



29 May 2026

LSE: PDL

**Petra Diamonds Limited
(the “Company” or “Business”)**

Business Update

Vivek Gadodia, Chief Executive Officer of Petra Diamonds, commented:

“We are faced with an unprecedentedly weak diamond market, due to global macro factors as well as the recent Middle East tensions. In particular, we continue to see deterioration in the value of the smaller sized diamonds, where we do not currently expect a material near-term recovery. Our tender results for April 2026 and May 2026 have yielded an average price for Cullinan Mine of c. \$81/ct (compared to \$109/ct in Q3), while Finsch averaged c. \$47/ct (compared to \$56/ct during Q3).

In addition, the sustained stronger Rand has had a significant impact, with no indication that this is going to change in the near future.

In order to mitigate the impacts of the weaker market and the stronger Rand, the Company has been implementing immediate cash preservation measures, which include stopping capital expenditure at Finsch, refocusing effort to increase production in the high value areas in the Cullinan Mine, and piloting additional productivity enhancing levers at the Cullinan Mine.

As has been indicated in previous announcements, the Company has been assessing the business in light of the ongoing headwinds described above, with specific focus on the assessment of the viability of the Finsch Mine due to its product mix being predominantly the smaller sized diamonds, and also not having the benefit of high value Type II stones that the Cullinan Mine produces.

Based on these assessments, it is with regret that the Company today announces commencing a business rescue process at Finsch in accordance with the South African Companies Act. We will now look to appoint a Business Rescue Practitioner and will keep the market updated on any material developments.

This is being done in order to protect the overall Business, which we believe has a viable future given the Cullinan Mine’s unique product mix, which has thus far allowed it to mitigate both the weaker market and the stronger Rand. To ensure a more resilient Business going forward which is able to withstand a weaker for longer market and in light of the expected stronger Rand and the structural decline in prices of the smaller sized diamonds, we need to further optimise the Operations at Cullinan Mine and the rest of Group. We, are therefore, also announcing today the Company’s intention to launch a process contemplated in Section 189A of the South African Labour Relations Act, 66 of 1995, as a way of reducing expenditure at the Cullinan Mine and the rest of the group. The process will be conducted in consultation with employees and organised labour in accordance with applicable law.

These are difficult times for the natural diamond sector, but we remain committed to ensuring safe operations and delivering on our short-term targets. We have full confidence on the Cullinan Mine’s

product mix to outperform the market and will be focusing on creating a more resilient Company on the back of an optimised Cullinan Mine.

We are working towards an updated business plan, which we anticipate being completed by the end of September 2026, taking into account the outcomes of the intended S189A process, the Business Rescue process of Finsch, as well as updated capital and production profiles.”

Update to group guidance for FY 2026 to 2030

The Company confirms that the guidance remains suspended until the new business plan is finalised.

Partial Tender results for April & May 2026

The diamond market remains under pressure with the prices of smaller sized diamonds continuing to see price pressure.

As reported in our Q3 tender results (up to end March 2026), the Cullinan Mine averaged \$109/ct for the Q3 FY2026, while the Finsch Mine averaged \$56/ct. For the months of April and May 2026, realised tender prices for the Cullinan Mine has averaged c. \$81/ct, while the Finsch Mine has averaged c. \$47/ct. Full tender results will be released with our Q4 FY2026 operating update.

The Company does not consider the Cullinan Mine price reduction compared to the third quarter as structural, as the Company expects to see volatility in the product mix from the Cullinan Mine. Importantly, we are continuing with our efforts to increase mining from areas that are known to contain higher value stones.

In relation to the Finsch Mine, however, the Company has seen a continuing decline in financial performance, due to its exposure to the smaller sized diamond market, while also not having the benefit of producing Type II stones that the Cullinan Mine recovers. For context, over 90% of Finsch’s production is 2 cts and below in the rough. We believe that there is now a structural shift on pricing of smaller sized diamonds and therefore do not foresee a significant price appreciation for the smaller sized diamonds.

Cash Generation and Preservation Initiatives

The Group has already implemented immediate cash generation and preservation initiatives to help with improving the liquidity of the Group. Initiatives already underway include the following:

- We have increased our focus at the Cullinan Mine to maximise production from the part of the ore bodies that are known to contain Type II stones.
- We have suspended capital development at Finsch and redirected our capital development crew and machines to increase carat production at Finsch.
- We are currently piloting productivity enhancing initiatives, which if successful, could result in higher throughput, i.e. higher carat recoveries.

