

Why Invest

Petra's key competitive strengths...

Operational track record

3.8 MCTS PRODUCTION

The Group has built up a team with great depth of experience in the management of diamond mining operations, particularly underground operations, as well as expertise operating in Sub-Saharan Africa.

► **Our Business Model**
Pages 12 and 13

Diversified portfolio

4 PRODUCING MINES FROM FY 2019

The Group's portfolio consists of four producing diamond mines (excluding KEM JV), as well as extensive tailings retreatment programmes, which provides flexibility ensuring that Petra is not overly reliant on the performance of any one operation.

► **Operational Review**
Pages 33 to 42

Major resource base

290 MCTS RESOURCE BASE

Petra has developed a major diamond resource totalling 290 million carats. The careful management of these resources will ensure sustainable, long-life mining operations for the Group for many years to come.

► **FY 2018 Resource Statement**
Pages 175 to 178

Sustainability

9.5 US\$ MILLION TRAINING AND DEVELOPMENT PROGRAMMES

Our people are our most important asset as they are tasked with carrying out our strategy. Creating a supportive and rewarding environment in which people can develop their full potential benefits both the individual and Petra, and we invest substantially in the ongoing development of our skills base.

► **Our People**
Pages 50 and 51

Focus on efficiencies

39% ADJUSTED EBITDA MARGIN

Generating operational efficiencies is core to the Group's approach. This is achieved by decentralising operations, simplifying management structures and sharing services across mines, maintaining disciplined on-site and corporate cost control, and designing efficiencies with regards to ore-handling and processing into our expansion programmes.

► **Our Strategy**
Pages 22 to 25

Management culture

11% STAFF TURNOVER

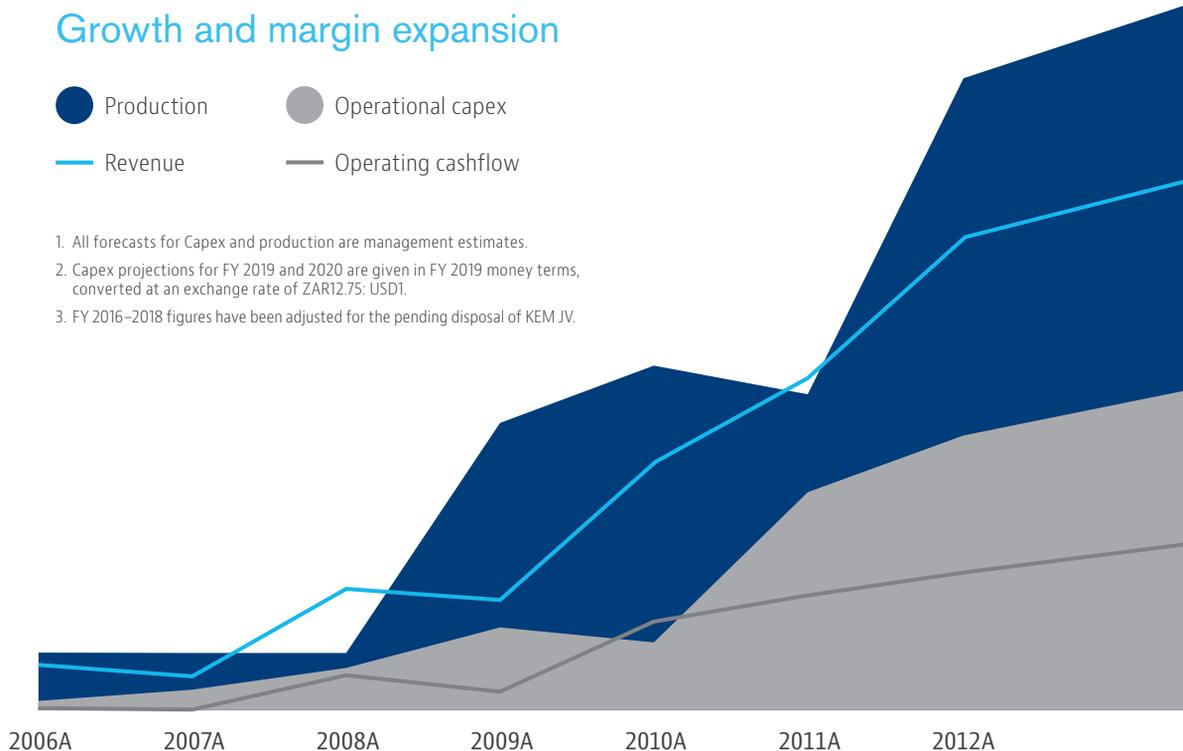
Petra fosters a culture where management is empowered to make decisions suitable to the relevant operations and where innovation and creativity in the workplace are encouraged and rewarded. The ability to apply fresh thinking to our assets and a core objective to keep things simple are also key strengths.

► **Our People**
Pages 50 and 51

Growth and margin expansion



1. All forecasts for Capex and production are management estimates.
2. Capex projections for FY 2019 and 2020 are given in FY 2019 money terms, converted at an exchange rate of ZAR12.75: USD1.
3. FY 2016–2018 figures have been adjusted for the pending disposal of KEM JV.



...entering a new phase

FY 2019 will see a focus on consolidation and optimisation of our portfolio

- ▶ Further to the solid operational performance and production growth to 3.8 Mcts in FY 2018, we are guiding for production to be in the range of 3.8–4.0 Mcts in FY 2019¹.
- ▶ However, the Company is moving its focus away from higher carat volume production targets to instead focus on value optimisation, in order to maximise profitability and returns for shareholders.
- ▶ The majority of production in FY 2019 will be sourced from new, undiluted production areas, namely the Block 5 SLC at Finsch, the C-Cut at Cullinan, the new SLC at Koffiefontein and the open pit at Williamson.
- ▶ As the Company transitions from its capital-intensive phase to steady-state operations, its core focus is on further streamlining operations and re-setting the cost base across its portfolio.
- ▶ Petra remains on track to generate free cashflow, enabling the Company to achieve a reduction in leverage to its target of 2x or less consolidated net debt to consolidated EBITDA by the end of FY 2020.
- ▶ As part of the ongoing review of our portfolio, a binding Heads of Agreement was reached post Year end with regards to the proposed disposal of KEM JV.

1. Excluding KEM JV, following the announcement of its proposed disposal in July 2018.

