operations for the period July 2024 to June 2029 in respect of employees in the A to C Paterson bands



Change in risk profile during the year



Category
Operational risk, short-medium- term

Risk owners

- General Managers (Cullinan Mine and Finsch)
- Group HR and Sustainability Executive

8. Safety

The operation of large mining and processing facilities carries a potential risk to the health and safety of the workforce, visitors and the community.

Impact

- Potential fatalities and injuries for our workforce, visitors and the community, impacting Petra's licence to operate
- The risk of fines or other sanctions by regulators
- Potential production stoppages impacting Petra's liquidity position
- Reputational damage

- Prioritisation of health and safety by management, with a clear set of KPIs that are regularly tracked
- Well-established and comprehensive safety policies and procedures
- Regular updates to policies and procedures following ongoing risk assessment and safety investigations
- Ongoing hazard identification programme
- Regular training and updates on safety protocols/requirements for the workforce
- Regular self-assessments on compliance with safety laws, regulations, policies and procedures and remedial actions where areas of potential non-compliance are noted
- Oversight, monitoring and reporting of safety compliance and regular engagement with external service providers to conduct independent and objective reviews and inspections
- Monitoring of workforce health (physical and mental) and access to wellbeing and education programmes



Change in risk profile during the year



Category
Operational risk, short-medium- term

Risk owners

- General Managers (Cullinan Mine and Finsch)



Risk Description	Mitigation
9. Environment Mining and processing operations can have a significant impact on the environment and local communities, if not managed appropriately. Some examples of environmental risks include: - Tailings Storage Facility failure, resulting in an outflow of fine residue deposits which could severely impact communities and the environment - Loss in ecosystem and ecological functions (eg water purification, prevention of soil erosion) through mismanagement of biodiversity commitments - Non-compliance with material environmental legislation Impact - Environmental damage impacting the local community and Petra's licence to operate - The risk of fines or other sanctions by the regulator - Potential production stoppages impacting Petra's liquidity position - Reputational damage	- Prioritisation of environmental compliance by management, with a clear set of KPIs that are regularly tracked - Well-established and comprehensive safety policies and procedures - Regular updates to policies and procedures following ongoing risk assessment and safety investigations - Compliance with conditions attached to water use licences and other environmental authorisations - Performance reviews, legal inspections and audits conducted on an ongoing basis, including conducting concurrent rehabilitation processes - Annual waste audits conducted at the Cullinan Mine and Finsch - Environmental Management Programmes in place for all operations contain management options for mining waste disposal - Tailings deposition plans underway for each mine Change in risk profile during the year Category Operational risk, Short-medium- term Risk owners - General Managers (Cullinan Mine and Finsch) - Group HR and Sustainability Executive
10. Climate change We are exposed to physical, transitional and potential liability risks which arise as a result of the long-term shift in global and regional climate patterns. Specific risks associated with this include: - Adverse weather changes such as intense storms (eg rainfall, lightning) which may result in flooding of our mining shafts and overflowing of tailings storage facilities. These events increase our safety risks and the risk of severe socio-economic impacts on our communities, including the sustainability of Petra's business - Medium- to long-term costs in mitigating the likelihood and severity of physical climate change risks - Escalating insurance costs and limitations on cover increases the Group's liability risk in the event of adverse climate change events - Escalating carbon tax Impact - Our ability to implement our strategy, our licence to operate and our reputation - Reduces access to capital and our ability to attract and retain talent - Potential safety and environmental-related incidents impacting employees and local communities - Operations impacted by adverse climate change events which in turn impacts production and liquidity	- Undertaking scenario analyses to refine relevant climate-related risks across different scenarios - Developing a Climate Change Mitigation and Adaptation Strategy, aligned to the TCFD recommendations and our Sustainability Framework - Our GHG Roadmap to guide us towards our target of reducing Scope 1 & 2 emissions by 35-40% by 2030 (against our 2019 baseline) and our net zero 2050 target - Appropriate insurance cover in place in the event of a catastrophic climate change incident - Continuous monitoring against annual targets set for on-mine water and electricity consumption and efficiency Change in risk profile during the year Category Operational risk, short-long- term Risk owners - General Managers(Cullinan Mine and Finsch) - Group HR and Sustainability Executive