Review of Finsch

On 8 May 2026, the Company announced that it was in the process of assessing the current financial situation of the Finsch Mine and the related implications of its financial situation. Further to that announcement, the Company has been considering its options in respect of the financial situation at the Finsch Mine. Given the continued underperformance of the Finsch Mine, largely due to the lower prices achieved for its goods as described above and the sustained stronger Rand negatively impacting the Finsch Mine, Finsch Diamond Mine (Pty) Limited, ("**Finsch**") a subsidiary of the Company, has decided to commence a business rescue process (the "**Finsch Business Rescue**").

The next step is to appoint a Business Rescue Practitioner, who will then take custodianship of Finsch and implement the Finsch Business Rescue in accordance with the South African Companies Act. Further details will be communicated in due course as appropriate.

Review of Cullinan Mine & Group

The Company has also been assessing expenditure at the Cullinan Mine and remaining Group costs due to the ongoing impact of the stronger Rand and also the effect of the smaller sized diamonds on Cullinan Mine's revenues (which is mitigated by its Type II stones). This has both reduced the Company's headroom and is anticipated to maintain pressure on the Group's liquidity in the near term. As a result, and despite the short-term cash generation and preservation initiatives, the Company considers it prudent to implement a sustainable cost reduction at the Cullinan Mine and the rest of the Group. Therefore, the Company also announces its intention to launch a process contemplated in Section 189A of the South African Labour Relations Act, 66 of 1995 as a way of reducing expenditure at the Cullinan Mine and the rest of the Group. We believe this is a necessary step to improve the long-term resilience of the Group.

Discussions with the senior secured bank lender

The Company has entered into discussions with its senior secured bank lender, and has obtained the senior secured bank lender's consent that the Finsch Business Rescue will not result in a default under the senior secured bank facility.

In addition, the Group anticipates that it may not satisfy its minimum liquidity requirement under the senior secured bank facility in the period to 31 October 2026 and in relation to the 30 June 2026 calculation date. The Company has also obtained the senior secured bank lender's consent that any non-compliance arising or which may arise as a result of the Finsch Business Rescue will not result in a default under the senior secured bank facility.

Discussions in relation to the senior secured second lien notes

Similarly, the relevant Group company has obtained the required commitment from more than 50% of the holders of the senior second lien notes to consent to certain waivers under the indenture governing the notes which will ensure that the Finsch Business Rescue and any potential non-compliance with the minimum liquidity requirement will not result in a default under the senior second lien notes. The Company has launched on 29 May 2026 a formal bond consent solicitation process in order to execute a supplemental indenture to implement the relevant waivers.

Leadership changes

In line with the announcement of Business Rescue proceedings at Finsch Mine and the intended Section 189A process across the remainder of the Group, the Board and Juan Kemp have agreed to a mutual separation as part of the Company's broader restructuring and operational realignment.

Juan will step down as Joint CEO Operations at the end of May 2026. The Board expresses its appreciation to Juan for his 18 years with Petra and his 21 years of service at the Cullinan Mine.

Vivek Gadodia will assume the full CEO role and will also be appointed as a Director of the Company. The Board is fully supportive of Vivek's leadership to continue with safe and reliable production at Cullinan Mine, while preserving liquidity in the short term for a more resilient Company going forward.

Concurrently but unrelated to the matters described in this announcement, Deborah Gudgeon has informed the Board that she wishes to stand down as a Non-Executive Director of the Company with immediate effect, due to the commitments on her time arising from her other roles. Consequently, Mrs Gudgeon will step down as the Chair of the Company's Audit & Risk Committee and member of the Company's Remuneration, Nomination and Investment Committees and Kushal Kumar will take on the role of Chair of the Company's Audit & Risk Committee.

Deborah has been on the Board for the past 5 years, and her leadership and inputs have helped the Company in navigating through the many challenges the Company has faced during her tenure.

José Manuel Vargas, Petra's Chair, said:

"On behalf of the Board and Petra, we are grateful to Deborah & Juan for the significant contributions they have made during their tenures and wish them both every success in their future endeavours."

Change of Group Auditor

Following a formal tender process, Petra has appointed PKF Littlejohn LLP ("**PKF**") as its auditor for the financial year ending 30 June 2026. The appointment of PKF for 30 June 2027 will be subject to approval by shareholders at the 2027 Annual General Meeting of the Company.

At the Board's request, the Company's previous auditor, BDO LLP ("**BDO**"), has resigned.

Next steps

The Company will release further announcements in due course, as appropriate.

The information communicated in this announcement is inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**MAR**"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is Tumi Dakada, acting Company Secretary.

FURTHER INFORMATION

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About Petra Diamonds Limited

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in two underground mines in South Africa (Cullinan Mine and Finsch).

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 on the Main Market of the London Stock Exchange under the ticker 'PDL'. The Company's loan notes, due in 2030, are listed on EuroNext Dublin (Irish Stock Exchange). For more information, visit www.petradiamonds.com.