Risk Description	Mitigation
11. Capital projects Major life extension capital projects at the Cullinan Mine and Finsch were replanned during FY 2024 and approved by the Board as part of the updated life-of-mine plans. These projects are to be executed concurrently and in the same parts of the orebody with ongoing production, consequently requiring continuous interfacing between operations and project teams. These replanned projects with a smoothed capital profile have an inherently lower risk profile compared to the previous baseline. Impact Failure to deliver on our planned capital projects could lead to (i) cost overruns impacting Group liquidity and (ii) future production shortfalls due to delayed execution	- The Projects Steering Committee, Exco, Investment Committee and Board continue to monitor progress of all projects against approved budgets and schedules - Continuous identification, assessment and mitigation of project risks - Further optimisation of the projects during FY 2025 Change in risk profile during the year Category — Operational risk, short-medium- term Risk owners - General Managers (Cullinan Mine and Finsch)
12. Supply chain We continue to implement supply chain improvements that were proposed by an independent expert in FY 2023. The aim of these improvements is to improve internal service delivery and value, including through supply chain contracts. Impact - Production interruptions and/or shortfalls due to delayed procurement and missed value opportunities through inefficient contract management - A failure to conduct appropriate due diligence and vetting of suppliers may lead to legal, financial and reputational risks - Inadequate segregation of duties between roles and a lack of adequate audit trails may contribute to weakness in the internal control environment - Ineffective and unclear functioning of a tender committee for awarding contracts to suppliers may create uncompetitive pricing and/or conflicts of interest - Gap analysis of existing supply chain processes and systems conducted by an independent external expert in FY 2023	- A supply chain integrated solution project has been approved and was implemented in FY 2025, addressing key areas such as (i) supplier portal, (ii) “source to contract” and “procure to pay” services, (iii) inventory management, (iv) contract lifecycle management, (v) risk management, and (vi) master data governance framework - In order to drive further cost savings, increase efficiency and enhance collaboration, Petra has also revisited its supply chain operating model and transitioned to an outsourced model with a seasoned and leading service provider in this area. This new outsourced model has commenced post reporting period, and is expected to be fully operational before the end of CY 2025 - Demand planning to improve inventory management is being rolled out in FY 2026 Change in risk profile during the year Category — Operational risk, short-medium- term Risk owners - Chief Financial Officer
13. Refinancing Petra’s ability to refinance the full outstanding 2L Notes due in March 2026 and the drawn down Revolving Credit Facility (Senior Secured Bank Debt) was introduced as a principal risk during FY 2025 due to the proximity of the maturity dates. Post-Period end, Petra has entered into binding arrangements with its lenders and shareholders to effect the Refinancing announced in August 2025. Impact If the Group is unable to complete the announced Refinancing, it may not be in a position to settle the debt maturing in January 2026 (Senior Secured Bank Debt) and March 2026 (2L Notes),	- The Company has agreed in principle a long-term solution for the refinancing of the Group, subject to shareholder approval, comprising: - an extension to the maturity date of the Senior Secured Bank Debt to December 2029 and certain other changes to the terms of the Senior Secured Bank Debt - an extension to the maturity date of the Notes to March 2030 alongside concurrent amendments to the Notes; and - a US\$25 million rights issue - Ability to settle 2L debt coupon payment in equity instead of cash, if liquidity remains a constraint - The execution of Refinancing arrangements is progressing and is anticipated to be completed during Q4 CY 2025. Change in risk profile during the year Category ↓ Operational risk, short-medium term Risk owners - Chief Financial Officer - Joint Interim CEOs